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Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM

For Meeting of May 15, 2024

MEDICAL CAMPUS OPERATING ROOM INTEGRATION MODERNIZATION PROJECT, UC DAVIS HEALTH, SACRAMENTO CAMPUS: BUDGET, SCOPE, AND DESIGN FOLLOWING AN EXEMPTION DETERMINATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

EXECUTIVE SUMMARY

UC Davis Health proposes the Medical Campus Operating Room (OR) Integration Modernization project to renovate and upgrade 24 operating rooms in the Surgery and Emergency Services Pavilion (SESP). This project would enable UC Davis Health to continue to provide high-quality surgical care on the Sacramento campus by: (1) replacing end-of-useful-life operating room equipment that is crucial to surgical procedures; (2) renovating the pre-operative and post-operative spaces and a waiting room that are critical to the operations of the surgery unit; (3) providing technology upgrades to improve network infrastructure and wireless capability; and (4) improving critical infrastructure and electrical upgrades that are important in providing high-quality care to patients.

The Medical Campus OR Integration Modernization project renovates approximately 83,000 gross square feet of space in the SESP, replaces necessary equipment in the operating rooms and support spaces, and positions UC Davis Health to provide high-quality and critical surgical care to its patients. Since the SESP opened in 2010, the Department of Surgery has served more than 200,000 patients, providing 16,000 surgeries annually. UC Davis Health has been at the forefront of improving lives and leading the field of medicine through collaboration and utilizing the latest surgical advances available to help have a positive impact on the lives of patients and speed recovery time.

The Regents are being asked to: 1) approve the full budget funding of $107.3 million to be funded with hospital reserves; 2) approve the scope; 3) determine that the project is exempt from the California Environmental Quality Act, and 4) approve the design.

RECOMMENDATION

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that:

A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Medical Campus Operating Room Integration Modernization – preliminary plans for the entire project – $6.3 million funded from hospital reserves.

To: Davis: Medical Campus Operating Room Integration Modernization – preliminary plans, working drawings, construction, and equipment – $107.3 million to be funded from hospital reserves.

B. The scope of the Medical Campus Operating Room Integration Modernization project be amended, which includes upgrades and renovations to approximately 83,000 gross square feet of space in the Surgery and Emergency Services Pavilion (SESP) including 24 operating rooms, pre-operative and post-operative spaces, a waiting room, upgrades to operating room and support spaces equipment, technology upgrades, infrastructure and electrical upgrades, and construction of a new audio-visual room to support the operating rooms.

C. Following review and consideration of the environmental consequences of the Medical Campus Operating Room Integration Modernization project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

(1) Determine that the Medical Campus Operating Room Integration Modernization project is categorically exempt from CEQA.

(2) Approve the design of the Medical Campus Operating Room Integration Modernization project, UC Davis Health, Sacramento campus.

BACKGROUND

UC Davis Health is an integrated, academic healthcare organization maintaining the historic UC Davis tradition of being guided by a public service mission in all its endeavors. UC Davis Health includes the School of Medicine, the Betty Irene Moore School of Nursing, UC Davis Main Hospital, a 646-bed acute care hospital, a National Cancer Institute-designated Cancer Center,

and outpatient clinics on the Sacramento campus and in communities throughout the Sacramento region. UC Davis Health serves six million residents across 33 Northern and Central California counties.

The Surgery and Emergency Services Pavilion (SESP) (refer to Attachment 2) opened in 2010 and is equipped with advanced patient care and information technology resources. The SESP provides space for various patient care services, including emergency rooms, operating rooms, a surgical intensive care unit, cardiology services, and radiology services.

The UC Davis Department of Surgery is committed to delivering world-class patient care and is passionate about training and educating the next generation of surgeons, scientists, and leaders. This project provides the upgrades and modernization required to the space and equipment in the surgical unit, while fostering an environment for teaching and education, to continue providing a high level of care to patients.

The existing operating room equipment is nearing the end of its useful life and making it difficult to order replacement parts and repair. This project is critical to manage risks to patient safety and ensure the ability to perform patient surgeries.

The project was anticipated to have a total project budget of $68 million. Because the project budget was projected to be less than $70 million, full approvals were anticipated via the delegated approval process for capital projects. The campus previously approved preliminary plans in November 2022 for $3.4 million. In August 2023 the Chancellor approved an increase of preliminary plans funding of $2.9 million, for a total of $6.3 million.

During program validation and design, additional scope of work was identified, bringing the project budget to $107.3 million. The additional work includes the pre-operative and post-operative spaces, the waiting room, and other infrastructure and technology upgrades that would have required updates in the future. Inclusion of the added scope to this project minimizes the need to disrupt operations of the space in the future.

