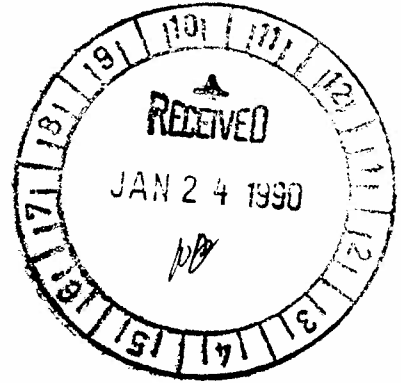


Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
UFISINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

JAN 18 1990



The Honorable Joe T. San Agustin
Speaker, Twentieth Guam Legislature
Post Office Box CB-1
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 937, which I have signed into law this date as Public
Law 20-120.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joseph F. Ada".

JOSEPH F. ADA
Governor

200665

Attachment

A handwritten signature in cursive script, appearing to read "Ada".

RECEIVED JAN 24 1990



TWENTIETH GUAM LEGISLATURE
1990 (SECOND) Regular Session

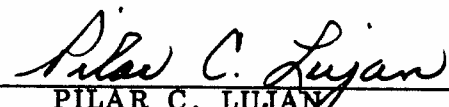
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 937 (LS), "AN ACT TO APPROPRIATE EIGHT MILLION THREE HUNDRED EIGHTY-SIX THOUSAND NINETY-ONE DOLLARS TO THE GUAM MEMORIAL HOSPITAL AUTHORITY FOR CAPITAL IMPROVEMENT PROJECTS AND COLLATERAL EQUIPMENT," was on the 4th day of January, 1990, duly and regularly passed.




JOE T. SAN AGUSTIN
Speaker

Attested:



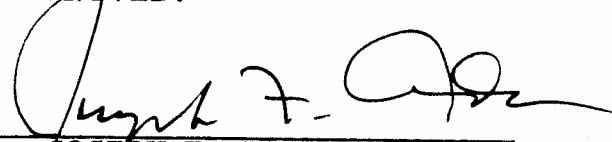
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 18 day of Jan., 1990,
at 6:00 o'clock p.m.



Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

Date: JAN 18 1990

Public Law No. 20-120

TWENTIETH GUAM LEGISLATURE
1989 (FIRST) Regular Session

Bill No. 937 (LS)
As substituted by the Committee
on Health, Welfare and Ecology
and as further substituted by the
Committee on Rules on 1/3/90.

Introduced by:

M. Z. Bordallo
C. T. C. Gutierrez
J. T. San Agustin

H. D. Dierking
P. C. Lujan
E. P. Arriola
J. P. Aguon
G. Mailloux
T. S. Nelson
D. Parkinson
F. J. A. Quitugua
E. D. Reyes
F. R. Santos
J. G. Bamba
M. C. Ruth
M. D. A. Manibusan
E. M. Espaldon
T. V. C. Tanaka
A. R. Unpingco
E. R. Duenas
D. F. Brooks

AN ACT TO APPROPRIATE EIGHT MILLION
THREE HUNDRED EIGHTY-SIX THOUSAND
NINETY-ONE DOLLARS TO THE GUAM
MEMORIAL HOSPITAL AUTHORITY FOR
CAPITAL IMPROVEMENT PROJECTS AND
COLLATERAL EQUIPMENT.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2 Section 1. Eight Million Three Hundred Eighty-Six Thousand
3 Ninety-One Dollars (\$8,386,091) are hereby appropriated from the General
4 Fund to the Guam Memorial Hospital Authority ("GMHA") for capital
5 improvement projects and the purchase of collateral equipment. The funds
6 shall be from the 1991 fiscal year revenues but may be advanced from cash
7 available in the fiscal year 1990; provided, however that those
8 appropriations made prior to the effective date of this Act for other GMHA

1 capital improvement projects shall have priority in the use of available cash
2 if drawdowns for such other projects are required prior to disbursement of
3 funds under this Act.

TWENTIETH GUAM LEGISLATURE
1989 (FIRST) Regular Session

ROLL CALL SHEET

Bill No. 937

Date: 1/4/90

Resolution No. _____

QUESTION: _____

	<u>AYE</u>	<u>NAY</u>	<u>NOT VOTING</u>	<u>ABSENT</u>
J. P. Aguon	✓			
E. P. Arriola	✓			
J. G. Bamba	✓			
M. Z. Bordallo	✓			
D. F. Brooks	✓			
H. D. Dierking	✓			
E. R. Duenas	✓			
E. M. Espaldon	✓			
C. T. C. Gutierrez	✓			
P. C. Lujan	✓			
G. Mailloux	✓			
M. D. A. Manibusan				✓
T. S. Nelson	✓			
D. Parkinson				✓
F. J. A. Quitugua	✓			
E. D. Reyes	✓			
M. C. Ruth	✓			
J. T. San Agustin	✓			
F. R. Santos	✓			
T. V. C. Tanaka	✓			
A. R. Unpingco	✓			

19

2

Introduced

SEP 15 '89

TWENTIETH GUAM LEGISLATURE
1989 (FIRST) REGULAR SESSION

Bill No. 937 (LS)

Introduced By:

M. Z. BORDALLO *MZB*

AN ACT TO APPROPRIATE THE SUM OF
TEN MILLION ONE HUNDRED EIGHTY SIX THOUSAND NINETY ONE DOLLARS
(\$10,186,091.00)
TO THE GUAM MEMORIAL HOSPITAL AUTHORITY
FOR CAPITAL IMPROVEMENT PROJECTS AND COLLATERAL EQUIPMENT

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. The sum of Ten Million One Hundred Eighty Six
3 Thousand Ninety One Dollars (\$10,186,091.00) is appropriated to the
4 Guam Memorial Hospital Authority for capital improvement projects
5 and collateral equipment.



Senator Madeleine Z. Bordallo

Chairperson, Committee on Health, Welfare & Ecology
Twentieth Guam Legislature

November 27, 1989

VICE CHAIRPERSON:

COMMITTEE ON
HOUSING & COMMUNITY
DEVELOPMENT

COMMITTEE ON
ECONOMIC DEVELOPMENT

MEMBER:

Committee on Energy,
Utilities & Consumer
Protection

Committee on
General Governmental
Operations

Committee on
Justice, Judiciary &
Criminal Justice

Committee on
Youth, Human Resources,
Senior Citizens &
Cultural Affairs

Committee on Rules

Legislative Member
Commission on
Self-Determination

Honorable Joe T. San Agustin
Speaker, Twentieth Guam Legislature
163 Chalan Santo Papa
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Health, Welfare and Ecology, to which was referred Bill No. 937: "AN ACT TO APPROPRIATE THE SUM OF EIGHT MILLION THREE HUNDRED EIGHTY SIX THOUSAND NINETY ONE DOLLARS (\$8,386,091.00) TO THE GUAM MEMORIAL HOSPITAL AUTHORITY FOR CAPITAL IMPROVEMENT PROJECTS AND COLLATERAL EQUIPMENT" does recommend that the Bill, as Substituted, be Passed by the Twentieth Guam Legislature.

Votes of the Committee Members are as follow:

To Pass	<u>10</u>
To Not Pass	<u>0</u>
To Report Out Only	<u>0</u>
To Place In The Inactive File	<u>0</u>
Abstained	<u>0</u>
Off-Island	<u>2</u>
Not Available	<u>0</u>

Respectfully submitted,

Madeleine Z. Bordallo
MADELEINE Z. BORDALLO

Enclosures

COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

COMMITTEE REPORT ON SUBSTITUTE BILL NO. 937

"AN ACT TO APPROPRIATE THE SUM OF
EIGHT MILLION THREE HUNDRED EIGHTY SIX THOUSAND NINETY ONE DOLLARS
(\$8,386,091.00) TO THE GUAM MEMORIAL HOSPITAL AUTHORITY
FOR CAPITAL IMPROVEMENT PROJECTS AND COLLATERAL EQUIPMENT"

PREFACE

A Public Hearing on Bill No. 937 was conducted by the Committee on Health, Welfare and Ecology on October 19, 1989 at 2:00 p.m. in the Legislative Session Hall.

Members Present: Chairperson Senator Madeleine Z. Bordallo; Senator Martha C. Ruth.

Witnesses Heard: GMHA Administrator George B. Palican, GMHA Planning staff member Lina Leon Guerrero, and Mr. Robert A. Houdek, Mercy International Health Services, a contractor for GMHA.

SUMMARY OF TESTIMONY

GMHA representatives support Bill No. 937, but request that the amount be adjusted downwards to reflect partial funding of \$1.8 million received via the Governor's transfer authority. The prospect of receiving additional funds in the FY90 Federal budget is doubtful, based on latest communication with OTIA. Under questioning by the Chairperson, GMHA would not support redirection of the FY90 GMHA operational subsidy, since the amounts have already been incorporated into the GMHA accounting system, and their use is "in motion."

The hospital cannot request an accreditation inspection until the completion of construction, according to GMHA Administrator Palican.

Public Works and project architects provided this "most current calculation" of CIP cost, which is "firm" to December 1, 1989. Delay in appropriating the funds will require an adjustment to reflect changing local construction market conditions.

Under questioning by a committee member, GMH indicated that an advance appropriation from FY91 revenues would be acceptable, when the bill is amended to identify the source of funding.

Mr. Houdek appeared in support of the bill. He is contracted to assist the hospital in meeting accreditation standards, in preparation for JCAHO inspection next year. He stated in oral testimony, "This is the most needed, best planned, and best controlled (facility construction and renovation) plan I've ever been involved in. You have dedicated people at GMH."

The fiscal note from BBMR reflects GMHA's request for \$3,386,091.00.

Subsequent to the hearing, GMHA elaborated on the allocation of requested funds, and comparisons with earlier cost estimates. Supplemental testimony is dated October 26, 1989.

COMMITTEE FINDINGS/RECOMMENDATIONS

The Committee finds that \$1.8 million in FY89 funds were transferred from other agencies in September to partially reimburse the GMH operations budget for a July transfer of \$2.0 million from GMHA operations to the GMHA CIP account. All supporting documents are attached to this report.

The cost of Package VI (formerly Package IVb) has been reduced from \$4.2 million to about \$2.1 million, as some items have been removed. Also, funding for collateral equipment was requested but not included in the FY90 budget.

The bill has been amended to reflect the revised request by GMHA, and to identify a funding source. The language to appropriate from FY91 revenues was based on the text of Substitute Bill 1011, passed by the Legislature on October 20, 1989.

The Committee finds that this appropriation will provide funding to complete construction, renovation and upgrading of the physical facilities at GMH.

The Committee recommends Bill No. 937, as Substituted, to be Passed by the 20th Guam Legislature.

ATTACHMENTS

1. Committee Voting Sheet on Substitute Bill No. 937.
2. Bill No. 937, as Substituted by the Committee.
3. Bill No. 937 as referred to the Committee.
4. Testimony by GMHA Administrator George B. Palican, dated October 19.
5. Supplemental testimony by Mr. Palican, dated October 26.
6. Itemized listing and corresponding costs for CIP components.
7. "Groundbreaking and Signing Ceremony for Phase II Packages III, IV and V" dated 9/14/89.
8. Testimony of GMHA Acting Administrator to Ways and Means Cmte., on Bill No. 804, proposed FY90 budget. CIP funds requested, 7/19/89
9. Letter from GMHA Acting Administrator to Ways and Means Cmte chairman, on CIP collateral equipment, dated 6/23/89.
10. GMHA letter to Cmte Chairperson re: need for CIP funds.
Cover letter, dated 8/29/89.
CIP Status Report, dated 6/29/89.
11. Letter from BBMR on transfer of \$1.8 million from DOE and GPD to GMH.
12. BBMR/Governor's Office documents on \$1.8 million transfer.
13. Referral by Committee on Rules of documents on the transfer of \$2.0 million from GMHA Operations to the GMHA CIP account:
 - a. Referral memorandum, dated 10/13/89.
 - b. GMHA letter to Gov. Ada, dated 7/28/89.
 - c. Governor's Memorandum to Speaker on Transfer on 7/6/89.
14. Fiscal Note from BBMR on Bill No. 937.
15. Committee Members Attendance Sheet.
16. Witness Attendance Sheet.

COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

VOTING SHEET

SUBSTITUTE BILL NO. 937

"AN ACT TO APPROPRIATE THE SUM OF EIGHT MILLION THREE HUNDRED EIGHTY SIX THOUSAND NINETY ONE DOLLARS (\$8,386,091.00) TO THE GUAM MEMORIAL HOSPITAL AUTHORITY FOR CAPITAL IMPROVEMENT PROJECTS AND COLLATERAL EQUIPMENT"

<u>COMMITTEE MEMBER</u>	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>TO REPORT OUT ONLY</u>	<u>TO PLACE IN INACTIVE FILE</u>
<i>Madeleine Z. Bordallo</i> MADELEINE Z. BORDALLO Chairperson	✓			
GORDON MAILLOUX Vice-Chairperson				
<i>Elizabeth P. Arriola</i> ELIZABETH P. ARRIOLA Member	✓			
<i>Herminia D. Dierking</i> HERMINIA D. DIERKING Member	✓			
<i>Pilar C. Lujan</i> PILAR C. LUJAN Member	✓			
TED S. NELSON Member	✓			
<i>Edward D. Reyes</i> EDWARD D. REYES Member	✓			
ERNESTO ESPALDON Member				
<i>Marilyn Mambuan</i> MARILYN M.A. MANIBUSAN Member	✓ 10/27/89			
<i>Martha C. Ruth</i> MARTHA C. RUTH Member	✓ 10/27/89			
TOMMY TANAKA Member				
<i>Antonio B. Unpingco</i> ANTONIO B. UNPINGCO Member	✓			

TWENTIETH GUAM LEGISLATURE
1989 (FIRST) REGULAR SESSION

Bill No. 937
As Substituted by the
Committee on Health, Welfare and Ecology

Introduced By:

M. Z. BORDALLO

M.C. RUTH

M. S. [Signature]

AN ACT TO APPROPRIATE THE SUM OF
EIGHT MILLION THREE HUNDRED EIGHTY SIX THOUSAND NINETY ONE DOLLARS
(\$8,386,091.00) TO THE GUAM MEMORIAL HOSPITAL AUTHORITY
FOR CAPITAL IMPROVEMENT PROJECTS AND COLLATERAL EQUIPMENT

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2 Section 1. The sum of Eight Million Three Hundred
3 Eighty Six Thousand Ninety One Dollars (\$8,386,091.00) is
4 appropriated to the Guam Memorial Hospital Authority for
5 capital improvement projects and collateral equipment. The
6 funds shall be from the 1991 fiscal year revenues but may be
7 advanced from cash available in the fiscal year 1990;
8 provided, however that those appropriations made prior to the
9 effective date of this Act from fiscal year 1990 funds for
10 capital improvement projects shall have priority in the use
11 of available cash if drawdowns for such other projects are
12 required prior to disbursement of funds pursuant to this Act.

TWENTIETH GUAM LEGISLATURE
1989 (FIRST) REGULAR SESSION

Bill No. 937 (LS)

Introduced By:

M. Z. BORDALLO



AN ACT TO APPROPRIATE THE SUM OF
TEN MILLION ONE HUNDRED EIGHTY SIX THOUSAND NINETY ONE DOLLARS
(\$10,186,091.00)
TO THE GUAM MEMORIAL HOSPITAL AUTHORITY
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3 Thousand Ninety One Dollars (\$10,186,091.00) is appropriated to the
4 Guam Memorial Hospital Authority for capital improvement projects
5 and collateral equipment.



GUAM MEMORIAL HOSPITAL AUTHORITY

850 GOV. CARLOS G. CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 646-5801; 646-6876; 646-6711 thru 18
TELEX 671-6227, FAX 671-649-0145



October 26, 1989

Honorable Madeleine Z. Bordallo
Chairperson, Committee on Health,
Welfare and Ecology
Twentieth Guam Legislature
Agana, Guam 96910

Dear Senator Bordallo:

At your request, we have prepared and attached a breakdown of the Hospital's funding requirements for the completion of its ongoing construction projects as well as for initiating a new phase of work, Package VI (formerly referred to as Package IV.B.). We have used the specific items referenced in my testimony on Bill 937 submitted to your Committee on October 19, 1989. (A copy of this testimony is attached for your records as well.)

In addition, we have developed an historical analysis of the funding requirements and the necessary changes in cost that have occurred over the last several months and have affected some of the details for financing Hospital construction. The analysis is based on the unfunded capital improvement projects listed in the Summary of Costs presented in Dr. Edwardo Cruz's testimony on Bill 904; the Summary of Total Project Costs for Renovation and Expansion included in the presentation for the September 14, 1989 groundbreaking ceremonies; and the details provided for our testimony on Bill 937.

1. (a) The original estimate for the additions to Packages III, IV and V was \$586,550.00. It was to cover the design costs and construction costs for upgrading the communications system and signage; providing automatic doors for the operating rooms; installing medical, dietary and CT Scan fire protection equipment; and improving the ventilation system within the cardiopulmonary suite.

The scope of work for these additions has since been expanded to include provisions for the Hospital's emergency water storage and has resulted in a cost increase for this work. The revised estimate for the additions is \$908,246.00. Please note that the A&E services are still to be negotiated by DPW officials, and that the final cost of construction will be dependent upon the Contractor's ability to do the additional work within the time allotted for the existing contract.

- (b) In addition to the added work totaling \$908,246.00 for Packages III, IV and V, the Hospital has identified funding requirements to accommodate

extra work, i.e., necessary construction change orders, for the duration of these construction projects. This particular item for funding is a necessity that results from the lack of "as-built" drawings, i.e., the blueprints that identify where the existing utility and service lines are located (whether they be underground, behind the walls or within the ceiling). The Contractor has already uncovered unforeseen utilities during its site preparation activities and is likely to discover many more as the work moves inside the facility for remodeling.

Our estimate for these necessary construction change orders \$1,142,954.00. This estimate is based on the anticipated cost of the extra work, having said work done expeditiously if needed (as with the relocation of our medical gas lines), and on completing the work without a time extension in the contract.

2. The cost for Construction Management/A&E services is the same: \$400,000.00.
3. Likewise, the cost for obtaining Typhoon Shutters for those areas of the Hospital that are not part of construction has remained the same: \$178,000.00.
4. The cost of Package VI was originally estimated at \$4,200,000.00 and included the remodeling and expansion of the Laboratory and ICU/CCU; the remodeling of the Emergency Room and Surgical suites; and the procurement of equipment for these remodeled and expanded areas. Each of the elements of this phase of work is intended to address the increasing demand for hospital care from a growing population. However, in the interest of completing those projects that are essential to current operations and to regaining Joint Commission accreditation within the budget previously presented to you, we have temporarily scaled down this phase of work and reallocated some of the funds to the additional work slated for Packages III, IV and V.

The revised estimate of \$2,134,407 is to include the designs for Package VI as well as construction and equipment purchases associated with the remodeling and expansion of the Laboratory and ICU/CCU. The remaining items can be addressed as funding becomes available. As you may recall, there is still a pending \$2 million FY'90 federal CIP request with the Department of Interior (DOI). If DOI is successful in securing this additional \$2 million for the Hospital's capital improvements, then the completion of Package VI becomes feasible.

5. The temporary allocation of \$2,000,000 in GMH operational funds for awarding the contract for Packages III, IV and V has been reduced by the recent reimbursement of \$1.8 million. The remaining balance is \$200,000.00 as stated in testimony on Bill 937.

I trust that information presented herein will be sufficient for your Committee report. However, if you have any additional questions or comments, please feel free to contact me or Ms. Lina Leon Guerrero in the Planning Office.

Your continued support for the Guam Memorial Hospital Authority is greatly appreciated. I look forward to continuing to work with you.

Sincerely yours,


GEORGE B. PALICAN
Hospital Administrator

Attachments

cc: Director, BBMR



GUAM MEMORIAL HOSPITAL AUTHORITY

850 GOV. CARLOS G. CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 646-5801; 646-6876; 646-6711 thru 18
TELEX 671-6227, FAX 671-649-0145



Testimony on Bill No. 937
An Act to Appropriate \$10,196,081
for Capital Improvement Projects and Collateral Equipment

Submitted to the Committee on Health, Welfare and Ecology
Twentieth Guam Legislature
October 19, 1989

Good afternoon, ladies and gentlemen. My name is George Palican. I am the newly appointed Hospital Administrator for the Guam Memorial Hospital Authority; and I am here to testify in support of Bill No. 937 with modifications.

Before I proceed, I would like to thank Senator Bordallo and the Committee on Health, Welfare and Ecology for your continued support of the Hospital's Capital Improvement Program. It is clear that without your assistance, we would have been unable to progress as far as we have thus far and it is with your continued assistance that we believe we can progress even further. On behalf of the Board of Trustees, the Staff and Management, I thank you.

As you know, Bill No. 937 is an act to appropriate \$10,186,091.00 for the Hospital's capital improvement projects and collateral equipment. The bill is based on the Hospital's previous requests to secure additional funding for accreditation-related projects; collateral equipment; facility expansion plans that address Guam's population growth; and to reimburse \$2,000,000 in GMHA operational funds that had been temporary allocated to allow for the award of the recently approved \$12.3 million contract for Packages III, IV, and V. I am pleased to report that the Hospital has recently received \$1,800,000 to replenish part of the expended operational funding, and that our construction funding requirements have thereby been reduced to \$8,386,091.

This additional funding is crucial to the completion of the Hospital's on-going capital improvement program. As many of you know, our plans have been designed to upgrade the quality of care and services rendered to Guam's

Testimony
10/19/89
Page 2

residents by consolidating Hospital operation onto a single campus; expanding service areas within the existing facility; and by improving the environmental safety in all patient areas. The renovation and construction involves a multitude of changes to the present facility that must be phased in while maintaining Hospital operations at full service levels.