PROJECT DESCRIPTION

Program and Scope

The proposed Medical Campus Operating Room (OR) Integration Modernization project renovates and provides upgrades to 83,000 gross square feet of existing space in the SESP (refer to Attachment 2) that would include: (1) replacing end-of-life operating room equipment in 24 rooms; (2) renovating the pre-operative and post-operative spaces and waiting room that are critical to the operations of the unit; (3) providing technology upgrades to improve network infrastructure and wireless capability; and (4) improving critical infrastructure and electrical upgrades.

Table 1 below summarizes the space allocation and scope for this project:

Table 1: Major Space Allocations		
Proposed Space Use	**Approximate gsf**	**Scope**
Operating Rooms (24 Rooms)	37,400	- light and monitor boom replacement - modernization to the audio-visual integrations systems -replacement of medical gas columns -electrical upgrades and operating room lighting in the surgical suite corridors -removal of obsolete nitrous oxide piping -phased construction activities to minimize disruptions to patient care
Pre-Operative/Post-Operative Space	19,300	-headwall replacement for all (62) patient bays -nurse station reconfiguration and replacement to include ergonomic workstations and provide efficient work-flow -electrical upgrades to accommodate workstations for nurse charting
Waiting Room	2,400	-renovations to create separate waiting space for surgical and intensive care unit visitors -addition of a consulting room for confidential discussion with staff and families
Building Support	21,200	-new audio-visual room to support operating room integration system -upgrades to wireless capability and cabling upgrades from CAT5E to CAT6A
	Total 83,000	

Funding Plan and Financial Feasibility

Table 2: Project Funding Plan

Fund Source	**Total**	**Percent of Total**
Hospital Reserves	$107,300,000	100%
Total Sources	**$107,300,000**	**100.0%**

The proposed budget of $107.3 million would be funded with hospital reserves. As of June 30, 2023, UC Davis Medical Center has a 13.3 percent modified margin, 3.9x modified debt service coverage, and 94 modified days' cash on hand, which meet the requirements of the University's Debt Policy. These numbers exclude non-cash pension and retiree health benefits expenses which are allowed by the University's Debt Policy. Additional information on the budget may be found in the Sources and Uses, Attachment 1.

Project Delivery and Schedule

The Medical Campus OR Integration Modernization project will use the progressive design-build method of delivery. Progressive design-build is one application of the design-build delivery method where the process is phased or stepped. Progressive design-build uses a qualification-based selection, followed by a process whereby the Owner then "progresses" towards a design

and the guaranteed maximum price with the builder. There are several advantages to the progressive design-build delivery method. It enables planning, design, and construction personnel to work collaboratively, incorporating lean project delivery methods. This collaborative model results in efficient control over design, quality, and cost, maintaining a fair and transparent process.

The estimated construction completion date for the project is spring of 2028.

PROJECT DESIGN

The proposed project is entirely within the existing building envelope of the Surgery and Emergency Services Pavilion. No work will be performed on the exterior of the building.

The interior upgrades will include patient areas that are designed to feel warm and welcoming while also maximizing the efficiency and collaboration of staff areas. The upgrades will provide new flooring, paint, wall protection, accent wood ceilings, decorative lighting, accent furniture, and new sliding doors in various areas. Material selections will provide good maintainability and longevity, drawing from current UC Davis Health interior standards and best practices. The interiors will complement and enhance the building's exterior through materials, color, and lighting to ensure a cohesive approach that ties the campus and the community. Additional information may be found in the Design Graphics, Attachment 3.

Long Range Development Plan

The project is consistent with the 2020 Long Range Development Plan (LRDP) Update. The LRDP land use designation for the site is Hospital, which includes not only the Main Hospital and Davis Tower, but also the Trauma Nursing Unit, the Surgery and Emergency Service Pavilion, and other support buildings that serve the hospital area. As a project that renovates and upgrades the surgical unit in the SESP to allow UC Davis Health to continue to provide a high level of patient care, this project is consistent with allowed uses within the land use designation.

CONSISTENCY WITH SELECT UC POLICIES AND PRACTICE

The project is consistent with UC Policies and Practices. See Attachment 4 for more information regarding Seismic Safety, Sustainability, and Small/Disabled Veteran Business Enterprises.

CEQA COMPLIANCE

It has been determined that the Medical Campus OR Integration Modernization is exempt under the CEQA Guidelines Section 15301, Class 1 Existing Facilities, which applies to the operation, repair, maintenance or minor alteration of existing structures, facilities, mechanical equipment or land, involving negligible, or no expansion of existing or former use; and therefore, it can be seen with certainty that the OR Integration Modernization will not have a significant impact on the environment. None of the exceptions to the exemption apply (CEQA Guideline Section 15300.2).