The Hospital has nearly completed the first two of six construction phases. Packages I and II, which address the corrective actions for plant and life safety code deficiencies, the procurement of temporary administrative offices and the demolition of an administrative wing in preparation for facility expansion are scheduled for completion within weeks. In addition, the \$12.3 million construction under Packages III, IV and V has begun. These three phases of construction will allow for the consolidation of all services and the renovation of various patient care areas needed to put Guam Memorial Hospital in compliance with the healthcare facility standards established by the Joint Commission on the Accreditation of Healthcare Organizations.

The current \$12.3 million contract for these latter three packages of work addresses the most important items from the original bid. Certain items had to be excluded from the contract until additional funding was made available. Contract provisions, however, stipulate that the Hospital may add the deleted items back into the contract on or before December 1, 1989 without any escalation in costs or time extensions.

The timing for the appropriation under Bill No. 937 is critical since part of the funding would be used to reinstate all of the deleted items into the current construction contract. The funding would also enable GMHA to complete projects which have been added to the original scope of work in Packages III, IV and V; to purchase the collateral equipment that is required in the new patient areas; and to implement those projects which would expand the facility to meet the demands of a growing population.

Specifically, the funds would be allocated as follows.

Reinstate those items excluded from the original contract with Black Construction	@\$ 2,212,000
Add those items deemed essential to JCAHO accreditation and GMH operations, and to provide for necessary change orders	@\$ 2,451,200
Radiology Remodeling Modifications	@\$ 182,000
Purchase collateral equipment	@\$ 1,028,484
Package VI	@\$ 2,134,407
Typhoon Shutters	@\$ 178,000
Reimburse GMH Operational funds	@\$ <u>200,000</u>
TOTAL FUNDING REQUIRED	\$ 8,386,091

We believe that the appropriation of \$8,386,091.00 will significantly affect the Guam Memorial Hospital's ability to regain Joint Commission accreditation, and will enhance the delivery of the quality health care to our island's residents as well as to those of the western Pacific. Because the Joint Commission's survey practices require full occupancy of the facility prior to the survey, and do not provide consideration for planned improvements or construction, the Hospital will be precluded from applying for a survey of the facility until all the necessary capital improvements are completed. It is essential, then, that we secure the required funds and implement the key capital improvement projects in the most expedient manner possible. Bill No. 937 is clearly the means for achieving such ends.

On behalf of the Guam Memorial Hospital Authority, I wholeheartedly support Bill No. 937 with the recommended modification, and I thank you for the opportunity to speak before you today and I look forward to continue working with you in the future.


GEORGE B. PALICAN
Hospital Administrator

FUNDING REQUIREMENTS FOR HOSPITAL CONSTRUCTION

REINSTATEMENT OF THOSE ITEMS EXCLUDED FROM THE ORIGINAL CONTRACT WITH BLACK CONSTRUCTION

A. Basic Bid Items to be Reinstated

Maintenance Shops Buildings	\$315,000.00
Roofing Insulation	\$160,000.00
Typhoon Shutters for New Bldgs.	\$57,000.00
New Physicians' Parking/Paving	\$31,000.00
Landscaping	\$31,000.00
ICU Building Shell	\$65,000.00

SUBTOTAL

\$659,000.00

B. Additive Bid Items

Chief Medical Examiner Building	\$525,000.00
Elevator/Stair at CME	\$125,000.00
Security Grills	\$53,000.00
Entrance Canopy	\$192,000.00
New 450-ton Chiller	\$342,000.00
Mezzanine at General Storage	\$169,000.00
Chapel/Chaplain/Vestibule	\$70,000.00
Patients/Visitors Lounge	\$66,000.00
Protective Wall Corner Guards	\$11,000.00

SUBTOTAL

\$1,553,000.00

REINSTATEMENT TOTAL COST

\$2,212,000.00

CONSTRUCTION CHANGE ORDERS AND ADDITIONAL CONSTRUCTION PROJECTS DEEMED ESSENTIAL TO JCAHO ACCREDITATION AND GMH OPERATIONS

A. Additions to Pkgs. III/IV/V (includes Designs)

Upgrade Communication Center Systems	
Upgrade Signage	
Automatic Operating Room Doors	
Medical Equipment	
CT Scan Fire Protection/Halon Sprinkler System	
Dietary Equipment	
Cardiopulmonary Ventilation System Improvements	
Water Storage Reservoir (80,000 gal. capacit	\$908,246.00

B. Construction Change Orders to accommodate

Unknown Utilities/Services	\$1,142,954.00
----------------------------	----------------

C. Construction Management/

A&E Services	\$400,000.00
--------------	--------------

ADDITIONAL ITEMS TOTAL COST

\$2,451,200.00

RADIOLOGY REMODELLING MODIFICATIONS

\$182,000.00

COLLATERAL EQUIPMENT

\$1,028,484.00

PACKAGE VI

\$2,134,407.00

TYPHOON SHUTTERS (existing bldg.)

\$178,000.00

REIMBURSE OPERATIONS (Balance)

\$200,000.00

TOTAL FUNDING REQUIRED

 \$8,386,091.00

GUAM MEMORIAL HOSPITAL AUTHORITY
TAMUNING, GUAM

*Sample
for review
info M.*

GROUNDBREAKING & SIGNING
CEREMONY
FOR PHASE II
PACKAGES III, IV & V

CAPITAL IMPROVEMENT PROJECTS
9/14/89

GUAM MEMORIAL HOSPITAL AUTHORITY

CAPITAL IMPROVEMENT PROJECTS: An Overview and Status Report

The Guam Memorial Hospital Authority is now in the process of updating the project status and funding requirements for the Hospital's on-going capital improvement plans. These plans have been designed to upgrade the quality of care and services rendered to Guam's residents by consolidating Hospital operations onto a single campus; expanding service areas within the existing facility; and by improving the environmental safety in all patient care areas.

The nature of the renovation and construction work to be undertaken involves a multitude of changes to the present facility. Operations must be maintained at full service levels to meet the public's demand for such services for the duration of the projects. Consequently, all projects will be implemented in phases in order to minimize disruptions to patient services.

The Hospital has nearly completed the first two of six construction phases. Packages I and II, which address the corrective actions for plant and life safety code deficiencies, the procurement of temporary administrative offices and the demolition of an administrative wing in preparation for facility expansion, are scheduled to be completed, for the most part, by early September. (The replacement and relocation of the Hospital's incinerator is part of Package II and is scheduled for completion at the end of October 1989.)

In addition, the Hospital issued a bid invitation and received a single bid response for the major renovation and expansion projects included in construction Packages III, IV and V. These three phases of construction will allow for the consolidation of all services and the renovation of various areas needed to put Guam Memorial Hospital in compliance with the Joint Commission's (i.e., Joint Commission on the Accreditation of Healthcare Organizations, JCAHO) standards for health care facilities. Although the bid received was \$3,885,872.00 higher than the Design Contractor and the Hospital had expected, the Office of the Governor authorized a \$2 million transfer in operational funds for the Hospital's capital improvements. This additional funding, which will eventually need to be reimbursed, enabled GMHA to negotiate a contract that would at least include the most important items from the original bid. Hence, while certain items of lower priority have been temporarily deleted from the contract, there are provisions that allow the Hospital to add these items back into the contract without escalation in costs or time extensions if the additions are made on or before December 1, 1989.

The Hospital then continues its efforts to identify the additional funds that are required to implement all of the capital improvement projects. These added funds would enable GMHA to award all of the original bid items for

Packages III, IV and V in its construction contract; to complete projects which have been added to the original scope of work in Packages III, IV and V; and to implement those projects which would expand the facility to meet the demands of a growing population (Package VI).

To date, the Hospital has identified \$18,038,065.80 worth of projects that are essential to regaining Joint Commission accreditation. A total of \$15,267,153.80 is currently available for the implementation of these projects, which leaves the Guam Memorial Hospital short of \$2,770,912.00 in funding for accreditation-related projects. This shortfall does not, however, include the \$1,118,025.20 needed for collateral equipment in the newly constructed areas, the \$4,200,000.00 for the facility expansion plans to address Guam's population growth, nor the \$2,000,000.00 to replenish GMHA's operational funds. The total funding shortfall for GMHA's capital improvement projects is nearly \$10,186,091.00. (Please see Summary of Proposed Projects, Costs and Fund Resources, attached.)

To provide for the additional \$10.1 million in funds needed by the Hospital, the Board of Trustees has requested an initial appropriation of \$1,028,484.00 for the collateral equipment from the Twentieth Guam Legislature as part of the Hospital's Fiscal Year 1990 budget request. The Department of the Interior has also assisted in this quest for additional funds by recommending the appropriation of \$2,000,000.00 for GMHA's capital improvement projects in DOI's budget request to Congress for FY 1990. Should the Hospital's and DOI's efforts come to fruition, an additional \$3,028,484.00 will become available to support the facility expansion and renovation plans. This will leave GMHA to identify approximately \$7,157,607.00 for the completion of all projects.

The lack of sufficient funding to implement all essential projects will adversely affect the Guam Memorial Hospital's ability to regain Joint Commission accreditation, and will continue to deny the residents of Guam the level of quality care that they deserve. The JCAHO survey practices require full occupancy of the facility prior to the survey, and do not provide consideration for planned improvements or construction. As a result, the Hospital will be precluded from applying for a survey of the facility until all the necessary capital improvements are completed. It is essential, then, that all efforts to identify the required funds and to implement those key projects be undertaken in the most expedient manner possible. This will ensure that the quality of care and services available for our island residents as well as our neighbors from the Western Pacific will be of the highest caliber possible.

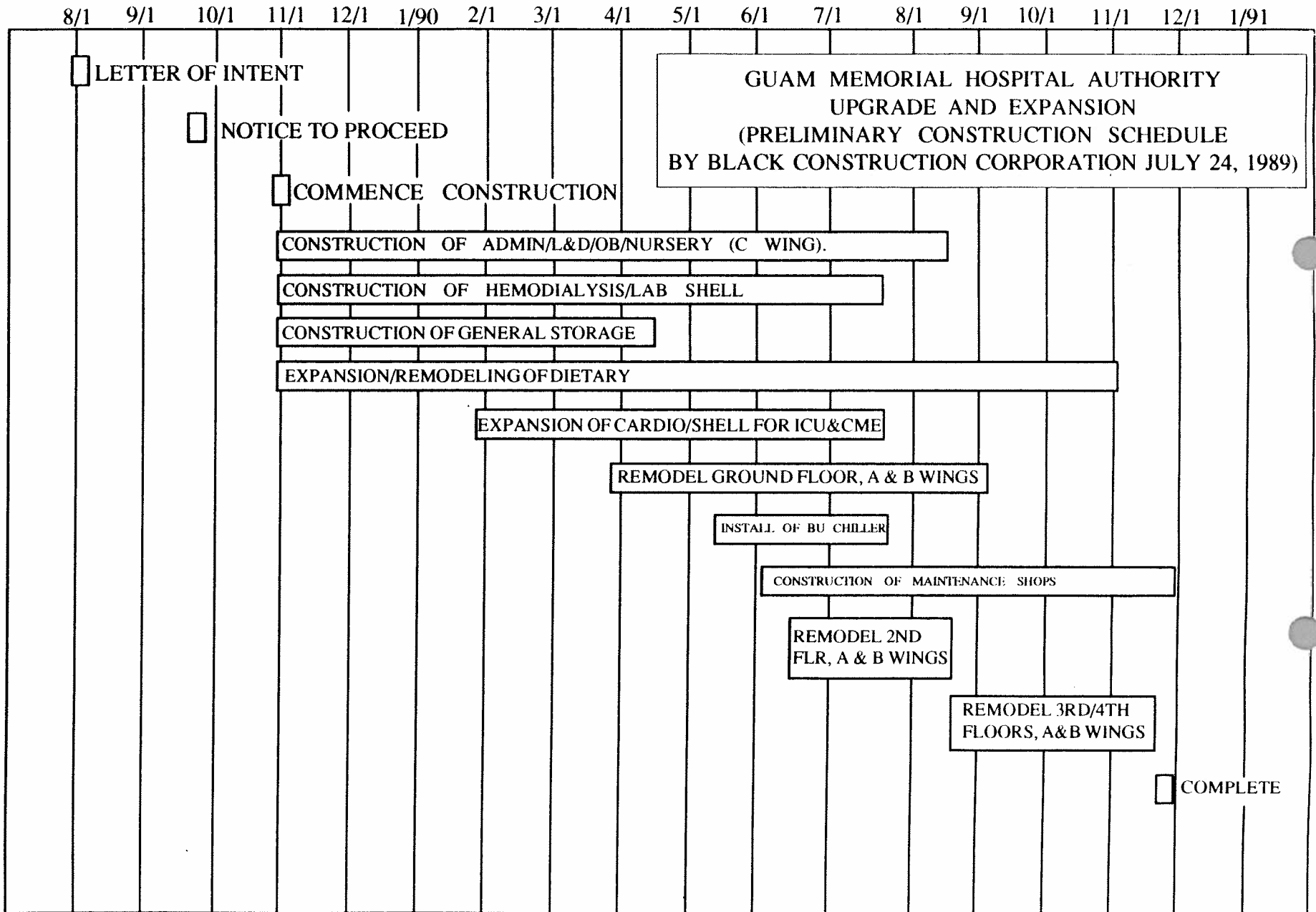
GUAM MEMORIAL HOSPITAL AUTHORITY CAPITAL IMPROVEMENT PROJECTS
SUMMARY OF PROPOSED PROJECTS, COSTS AND FUND RESOURCES

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>TOTAL COST</u>	<u>STATUS/COMMENTS</u>
A & E Design Costs for All Packages		\$ 983,069.00	
Contract Administration (DPW) for Packages I and II only		\$ 200,000.00	
I. Phase I Renovation Projects:			
A. Immediate Renovation Projects:			
New Boiler Stack	09/20/85		
Chiller Retubing	01/10/86		
Cooling Tower Replacement	12/18/86		
Nurse Call System	11/24/84		
As Built Facility Drawings	08/26/85		
Design Prints for Bids	02/01/88		
Total Package I.A.		\$ 118,410.80	All Projects Completed
B. Correction of Physical Plant Deficiencies:			
Replacement of Boiler System	06/01/89		
Replacement of Cooling Tower System	06/01/89		
Installation of Chemical Water Treatment System	09/01/89		
Installation of Sprinkler Systems	01/01/89		
Installation of Smoke Dampers	05/01/89		
Installation of Smoke Detectors	05/01/89		
Renovation of Fire Alarm System	02/01/89		
Total Package I.B		\$ 560,752.00	Construction in progress

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>TOTAL COST</u>	<u>STATUS/COMMENTS</u>
II. Phase II Renovation and Expansion Projects:			
Package II:			
A. Temporary Offices For Administration:			
Purchase and Assembly of Modular Office Spaces	01/01/89	\$ 186,323.00	Completed 1/89
B. Demolition of Existing Administrative Building			
Demolition and site clearance work	06/01/89		In progress to be
Replacement and Relocation of Incinerator	09/01/89		complete 10/89
Total Package II.B		\$ 242,502.00	
Total Package II.A and B			
Package III:			
Construction of Hemodialysis Unit/Lab Shell	09/15/90		
Remodel 1st floor for Medical Records/Admitting	06/01/90		
Construction of Dietary Expansion	11/01/90		
Remodel existing Dietary and Cafeteria	11/30/90		
Construction of C-Wing Unit	09/30/90		
Remodeling of Labor/Delivery Rooms	09/30/90		
Relocation of OB ward to C-Wing	10/31/90		
Relocation of Administration Offices to C-Wing	10/31/90		
Remodel 4th floor to accomodate SNF unit	11/01/90		
Relocation of SNF patients to 4th floor	11/30/90		Bid award being
Remodel exit corridor at Surgery	01/01/90		Processed
Construction of Surgery Exit Balcony and Stairs	01/01/90		
Relocation of Transformer	11/01/89		
Construction of Covered Patient Drop-Off/Entry	09/01/90		

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>TOTAL COST</u>	<u>STATUS/COMMENTS</u>
Package IV.A:			
Construction of Cardiopulmonary Expansion Area	06/01/90		
Remodeling of Cardiopulmonary Rooms	08/01/90		
Construction of 1st Floor Storage Area	08/01/90		
Remodeling of Laboratory for Expansion	11/01/90		
Remodeling of Medical Records/Library	06/01/90		
Remodeling of Radiology/2nd Floor Lobby	11/01/89	\$ 70,459.00	Awarded as part of Radiology Equipment Bid (Site Preparation)
Construction of Physical Therapy	02/01/90		
Remodeling of Pharmacy for expansion	08/01/90		
Construction of Morgue/Bio-Medical Shops	11/01/90		
Remodeling of Medical Records/Library/Clean Linen/Classroom	11/01/90		
Remodeling of Med. Surg/Telemetry/Pediatrics for Isolation Rooms	06/01/90		Bid award being processed.
Construction of ICU Expansion Area	06/01/90		
Remodeling of Med. Surg/Telemetry/Pediatrics Nurse stations	11/01/90		
Package V:			
Construction of Shops Building	11/01/90		
Construction of General Stores	05/01/90		
Remodel Loading Dock	11/01/90		
Reinsulation of Chilled Water Lines	10/01/90		Bid award being processed.
Construction of Free Standing Medical Examiner Building	06/01/91		
TOTAL PACKAGES III, IV and V		\$14,512,000.00	

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>TOTAL COST</u>	<u>STATUS/COMMENTS</u>
III. Unfunded Projects:			
Additions to Packages III, IV and V:			
Upgrade Communications System			
Upgrade Signage			
Automatic OR Doors			
Medical Equipemnt			
CT Scan Fire Protection			
Kitchen Equipment			
Cardiopulmonary Ventilation		\$ 586,550.00	
Construction Management and A&E Services		400,000.00	
Facility Typhoon Shutters		178,000.00	
Package VI (formerly Package IV.B)			
Remodeling of ICU/CCU for Expansion	01/01/92		
Remodeling of Emergency Room/Exit Balcony	07/01/92		
Remodeling of Surgical Suites	01/01/92		
Equipment for new areas	11/01/90		
Total Package VI		\$4,200,000.00	Anticipate out to bid by October 1, 1989 if funds available for Certification



GUAM MEMORIAL HOSPITAL AUTHORITY TAMUNNG, GUAM

CAPITAL IMPROVEMENT PROJECTS TO RENOVATE FACILITIES & UPGRADE SERVICES

Chronology of Events 1983 to present

- | | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| July 1983 | Accreditation withdrawn by Joint Commission on Accreditation of Hospitals. |
| June 1984 | Revision of the GMHA Long-range Institutional Plan. |
| October 1984 | Passage of Public Law 98-473 appropriating \$5,610,000 for hospital capital improvements. |
| February 1985 | Actual receipt and acceptance of grant award. |
| December 1985 | Selection of design consultants. |
| March 1986 | Initial meetings with GMHA to determine scope of work for all projects. |
| March 1986 | Preparation of the GMHA Certificate of Need application for capital improvement expenditures. |
| April 1986 | Initial draw down of funds from Department of Interior of \$1.6 Million. |
| April 1986 | Phase I and Phase II, architect proposal for review. |
| May 1986 | Preliminary Function Planning & Space Program submitted for review and approval. |
| August 1986 | Formal contract architect firm for Phase I & II of design contract and construction documents. |
| September 1986 | Preliminary Memorandum of Understanding with the Department of Public Works for contract administration and construction management. |
| November 1986 | Region 9 preliminary review of Package I projects. |

- December 1986 Submission of preliminary structural analysis and schematic design concept.
- March 1987 Preliminary review of Phase II scope of work and design concept.
- May 1987 Phase II architect contract initiated.
- May 1987 Pre-final documents on Package I for review and final schematic design.
- May 1987 Final report on Functional Planning & Space Program, and Structural Analysis.
- June 1987 Final Memorandum of Understanding with the Department of Public Works for contract administration and construction management.
- October 1987 Package I final documents to Region 9 for review.
- November 1987 Final construction document for Package I work.
- December 1987 Incorporation of Region 9 final review comments into Package I construction documents.
- January 1988 Announcement of Package I Bid Invitation to close on February 29, 1989
- March 1988 Amendment No. 1 to Taniguchi & Ruth contract for additional changes to the scope of work in Package I.
- April 1988 Preliminary Construction Phase Schedule.
- May 1988 Boiler Demand Analysis, Cooling Tower Connections, and Chemical Water Treatment changes to Package I.
- May 1988 Preliminary radiology suite remodeling discussions to coincide with the new equipment purchase program.
- May 1988 Award and Notice to Proceed for Package I work with anticipated completion by June 1989.
- May 1988 Submittal of 30% Design Development Plans for Package II work.
- July 1988 Amendment No. 2 to Taniguchi & Ruth contract for changes to the scope of work in Package II.

- July 1988 Revision of Construction Phase schedule and revision of Package II scope of work.
- July 1988 Final Boiler Demand Analysis submitted.
- August 1988 Final Package I amendments for boiler size, cooling tower and chemical water treatment changes.
- August 1988 100% submittal of Design Development Plans for Packages II, III, IV, and V.
- August 1988 Receipt of Region 9 comments on 100% Design and Development submittal.
- August 1988 Amendment No. 3 for Taniguchi & Ruth contract to include chilled water line re-insulation and the design of the Chief Medical Examiner's Office.
- September 1988 Purchase of temporary office spaces for administration to allow for building demolition.
- October 1988 Submittal of 100% construction documents for Package II work.
- November 1988 Submittal of 60% Schematic Design Plans for the Chief Medical Examiner's Office and chiller insulation project.
- December 1988 Submittal of 60% construction documents for Packages III, IV, and V.
- January 1989 Announcement of Package II Bid Invitation to close on January 27, 1989.
- February 1989 Award and Notice to Proceed for Package II work with anticipated completion by June 1989.
- April 1989 Announcement of Bid Invitation for Packages III, IV, and V to close on May 19, 1989 (Extended to June 2, 1989).
- April 1989 Change order to Package I contract for upgrading mechanical and fire alarm systems. Expected completion by August 29, 1989.
- April 1989 Appropriation of \$7,560,000 from Public Law 20-3 for the Hospital CIP plans.