Key to Acronyms:

CEQA	California Environmental Quality Act
GSF	Gross Square Feet
LRDP	Long Range Development Plan
OR	Operating Rooms
SESP	Surgery and Emergency Services Pavilion

ATTACHMENTS:

Attachment 1:	Project Sources and Uses
Attachment 2:	Site Map
Attachment 3:	Design Graphics
Attachment 4:	Statement of Consistency with Select UC Policies and Practice

ATTACHMENT 1

PROJECT SOURCES AND USES

MEDICAL CAMPUS OPERATING ROOMS INTEGRATION MODERNIZATION

SOURCES

Sources	Total	% of Total
Hospital Reserves	$107,300,000	100 %
Total Sources	**$107,300,000**	**100%**

USES

Cost Category	Total	% of Total[1]
Site Clearance		
Building	$66,865,000	**81.1%**
Exterior Utilities		
Site Development		
A&E Fees[2]	$7,001,000	**8.5%**
Campus Administration[3]	$1,838,000	**2.2%**
Surveys, Tests, and Plans[4]	$814,000	**1.0%**
Special Items[5]	$1,227,000	**1.5%**
Project Contingency	$4,722,000	**5.7%**
Subtotal (P-W-C Cost)[6]	**$82,467,000**	**100%**
Group 2 & 3 Equipment	$24,833,000	
Project Total	**$107,300,000**	
GRAND TOTAL	**$107,300,000**	

(1) Because of rounding, some totals may not correspond with the sum of the separate parts.
(2) A&E Fees include architect, professional design consultants, and external project/construction management.
(3) Campus Administration includes project management, planning, engineering, and design review.
(4) Surveys, Tests, and Plans include geotechnical soil borings, site surveying, and other design-phase testing.
(5) Special Items include programming, peer reviews, specialty consultants, and agency fees.
(6) Preliminary Plans (P), Working Drawings (W), and Construction (C).