- June 1989 Change order to Package II contract for upgrading incinerator. Expected completion by October 31, 1989.
- July 1989 Selection of construction manager. Notice to proceed by September 30, 1989.
- July 1989 Amendment No. 4 to Tanaguchi & Ruth contract to include backup air-conditioning for critical areas, installation of tissue disposal equipment and additional offices for purchasing and supply.
- August 1989 Submittal of contractor's application for Certificate of Completion of Package I.
- August 1989 Negotiations with Black Construction Company for Packages III, IV, & V completed.
- August 1989 Transfer of \$2 Million from GMH Operations Fund to GMH Restricted Funds for CIP plans.
- September 1989 Award of Contract to Black Construction Company. Notice to Proceed by October 1, 1989.
- September 1989 Groundbreaking & Signing Ceremony for Phase II, Packages III, IV & V.

7/17
Atti
Danny
Guia
Very good meeting!
M.

GUAM MEMORIAL HOSPITAL AUTHORITY

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OKA, TAMUNING, GUAM 96911
TEL: 646-5801; 646-6876; 646-6711 thru 18
TELEX 671-6227, FAX 671-649-0145



July 19, 1989

Smith 9:55 AM

Senator Carl T.C. Guiterrez
Chairman,
Committee on Ways and Means
Twentieth Guam Legislature
P.O. Box CB-1
Agana, Guam 96910

Mr. Chairman and Members of the Committee on Ways and Means,

Good morning, I am Dr. Eduardo J. Cruz, Administrator of the Guam Memorial Hospital Authority. I am here to provide testimony in support of Bill no. ~~04~~ 04, an act to appropriate funds for the operations of the Guam Memorial Hospital in Fiscal Year 1990.

As you are aware the Guam Memorial Hospital Authority's proposed Budget for fiscal year 1990 will require the supplemental funding in the amount of six million six hundred thirty five thousand fifty nine dollars (\$6,635,059.00). These funds are urgently needed to support the operating costs of the Hospital in providing the highest possible quality care for our patients.

During the budget hearings conducted last week, the Hospital presented and justified its budget request. At these hearings we continually stressed that the funds requested are in support of the Hospital's efforts to prepare for a 1990 accreditation survey by the Joint Commission on the Accreditation of Health Care Organizations. These funds are needed to complete on-going programs relating to the documentation of the quality of care rendered, the training of staff to comply with continuing educational requirements, and the funding of various capital purchases to ensure that the facility is able to replace deteriorating equipment. These are the components we will address to ensure that the facility is fully prepared to meet the stringent requirements of the Joint Commission. Once accreditation is achieved we will all be certain that the quality of care rendered to our residents is comparable to that found anywhere in the nation. This will be an accomplishment that both the Hospital staff and you our policy makers can be proud of having been a part of. Thus we seek your generous support of our endeavors by acting favorably

on this bill which appropriates the necessary funds to make accreditation possible.

In addition to these operating funds, the Hospital will also be seeking your continued support for the completion of the numerous capital improvement projects being undertaken to provide a first class medical facility in which to render our services.

The Hospital is currently short some \$10.1 million dollars to complete all projects to improve our Hospital facility. These funds are required to meet the \$3.9 million dollar shortfall of available funds on the bid for the major renovation and expansion projects essential to upgrading the facility for accreditation. Funds must be identified to ensure that all the projects are completed in order for our facility to comply with the accreditation.

Additionally funds in the amount of \$1.0 million for collateral equipment needs for the newly constructed areas and some \$.4 million are required to purchase construction management to oversee the work of the construction contractor and ensure that all specifications are properly met. This requires the services of a firm knowledgeable in Hospital facility requirements and medical system installations. Without such services, the Hospital would be unable to proceed with the construction contract and would lack the certainty that the construction conforms to the required specifications.

The Hospital will also require some \$4.2 million dollars to pursue Package IV.B projects which address the expansion of our Intensive Care Unit, the remodeling of the Emergency room, and the remodeling of our surgical suites to address the needs of Guam's growing population. This work is required to ensure that our facility expansion keeps pace with the public demands for services. The lack of appropriate funds for the completion of these projects will mean that our facility will be inadequate to address the needs of our future patient populations.

Lastly, the Hospital will require \$.6 million in funds to address the upgrading of our communications capabilities to ensure both internal and external communications are maintained at all times with physicians, ambulances, and our clinical health care providers; to complete other minor projects related to the work in Packages III, IV, and V; and for the purchase of Typhoon shutters to ensure adequate safety of our patients during storms.

July 19, 1989

Page 3 of 4

Both the Hospital and the Legislature have demonstrated a commitment to the people of Guam towards improving the health care facilities and services of our island. I trust that we will be able to fulfill this commitment by continuing the efforts to get our only Hospital facility accredited and improve the quality of care rendered to our patients. Thus I look to the Twentieth Guam Legislature for their generous support in assisting the Hospital in the identification and appropriation of funds to make this possible.

In summary, our fiscal year 1990 operational requirements are for \$6,635,059. in funds addressed by the intent of Bill no. 904 which I wholeheartedly endorse, and I also request that this Legislature address the \$10.1 in capital improvement funds now to ensure the completion of all projects rather than continuing the ineffective piecemeal approach to providing capital improvement funds which has proven to be so ineffective in addressing our need to ensure the continued improvement and expansion of our facility. I have attached a breakdown of the Capital Improvement Project Summary of Costs for your review and information.

Thank you for your assistance, and I look forward to your continued commitment towards improving our Hospital. I will be happy to answer any questions you may have regarding the Hospital's FY 1990 budget request or our continuing need for funds to address our capital improvement project requirements.



Edwardo J. Cruz M.D.
Acting Hospital Administrator

attachment

cc: Board of Trustees
Governor of Guam

Summary of Costs

A and E services All Projects	Cost \$	983,069.00
Contract Admin./Const. Mgmt/ (Packages I and II only)	Cost \$	200,000.00
Phase I.A Immediate Renovation	Cost \$	118,410.80
Phase I.B Package I	Cost \$	560,752.00
Phase II. A.1 Temporary Offices	Cost \$	186,323.00
Phase II. A.2 Demolition	Cost \$	343,502.00
Phase II. B.1 Package III		
Phase II. B.2 Package IV		
Phase II. B.3 Package V	Bid Cost	\$14,512,000.00
Unfunded Items:		
Phase II. C.1 Additions to Packages III, IV, and V.	Estimated Cost \$	586,550.00
Phase II. C.2 Construction Management/A&E Services	Estimated Cost \$	400,000.00
Phase II. C.3 Typhoon Shutters	Estimated Cost \$	178,000.00
Phase II. C.4 Package VI formerly IV.B	Estimated Cost \$	4,200,000.00
GRAND TOTAL ALL PROJECTS:		\$22,267,606.80
CIP Collateral Equipment		1,028,484.00
Total		<u>\$23,296,090.80</u>
Available funds:		
Federal Grant	\$ 5,610,000.00	
Local Appropriation	<u>\$ 7,500,000.00</u>	
Total	\$13,110,000.00	13,110,000.00
Required Funds for Completion of All CIP Projects		<u>10,186,090.80</u>

TWENTIETH GUAM LEGISLATURE

Bill No. _____

**AN ACT TO APPROPRIATE FUNDS FOR
THE OPERATIONS OF GUAM MEMORIAL
HOSPITAL IN FISCAL YEAR 1990 AND
CAPITAL IMPROVEMENT PROJECTS**


BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. The sum of Six Million Six Hundred Thirty Five Thousand Fifty Nine Dollars (\$6,635,059) is appropriated from the General Fund to the Hospital Operations Fund to fund the Guam Memorial Hospital Authority's Fiscal Year 1990 operating budget.

Section 2. The sum of Ten Million One Hundred Eighty Six Thousand Ninety Dollars (\$10,186,090) is appropriated from the General Fund to the Hospital's Capital Improvement Projects to fund the Guam Memorial Hospital Authority's Capital Improvement Projects.

GUAM MEMORIAL HOSPITAL AUTHORITY

850 GOV. CARLOS G. CAMACHO ROAD
 OKA, TAMUNING, GUAM 96911
 TEL: 646-5801; 646-6876; 646-6711 thru 18
 TELEX 671-6227, FAX 671-649-0145

PGA
6/23/89


Senator Carl T.C. Guterrez
 Chariman, Committee on Ways and Means
 Twentieth Guam Legislature
 P.O. Box CB-1
 Agana, Guam 96910

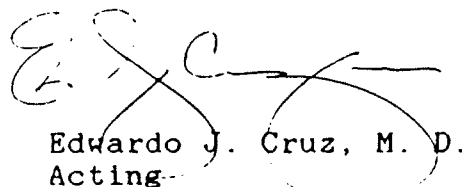
Dear Senator Guterrez,

On behalf of the Guam Memorial Hospital Authority, I am submitting the Capital Improvement Project Collateral Equipment List of items and estimated costs for your consideration in appropriating funds for the Government of Guam's fiscal year 1990 operations.

As you will recall this list was submitted to the Legislature for consideration in the FY 1989 supplemental funding request for appropriations relating to the Hospital's Capital Improvement Projects essential to accreditation. During the discussions of this item on the floor, it was suggested that the Legislature delay funding of the collateral equipment items until the FY 1990 fiscal year, as the funds to purchase the equipment were not needed until such time as the construction was being implemented and the project was nearing completion.

As the Hospital and DPW are in the final stages of awarding the construction contract for the buildings in which these collateral equipment items are to be housed, and the work is scheduled to be complete within the 1990 fiscal year, I am seeking your favorable consideration for the provision of an appropriation to fund these equipment needs in the FY 1990 Budget Act. This will enable the Hospital to proceed with the ordering of these equipment items for installation in the newly constructed areas once construction is completed.

Your favorable consideration and introduction of an appropriation measure to address this need would be greatly appreciated.