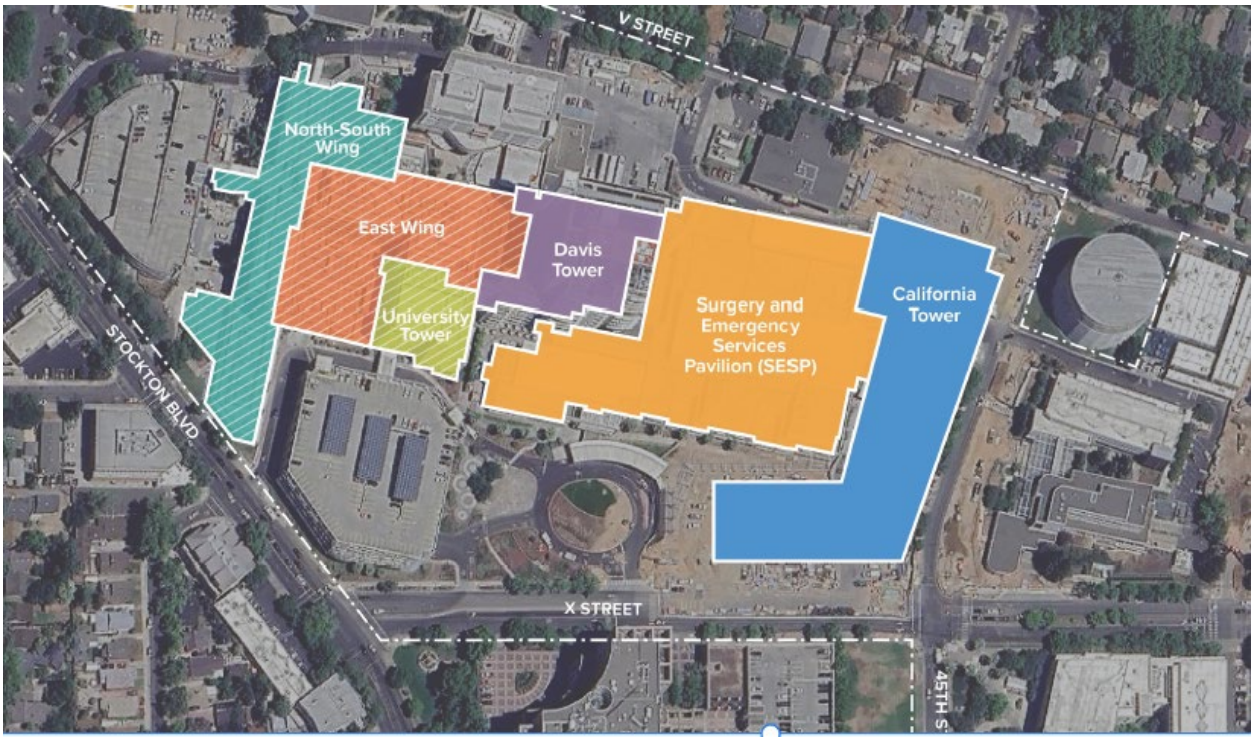
PROJECT STATISTICS

Gross Square Feet (GSF)	83,000
Assignable Square Feet (ASF)	59,000
Efficiency Ratio ASF/GSF:	73.5%
Building Cost/GSF	$833
Building Cost/ASF	$1,133
P-W-C Cost/GSF	$1,027
P-W-C Cost/ASF	$1,398

ATTACHMENT 2

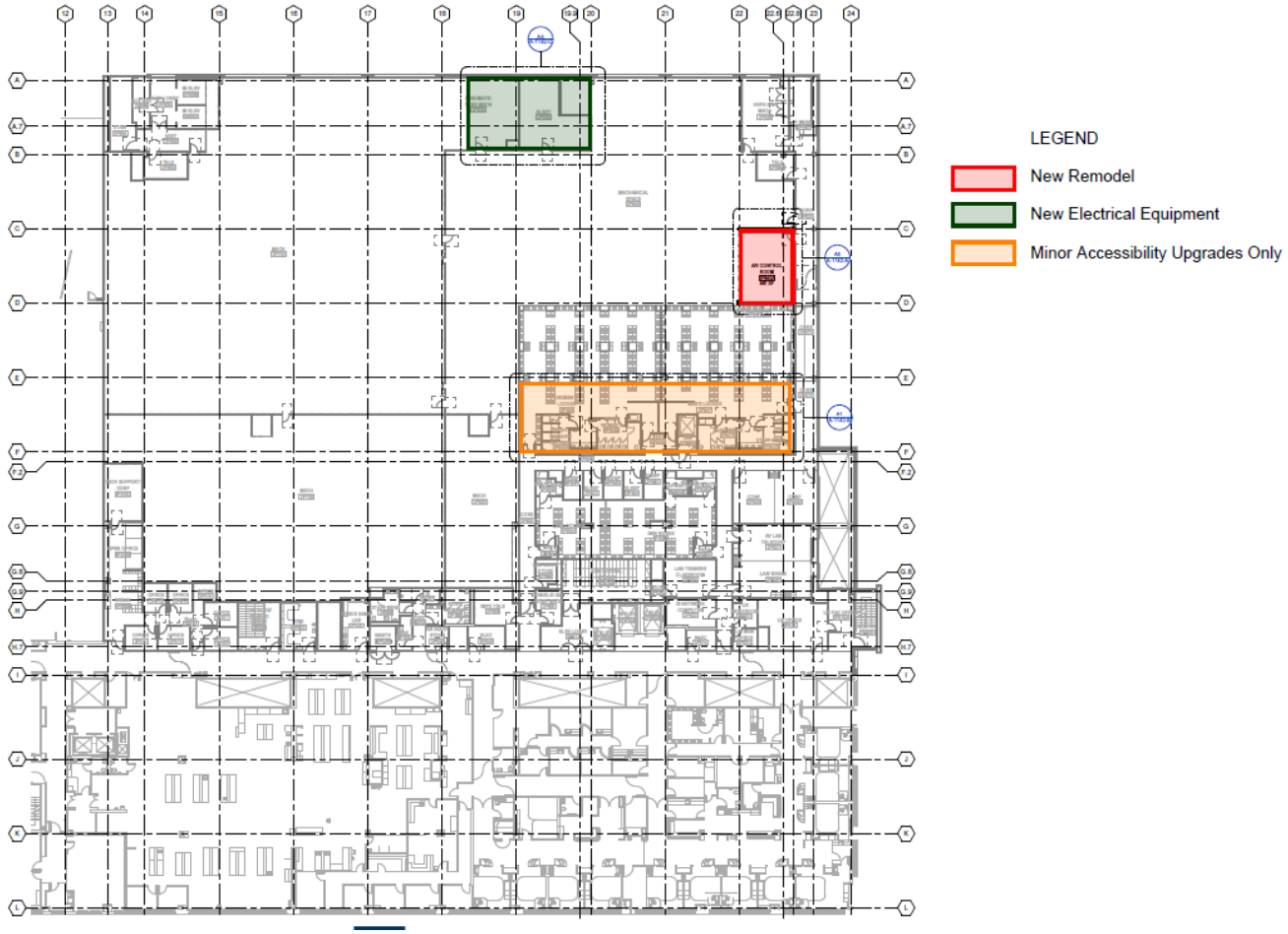
SITE MAP

UC Davis Medical Center



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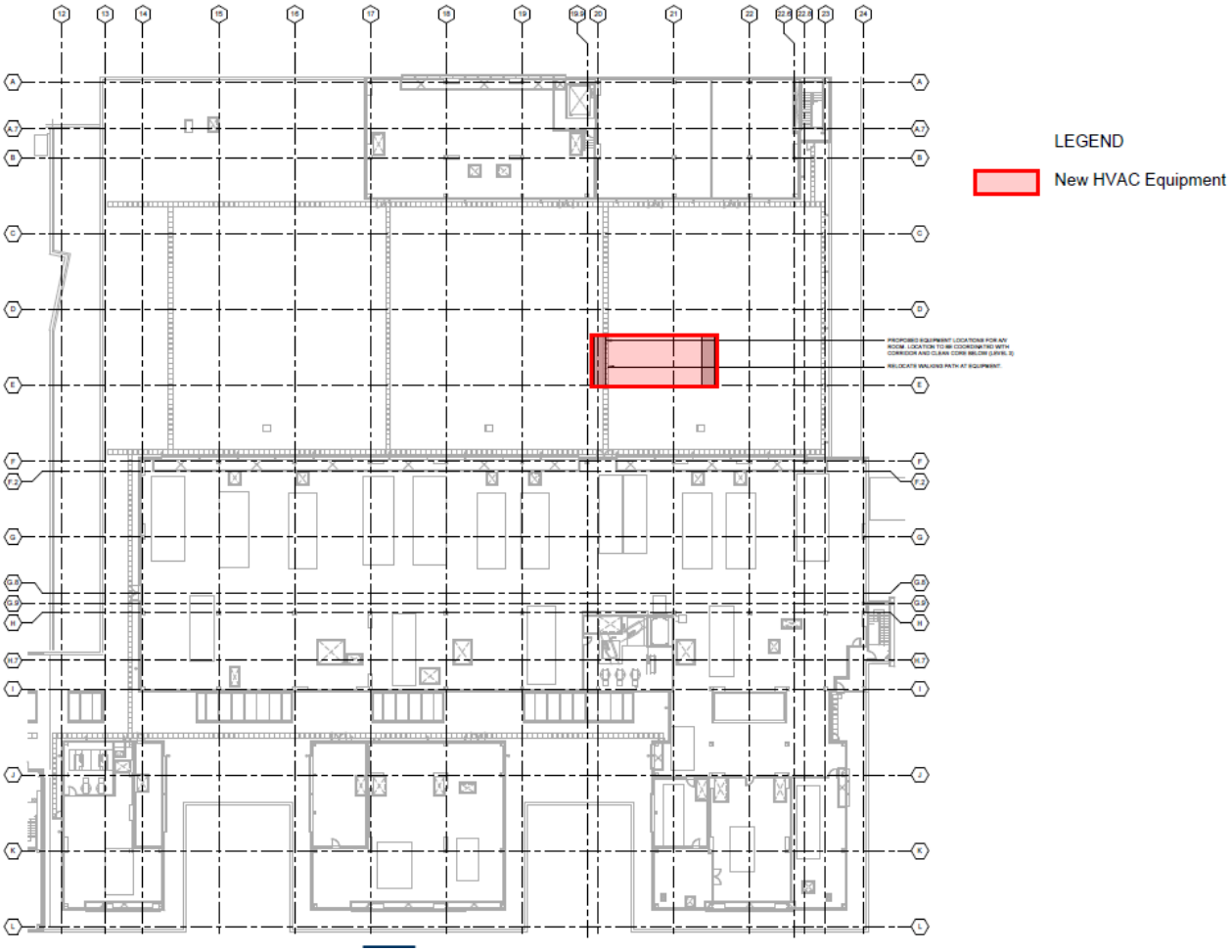
SESP – 2nd Floor Plan



SESP – 3rd Floor Plan



SESP – Roof Plan



ATTACHMENT 3

DESIGN GRAPHICS

Floor Plan: Current State – 24 Operating Rooms



LEGEND

- Multidisciplinary OR
- Hybrid OR
- Burn OR
- CV OR
- Flexible OR
- Trauma OR
- Staff Toilet
- Clean Core
- Semi-Restricted Corridor
- Trauma Elevator