 Eduardo J. Cruz, M. D.
 Acting

Attachment

27-Jan-89

CIP Collateral Equipment List

EQUIP #	DESCRIPTION	QTY	EY LOCALS	NEW LOCALS	Cost Estimate
PT-12	Electronic Treadmill	1	EXR.RM.	A115	8,000.00
PT-13	Ergometer Training Cycle	1	EXR.RM.	A115	900.00
PT-14	Orthotone Exerciser	1	EXR.RM.	A115	5,000.00
PT-15	Deluxe Mobile Exerciser	1	EXR.RM.	A115	2,500.00
PT-16	Hubbard Tank	1	HD(CU)	A113	25,000.00
PT-40	Parallel Bars	1	EXR.RM.	A115	2,000.00
PT-20	Restorator	1	EXR.RM.	A115	700.00
PT-37	Crutches Rack	2	n/a	A112	300.00
OT-06	Bedroom Unit	1	OT	A121	1,000.00
RT-05	VCR	1	RT/SNF	A409	500.00
RT-07	Shelves	2	RT/SNF	A409	300.00
LB-08	HIV Reagent Refrig.	1	BL.BANK	AIDS RM.	2,500.00
LB-16	BB Computer	2	BL.BANK	BL.BANK	17,000.00
LB-26	PC Terminal (Pathologist)	1	n/a	OFFICE	4,500.00
LB-28	PC Terminal (Laboratory)	1	n/a	OFFICE	4,500.00
LB-29	PC Printer	1	n/a		1,000.00
LB-32	PC Terminal/Printer	1	n/a	QA	1,000.00
LB-35	Vitek Analyzer	1	BACT	BACT	35,000.00
LB-39	Autoclave	1	WASH	WASH	33,000.00
LB-40/I	Aircon/Spill Unit	1	COR289	OUT CORR	1,250.00
MG-03/I	Morgue Autoclave	1	n/a	MORGUE	6,000.00
MG-04/I	Body Holst System	1	n/a	MORGUE	50,000.00
OB-41	High Chairs (Visitors)	15	PT.RM.	PT.RM.	2,000.00
LD-12	Delivery Table	3	--	DEL.RMS.	44,100.00
LD-16	Delivery Room Lights	2	--	Del. Room	14,594.00
LD-	Central Monitor System	1	CAST/TRAD	ND.STA/PT.RM.	125,000.00
RR-02	OR Surgical Lighting	4	CAST/TRAD	CAST/TRAD	4,640.00
RR-06/I	IV Racks	17	--	All Rooms	1,700.00
RR-07/I	Suction Ring (Holder)	17	--	All Rooms	1,500.00
RR-08/I	Caet Sink	1	--	CAST	2,500.00
CC-18/I	Single Trace Monitor	2	ND.STA.	ND.STA.	20,000.00
HS-03	Dialysis Control Unit	14	HBNO	A176	99,000.00
RR-01	Storage Cart w/scopes	1	--	ENDO	13,000.00
RR-02	Stretcher	1	--	ENDO	1,500.00
RR-03	Suction, portable	1	--	ENDO	2,000.00
RR-04	Monitor, Cardiac	1	--	ENDO	10,000.00
HM-003	Intercom System			All Areas	150,000.00
HM-005	CommCenter PBX			COMMCTR	200,000.00
RR-13	Kidney Processor	1		A149	125,000.00
RR-12	Reverse Osmosis	2		A149	10,000.00

TOTAL 1,028,484.00



*Darryl
For your
info*

GUAM MEMORIAL HOSPITAL AUTHORITY

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M2B Bill 937



RECEIVED
AUG 29 1989

August 29, 1989

Senator Madeleine Bordallo
Chairperson, Committee on Health
Welfare & Ecology
Twentieth Guam Legislature
Agana, Guam 96910

Dear Senator Bordallo:

Enclosed you will find, once again, the information regarding the capital improvement projects for Guam Memorial Hospital for a total funding of \$10.1 million. As mentioned in earlier discussions, GMHA needs these funds to complete the project not only for accreditation of the hospital, but also to provide quality patient care, to accommodate the health needs of our growing population and avoid the overcrowding and overlapping of patients, and to hedge against invariably rising construction costs.

At each public hearing, we have requested these funds and have expressed the urgency of the funding.

Your favorable consideration and continued support is appreciated.

Sincerely,

E. J. Cruz
EDUARDO J. CRUZ, M.D.
Administrator, Acting

Enclosures

cc: Governor of Guam
Senators, Twentieth Guam Legislature
President, GMHA Board of Trustees

GUAM MEMORIAL HOSPITAL AUTHORITY
TAMUNING, GUAM 96911

CAPITAL IMPROVEMENTS PROJECT
STATUS REPORT
June 29, 1989

The Guam Memorial Hospital Authority is now in the process of updating the status of projects and funding requirements related to the Hospital's Capital Improvement Projects. These efforts are intended to enable the Hospital to implement all capital improvement projects essential to accreditation and upgrade the facility to meet the need for an acute care hospital offering quality care services to residents of our island and the surrounding communities.

As of June 23, 1989, the Hospital has implemented Package I and II projects addressing the immediate correction of physical plant deficiencies, the correction of life safety code deficiencies, the procurement of temporary administrative offices, and the demolition of an administrative building to prepare the site for construction of the facility expansion components of the project. These projects are now in the final construction stage and are scheduled to be fully completed by early September.

In addition, the Hospital has issued a bid invitation and received a bid response for the major renovation and facility expansion construction required for the consolidation of all services on a single campus and for the renovation of various areas to bring the Hospital in compliance with JCAHO facility standards. Unfortunately, the single bid received is approximately \$3,885,872.00 in excess of the Design Contractor's estimate for construction costs.

As a result of this situation, the Hospital has undertaken the following effort to identify the additional funds which would be required to implement all projects. This includes the funding requirements to enable the Hospital to pursue negotiations with the sole bidder in order to arrive at a more acceptable construction cost; funding for projects which have been added to the original scope of work for projects in Packages III, IV, and V; and the identification of projects to be implemented at a future date, which will address facility expansion to meet population growth demands.

To date, the Hospital has identified \$18,038,065.80 worth of projects essential to accreditation. A total of \$13,110,000.00 in funds for the implementation of these projects has been received thus leaving the facility short some \$4,928,065.80 to implement all projects essential to accreditation. There is also a shortage of available funds for the construction of the \$4,200,000.00 in facility expansion efforts to meet population growth and the \$1,028,484.00 in collateral equipment needs identified for the newly constructed areas. In total the funding shortfall is \$10,156,549.80.

To provide for the \$10.1 million in additional funds needed by the Hospital, a request for the immediate transfer of some \$2,097,153.80 from the general fund of the Government to the Hospital Capital Improvement Fund by Governor's transfer authority has been initiated. In addition, the Board of Trustees has requested an appropriation for the necessary collateral equipment items from the Twentieth Guam Legislature as a part of the Hospital's fiscal year 1990 budget request. The Department of the Interior has also assisted in this quest for additional funds by recommending the appropriation of \$2,000,000.00 for Hospital Capital Improvement projects in their budget request to Congress for the 1990 fiscal year.

Should the Hospital's efforts come to fruition, an additional \$5,125,637.80 will become available to support the facility expansion and renovation plans. This will leave \$5,030,912.00 in funds to be identified for the completion of all projects based upon current cost estimates. The Hospital will thus be required to identify sources of funds for this shortfall.

While it appears that each month the costs of the projects change and the cost of all projects seem to be ever increasing, certain considerations must be taken into account. The following factors have had an impact on the implementation and completion of all projects:

1. The initial federal funds provided for the project were awarded in 1985 while the design plans and construction activities were not completed and implemented until 1987. The change in the costs of goods and services with inflation would have a direct impact.
2. The initial scope of the project called for the expansion of the facility by constructing additional floors to the existing facility. The structural analysis for the existing facility revealed that such expansion was not possible without reinforcing the existing building structure to handle the additional loads.
3. Funds initially provided were to address the JCAH citations which resulted in a loss of accreditation in 1983. Since 1983 the facility has been continuously deteriorating and new facility deficiencies cited by the annual HCFA facility surveys have been identified for correction.
4. JCAHO accreditation standards and code requirements have been continually updated and revised since the initial survey for accreditation and the identification of facility deficiencies.
5. The lack of detailed facility "as-built" plans has resulted in numerous changes due to discoveries of interior

features which have required changes to the original design plans.

6. The construction atmosphere on Guam which has in the last two years increased to the point that there are often shortages of materials and supplies to complete projects on time, and has resulted in smaller and government projects being bypassed in favor of private sector contracts.

7. The lag time between the determination of the construction cost estimate and the actual receipt of bids for the project due to document processing delays.

8. The use of construction estimates based on design estimates to arrive at figures for required funds which vary from actual cost once bids have been obtained and awarded.

These and other factors have impacted directly upon the total funding requirements identified for all projects. Thus the Hospital is continually revising figures and funding requests to ensure that all project costs are adequately planned for and met once construction is initiated.

The lack of sufficient funding to implement all essential projects will have an impact on the Guam Memorial Hospital's ability to apply for and obtain facility accreditation and will continue to deny the residents of Guam the quality levels of care that they deserve. JCAHO survey practices require full occupancy of the facility prior to survey, and do not provide for consideration of planned improvements or construction. As a result the Hospital will be precluded from applying for a re-survey of the facility until such time as all essential items are completed. Therefore it is essential that all efforts to identify required funds and implement projects essential to accreditation be undertaken in the most expedient manner possible. This will ensure that the quality of care and services rendered to our local residents, our military community, and our Micronesian neighbors will be of the highest caliber possible and available on island.

GUAM MEMORIAL HOSPITAL AUTHORITY CAPITAL IMPROVEMENT PROJECTS
SUMMARY OF PROPOSED PROJECTS, COSTS AND FUND RESOURCES

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>PROJECT AMOUNT</u>	<u>PACKAGE TOTALS</u>	<u>STATUS/COMMENTS</u>
A & E Design Costs for All Packages			\$ 983,069.00	
Contract Administration (DPW) for Packages I and II only			200,000	
I. Phase I Renovation Projects:				
A. Immediate Renovation Projects:				
New Boiler Stack,	09/20/85			
Chiller Retubing	01/10/86			
Cooling Tower Replacement	12/18/86			
Nurse Call System	11/24/84			
As Built Facility Drawings	08/26/85			
Design Prints for Bids	02/01/80			
Total Package I.A.			\$ 118,410.80	All Projects Completed
B. Correction of Physical Plant Deficiencies:				
Replacement of Boiler System.	06/01/89			
Replacement of Cooling Tower System.	06/01/89			
Installation of Chemical Water Treatment Sys.	09/01/89			
Installation of Sprinkler Systems	01/01/89			
Installation of Smoke Dampers	05/01/89			
Installation of Smoke Detectors	05/01/89			
Renovation of Fire Alarm System	02/01/89			
Total Package I.B			560,752.00	Construction in Progress

CIP Funding as of 06/23/89

CIP PACKAGE/PROJECT DESCRIPTION

COMPLETION DATE

PROJECT AMOUNT

PACKAGE TOTALS

STATUS/COMMENTS

II. Phase II Renovation and Expansion Projects:

Package II:

A. Temporary Offices For Administration:

Purchase and Assembly of Modular Office Spaces. 01/01/89

\$ 186,323.00

Completed 1/89

H. Demolition of Existing Administrative Building.

Demolition and site clearance work.
Replacement and Relocation of Incinerator
Total Package II.B

242,502.00

In progress to be completed 9/89

Total Package II.A and B

Package III:

Construction of Hemodialysis Unit/Lab Shell. 06/01/90
Remodel 1st floor for Medical Records/Admitting. 02/01/90
Construction of Dietary Expansion. 07/01/90
Remodel existing Dietary and Cafeteria 10/01/90
Construction of C-Wing Unit. 07/01/90
Remodeling of Labor/Delivery Rooms. 06/01/90
Relocation of OB ward to C-Wing. 07/01/90
Relocation of Administration Offices to C-Wing. 07/01/90
Remodel of 4th floor to accommodate SNF unit. 09/01/90
Relocation of SNF patients to 4th floor. 07/01/90
Remodel exit corridor at Surgery 09/01/89
Construction of Surgery Exit Balcony and Stairs 09/01/89
Relocation of Transformer 07/01/89
Construction of Covered Patient Drop-Off/Entry 05/01/90

bid award letter processed

CIP Funding as of 06/23/89

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>PROJECT AMOUNT</u>	<u>PACKAGE TOTALS</u>	<u>STATUS/COMMENTS</u>
Package IV.A:				
Construction of Cardiopulmonary Expansion Area.	02/01/90			
Remodeling of Cardiopulmonary Rooms	04/01/90			
Construction of 1st Floor Storage Area.	04/01/90			
Remodeling of Laboratory for Expansion.	07/01/90			
Remodeling of Medical Records/Library.	02/01/90			
Remodeling of Radiology/2nd Floor Lobby.	07/01/89			
Construction of Physical Therapy.	10/01/89		\$ 70,459.00	
Remodeling of Pharmacy for expansion.	04/01/90			Awarded as part of Radiology Suite Renovation
Construction of Morgue/Bio-Medical Shops.	07/01/90			
Remodeling of Medical Records/Library/Clean Linen/Classroom	07/01/90			
Remodeling of Med. Surg/Telemetry/Pediatrics for Isolation Rooms	02/01/90			
Construction of ICU Expansion Area	02/01/90			Bid award being processed.
Remodeling of Med. Surg/Telemetry/Pediatrics Nurse stations	07/01/90			
Package V:				
Construction of Shops Building.	07/01/90			
Construction of General Stores.	01/01/90			
Remodel Loading Dock.	07/01/90			
Reinsulation of Chilled Water Lines	06/01/90			
Construction of Free Standing Medical Examiner Building	02/01/91			Bid award being processed.
TOTAL PACKAGES III, IV and V			\$14,512,000.00	

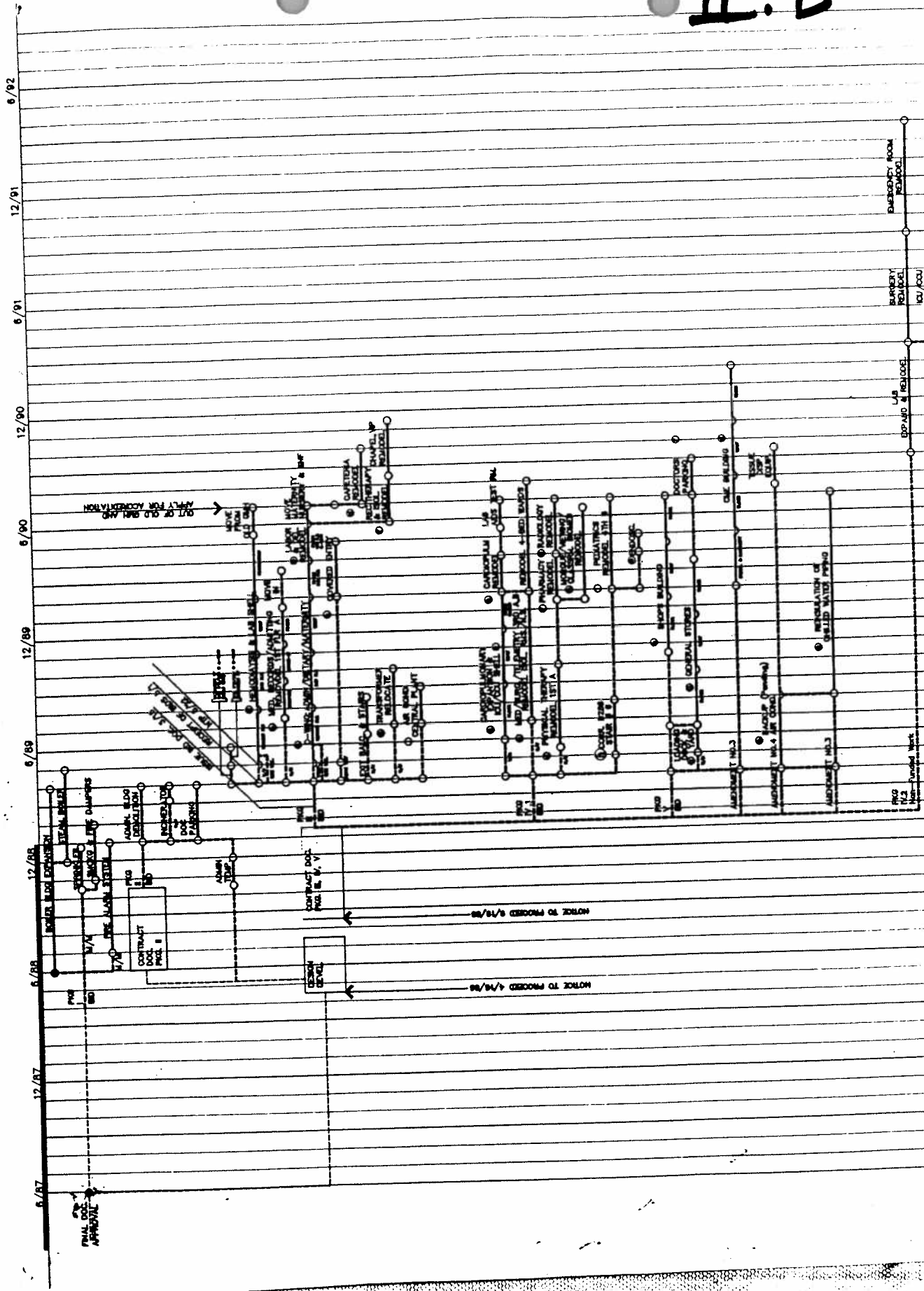
<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>COMPLETION DATE</u>	<u>PROJECT AMOUNT</u>	<u>PACKAGE TOTALS</u>	<u>STATUS/COMMENTS</u>
III. Unfunded Projects:				
Additions to Packages III, IV and V:				
Upgrade Communications System				
Upgrade Signage				
Automatic OR Doors				
Medical Equipment				
CT Scan Fire Protection				
Kitchen Equipment				
Cardiopulmonary Ventilation				
Construction Management and A&E Services			\$ 586,550.00	
Facility Typhoon Shutters			400,000.00	
Package VI (formerly Package IV.B)			178,000.00	
Remodeling of ICU/CCU for Expansion	09/01/91			
Remodeling of Emergency Room/Exit Balcony	03/01/92			
Remodeling of Surgical Suites	09/01/91			
Equipment for new areas	07/01/90			
Total Package IV.B.			\$4,200,000.00	Anticipate out to bid by October 1, 1989 if funds available for Certification

CIP Funding as of 06/23/89

SUMMARY OF TOTAL PROJECT COSTS FOR RENOVATION AND EXPANSION

<u>CIP PACKAGE/PROJECT DESCRIPTION</u>	<u>PROJECT AMOUNT</u>
A and E Services for All Projects	\$ 983,069.00
DPW Contract Administration/Construction Management (Packages I and II only)	200,000.00
Phase I	
Immediate Renovation Package I	118,410.80
	560,752.00
Phase II	
Temporary Offices Demolition	186,323.00
	242,502.00
Package III	
Package IV	
Package V	
	Partial Cost 70,459.00
	Bid Cost 14,512,000.00
Unfunded Projects	
Additions to Packages III, IV and V	Estimated Cost 586,550.00
Construction Management/A&E Services	Estimated Cost 400,000.00
Facility Typhoon Shutters	Estimated Cost 178,000.00
Package VI (formerly IV.B)	Estimated Cost 4,200,000.00
GRAND TOTAL ALL PROJECTS:	\$22,238,065.80
Collateral Equipment	1,028,484.00
TOTAL ALL PROJECTS AND EQUIPMENT	23,266,549.80
Summary of All Project Funding Sources:	
1. Federal Grant Funds	\$5,610,000.00
2. Local Government Investment	7,500,000.00
Total Available funds 6-23-89	13,110,000.00
REMAINING FUNDS FOR COMPLETION OF ALL CIP PROJECTS	\$10,156,549.80

H.D

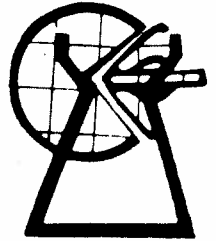


GMH UPGRADING AND EXPANSION PROJECT NO. 480-5-1018-F-TAM CONSTRUCTION PHASE SCHEDULE DRAFT FEBRUARY 6, 1989



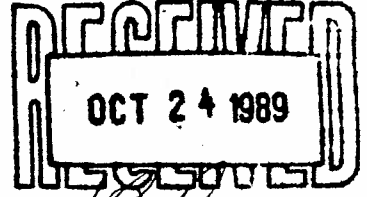
George M.

BUREAU OF BUDGET & MANAGEMENT RESEARCH
OFFICE OF THE GOVERNOR, Post Office Box 2950, Agana, Guam 96910



MICHAEL J. REIDY
Director

OCT 23 1989



Senator Madeleine Z. Bordallo
Chairperson
Committee on Health, Welfare & Ecology
Twentieth Guam Legislature
Post Office Box CB-1
Agana, Guam 96910

Dear Senator Bordallo:

As requested, I am providing you with information on transfers totalling \$1.8M for Guam Memorial Hospital Authority operations. Funds were identified from various appropriations in Fiscal Year 1989 and transferred to the hospital using the Governor's transfer authority pursuant to Public Law 19-34:43, approved September 30, 1989. The following is a breakdown of the origin of such transfers:

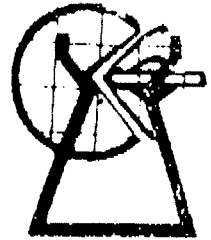
<u>Department/Description</u>	<u>Amount/Fund Source</u>
Education - Capital Improvement Project	\$1,000,000 - General Fund
Education - Business Office Personnel Services	50,000 - General Fund
Education - Special Education Personnel Services	90,000 - General Fund
Education - Dededo Middle School Personnel Services	60,000 - General Fund
Planning - Task Force for Southern Masterplan	300,000 - General Fund
Guam Police - Deputy Chief of Police Personnel Svcs.	175,000 - General Fund
Guam Police - Police Chief Personnel Services	<u>125,000</u> - General Fund
Total	\$1,800,000

Should you require any information on abovementioned transfers, please contact me.

Michael J. Reidy
MICHAEL J. REIDY



BUREAU OF BUDGET & MANAGEMENT RESEARCH
OFFICE OF THE GOVERNOR, Post Office Box 7950, Agaña, Guam 96910



MICHAEL J. REIDY
Director

SEP

Memorandum

To: The Governor

From: Director, Bureau of Budget and Management Research

Subject: Request for FY 1989 Appropriation Transfer

Pursuant to Public Law 19-34; 43, the Bureau recommends approval disapproval on the proposed appropriation transfer requested by the Guam Memorial Hospital Authority.

The amount to be transferred equals \$1,800,000 and is to be reallocated from various categories to Operations.

Should you require any additional information on this matter, please contact me.

MICHAEL J. REIDY

APPROVED

DISAPPROVED

JOSEPH F. ADA
Governor of Guam

SEP 30 1989

ADVICE NUMBER:

REQUEST FOR APPROPRIATION/ALLOTMENT MODIFICATIONS

DEPARTMENT/AGENCY'S NAME Department of Education/Guam Police
DIVISION/SECTION'S NAME

T Y P E APPROPRIATION ALLOTMENT

DESCRIPTION OF ACTION: To transfer funds to GMHA operations account.