PROGRAM REQUEST

1 Hybrid OR
2 CVOR
2 Flexible OR (Burn compatible)
1 Burn OR

Floor Plan: Future State – 24 Operating Rooms



LEGEND

- Multidisciplinary OR
- Hybrid OR
- Burn OR
- CV OR
- Flexible OR
- Trauma OR
- Staff Toilet
- Clean Core
- Semi-Restricted Corridor
- Trauma Elevator

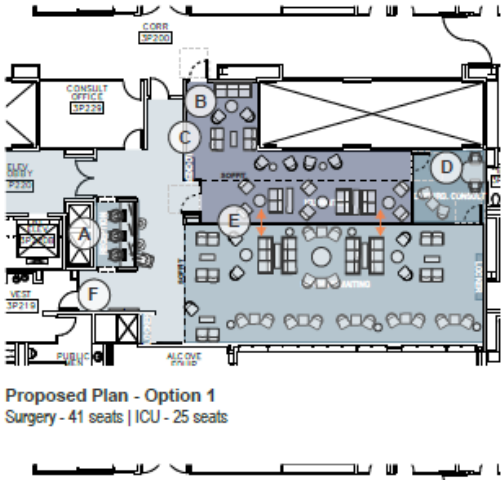
PROGRAM REQUEST

1 Hybrid OR
2 CVOR
2 Flexible OR (Burn compatible)
1 Burn OR

Floor Plan: Pre-Operative & Post-Operative



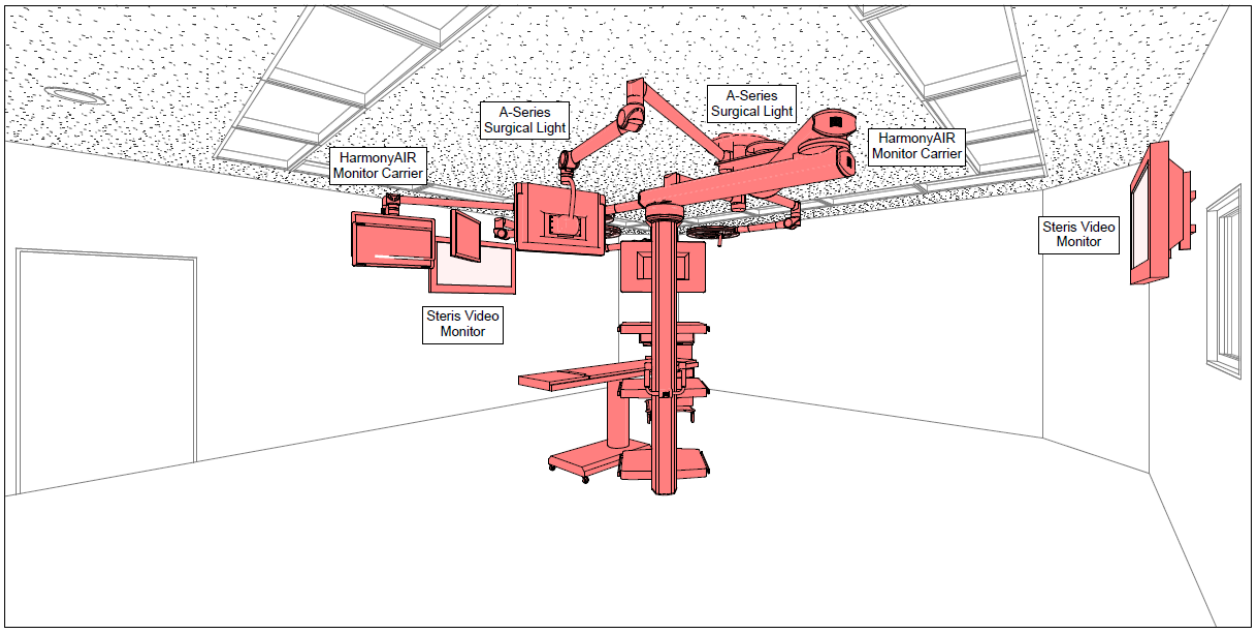
Floor Plan: Waiting Room



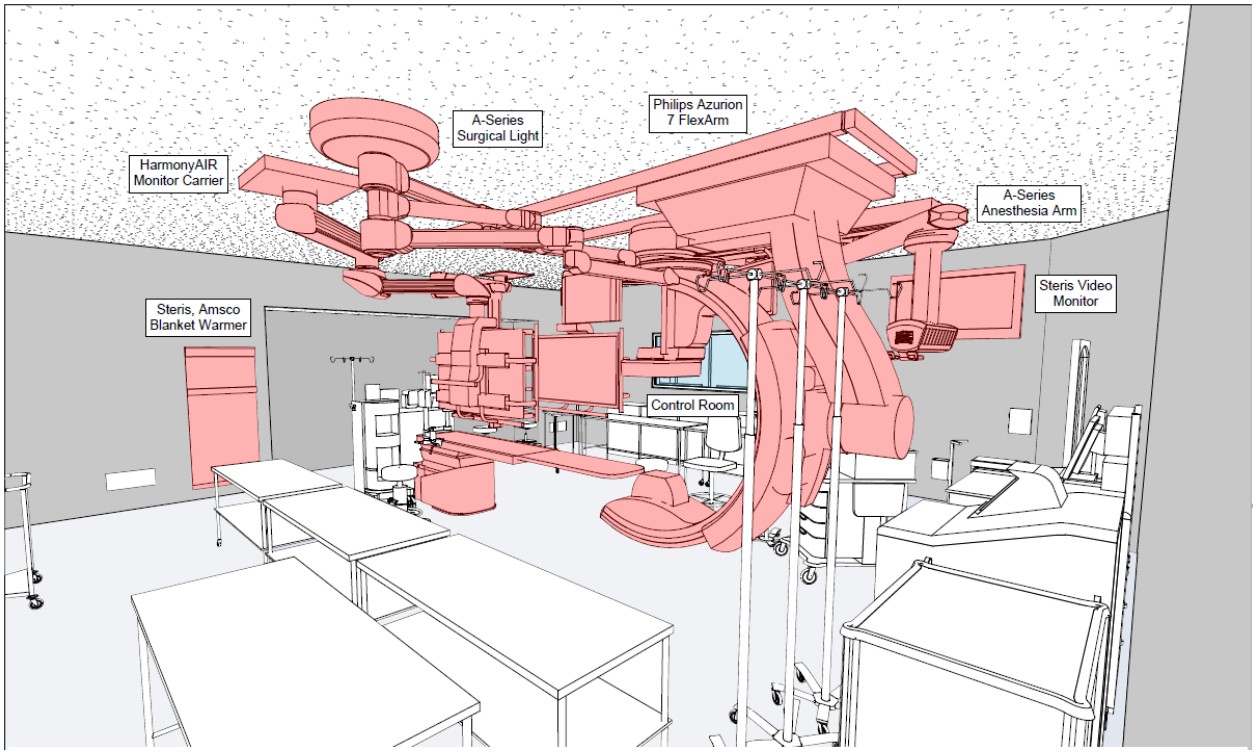
LEGEND

- (A) Enclosed Reception w/ doors
- (B) Separate ICU waiting
- (C) Designated lockers for ICU waiting
- (D) Surgery / ICU Consult room - locked after hours
- (E) Transom window on partition wall to allow daylight
- (F) Patient status board

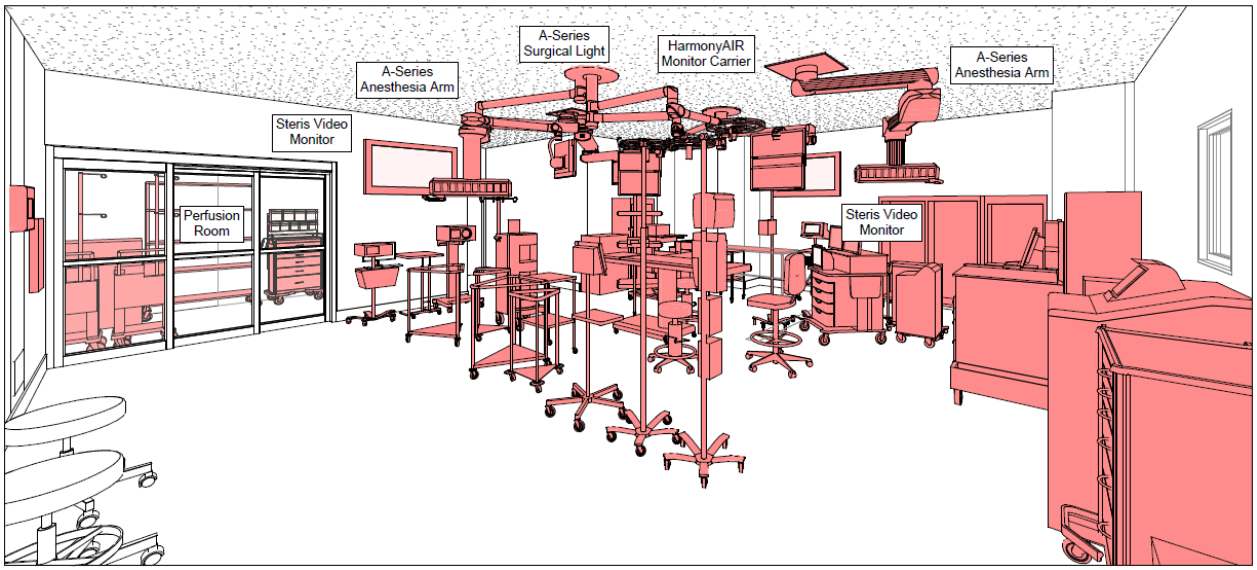
Isometric View: Multidisciplinary OR (Typical)



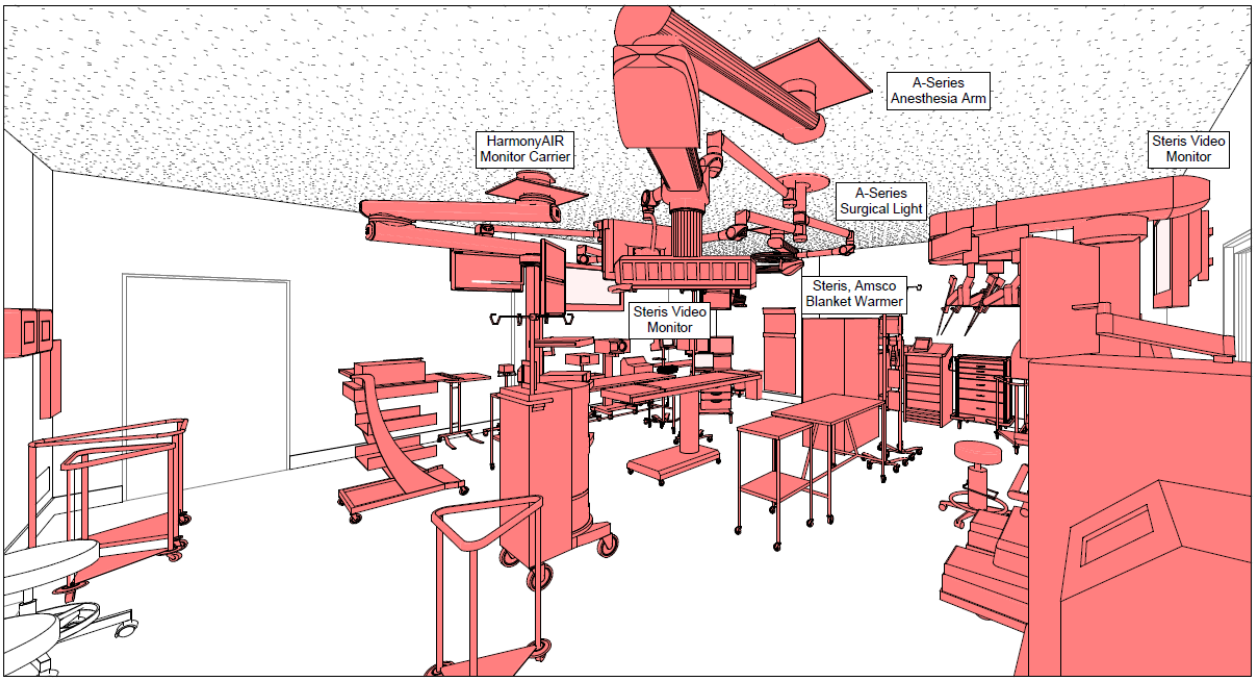
Isometric View: Hybrid OR



Isometric View: Cardiovascular OR



Isometric View: Flexible OR



ATTACHMENT 4

STATEMENT OF CONSISTENCY WITH SELECT UC POLICIES AND PRACTICE

The project is consistent with selected UC Policies and Practices:

Sustainable Practices Policy

This project will comply with the University of California Sustainable Practices Policy. The Sustainable Practices Policy establishes goals for green building, clean energy, transportation, climate protection, facilities operations, zero waste, procurement, food service, and water systems. A full range of sustainability practices for building design and operations is included in the budgeting, programming, and design effort for the project.

Small Business Enterprises (SBEs) and Disabled Veteran Business Enterprises (DVBEs)

The campus is committed to promoting and increasing participation of Small Business Enterprises (SBEs) and Disabled Veteran Business Enterprises (DVBEs) in all purchasing and contract business, subject to any applicable obligations under State and federal law, collective bargaining agreements, and University policies. The Campus regularly communicates with interested contractors and consultants to provide information about how to find opportunities to work at the campus and to encourage them to respond to the annual announcement soliciting interest to perform services. Providing qualified SBEs with the maximum opportunity to participate will be encouraged with the selected design professionals and contractors with the goal of meeting 25 percent participation.

Seismic Safety

This project will comply with the University of California Seismic Safety Policy, including independent seismic peer review.