QUARTER / ACCOUNT NUMBER	OBJECT CATEGORY	CURRENT APPROP/ALLOTMENT LEVEL	MODIFICATION + or -	REVISED APPROP/ALLOTMENT LEVEL
APPROPRIATION				
5100D91917C1021	- 230	2,588,200	(1,000,000)	1,588,200
5100A99966CT017	- 290	4,008,252	1,800,000	5,808,252
5100C90900TF009	- 290	300,000	(300,000)	-0-
5100A91200DC002	- 112	450,000	(175,000)	275,000
5100A91200PC005	- 112	300,000	(125,000)	175,000
5100A91913B0001	- 111	4,071,655 4,067,778	(50,000)	4,071,655 4,017,7
5100A91950SE001	- 111	3,326,637	(90,000)	3,236,637
5100A91940DM032	- 111	2,772,585 2,819,605	(60,000)	2,772,585 2,759,605
ALLOTMENT				
5100D91917C1021	June 230	2,523,200	(1,000,000)	1,523,200
5100A99966CT017	Sept 290	1,116,253	1,800,000	2,916,253
5100C90900TF009	Reserve 290	300,000	(300,000)	-0-
5100A91200DC002	Aug 112	300,000	(175,000)	125,000
5100A91200PC005	Aug 112	200,000	(125,000)	75,000
4th/Aug 5100A91913B0001	111	182,955 179,078	(50,000)	182,955 129,0
4th/Sept 5100A91950SE001	111	200,287	(90,000)	110,287
4th/Sept. 5100A91940DM032	113	107,005 177,005	(60,000)	107,005 117,00

Modification(s) requires Immediate Update of Accounting Files: YES / / NO / /

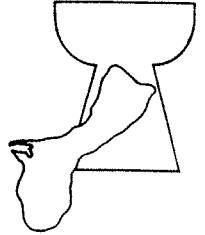
SIGNATURE: REQUESTOR: (Department Head) DATE

APPROVED/DISAPPROVED MICHAEL J. REIDY (BBMR Director) DATE 9-30-89

ACCOUNTING FILES MODIFIED: DATE 10/20/89



SENATOR
HERMINIA D. DIERKING
TWENTIETH GUAM LEGISLATURE



COMMITTEES:

CHAIRPERSON
Rules

VICE-CHAIRPERSON
Ways & Means
Energy, Utilities &
Consumer Protection
General Governmental
Operations

MEMBER:

Economic Development

Federal, Foreign &
Legal Affairs

Health, Welfare &
Ecology

Judiciary & Criminal
Justice

Education

Tourism & Transportation

Youth, Senior Citizens,
Cultural Affairs &
Human Resources

Handwritten signature of Herminia D. Dierking

October 13, 1989

MEMORANDUM

To: Chairperson, Committee on Ways & Means
Committee on Health, Welfare &
Ecology

From: Chairperson, Committee on Rules

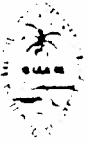
Subj: Communication

The following Communication was received by my office and is being forwarded to you for your information:

Letter from Dr. Edwardo J. Cruz, Acting Hospital Administrator, to Governor Joseph F. Ada, cc Speaker San Agustin, requesting the transfer of \$2,000,000.00 into the CIP budget to provide for a major Hospital Improvement Project designed to provide a first-class quality medical facility for the people of Guam.

Handwritten signature of Herminia D. Dierking
HERMINIA D. DIERKING

Enclosure

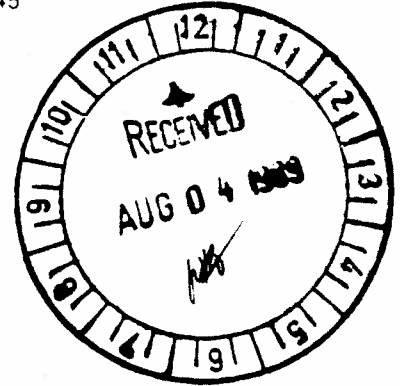


GUAM MEMORIAL HOSPITAL AUTHORITY

850 GOV. CARLOS G. CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 646-5801, 646-6876, 646-6711 thru 18
TELEX 671-6227, FAX 671-649-0145

July 28, 1989

Rec'd by Jay



The Honorable Joseph F. Ada
Governor
Territory of Guam
P.O. Box 2950
Agana, Guam 96910

[Handwritten signature]

Dear Governor Ada:

As you are aware, Guam Memorial Hospital is currently in the midst of a major Hospital Improvement Project designed to provide a first-class quality medical facility for the people of Guam.

Not only is such a facility necessary to ensure the health and well-being of our people, but the improvements that will give us a first-class facility are also vital to the accreditation of Guam Memorial Hospital, a goal which I know you share with us.

To this end, several weeks ago, GMH went out to bid on the construction phase of the Project. Only one firm, Black Construction came to \$3,885,872.00 in excess of the Design Contractor's estimate for construction costs.

As this bid quote is only effective for 60 days, Guam Memorial Hospital desires to enter into negotiations with Black Construction in hopes of reducing the bid quote as much as possible. To do this, however, the procurement laws of Guam require that we must have available no less than 95 percent of the bid quote, some \$1.4 million more than is available at the present time.

In addition, another \$586,550.00 is needed for critically important CIP projects which as yet have been unfunded, projects including CT Scan Fire Protection, Cardiopulmonary Ventilation, medical equipment, and others. I'm sure you'll agree these projects are vital to the continued improvement of Guam Memorial Hospital and our eventual goal of re-accreditation.

For these reasons, Guam Memorial Hospital is fully supportive of the transfer of \$2,000,000.00 into the CIP budget. GMH has received assurances from the Administration - and is confident - that this is a temporary process. We have further received assurances that should we fail to successfully conclude these negotiations, the funds transferred will be replenished. Likewise, GMH has been assured that if the negotiations are successful, that the funds will also be replenished.

RECEIVED
COMMITTEE ON RULES
DATE 10/13/89
TIME 10:00 am
BY amb

Governor Joseph F. Ada
Re: \$2.M transfer
7/28/89
Page 2

Governor, time is of the essence. The people of Guam need and deserve a first-class quality medical facility and it is our desire to provide such a facility as soon as possible. Your favorable consideration of this request will be greatly appreciated.

Thank you and si Yu'us ma'ase.

Sincerely,



EDUARDO J. CRUZ, M.D.
Hospital Administrator
(Acting)

Attachments

200373

EJC/ms

cc: Speaker, Joe T. San Agustin
Chairperson, Board of Trustees
Chairperson, Planning & Finance Committee

Actions required relating to the Processing of Award on Bid for Packages III, IV, and V for the Upgrading and Expansion of the Guam Memorial Hospital Authority

I. Bid Processing

One Bid was received from Black Construction Company detailed as follows:

	BLACK BID	GMHA EST.
Basic Bid for major Work	\$12,959,000.00	8,890,000.00
Additive Bid Items:		
1. CME building	525,000.00	870,173.00
2. CME Stairs/Elevator	125,000.00	182,337.00
3. Security Grills	53,000.00	7,530.00
4. Entrance Canopy	192,000.00	221,137.00
5. Chiller replacement	342,000.00	213,664.00
6. MEZ Floor General Storage	169,000.00	110,274.00
7. Chapel	70,000.00	99,811.00
8. VIP Suite/Toilet	66,000.00	15,902.00
9. Corner Guards	<u>11,000.00</u>	<u>15,300.00</u>
Total	\$14,512,000.00	10,626,128.00
DIFFERENCE =		3,885,872.00

1. All actions must be completed on or before August 1, 1989 to ensure the price validity of the bid.
2. A waiver of the technical difficulties with the Affidavit of Disclosure of Major Shareholders not being on the proper form and not specifying the 12 month period must be documented and included in the bid documents.
3. As the bid quote is in excess of the construction cost estimate for the project, The Government must identify total available funds to be within 5% of the basic bid cost. This will enable the Government to invoke the authority of Section 6959.1 (g) of P.L. 16-124 which states:

In the event all bids for a construction project exceed available funds as certified by the appropriate fiscal offer, and the low responsive and responsible bid does not exceed such funds by more than five percent (5%), the Chief Procurement Officer, the Director of Public Works, or the head of a purchasing agency, is authorized in situations where time or economic considerations preclude

the resolicitation of work of a reduced scope to negotiate an adjustment of the bid price, including changes in the bid requirements, with the low and responsible bidder, in order to bring the bid within the amount of available funds."

- a. The government must identify and certify funds available of \$12,311,050.00. A total of \$1,411,531.80 must be transferred to the CIP account to allow for this certification. See Calculation Below.
- b. Documentation of the justification of the importance of time in completing the project to bring the Hospital up to standards for quality care environmental factors relating to accreditation, which precludes the resolicitation of the work.

Once these steps are completed the Government may then proceed to negotiate for the reduction of the bid price and scope to address the completion of the project.

4. Price negotiations:

Negotiate price downwards by:

- a. Extension of contract time frame.
- b. Reduction of Liquidated damages from \$2000./day
- c. Reduction in scope by eliminating additive bid items.
- d. others?

GMHA Calculation of Funds available for Certification

Balance of CIP Federal Grant:	\$3,339,518.20
Legislative Appropriation:	7,560,000.00
Total:	\$10,899,518.20

Funds to be identified and transferred to CIP Account:

\$12,311,050.00
<u>-10,899,518.20</u>
\$ 1,411,531.80

Additional Capital Improvement Project Items requiring funding:

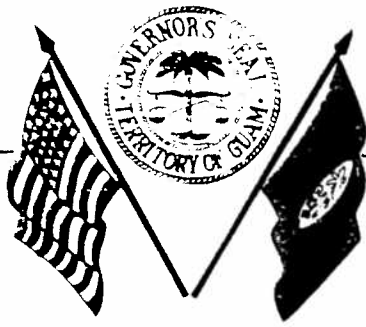
Item	Estimated Costs	
1. Construction Management Services Packages III, IV and V	\$300,000.00	<i>as of 8/89 scope decreased & means down to 100.</i>
2. Architect/Engineering Services to Supplement work in Pkgs. III-V Pending Projects to be designed:		
a. Upgrade Communications System	\$ 38,500.00	
b. Upgrade Signage	4,500.00	
c. Automatic OR Doors	2,550.00	
d. Medical Equipment	10,000.00	
e. CT Scan Fire Protection	6,000.00	
f. Kitchen Equipment	17,000.00	
g. Cardiopulmonary Ventilation	<u>8,000.00</u>	
Total	\$ 86,550.00	
3. Architect Services During Construction	\$100,000.00	<i>scope has expanded to incl amendment over</i>
4. Amendment No.4 in process of approval	\$ 21,072.00	
5. Purchase and Installation of Typhoon Shutters on Existing Building	\$178,000.00	
Total all Projects	<u>\$ 685,622.00</u>	

Total Funding Requirements:

Hospital Bid for Negotiations to Occur	\$1,411,531.80
Added CIP Items Above	<u>685,622.00</u>
Grand Total	\$2,097,153.80

Note: The funding above does not address the need for the required funds to address the Additive Bid items included in the scope of the bid. Any funding decreases to result from the negotiations process will be applied to the total \$3,885,872.00 required to implement these projects based upon the initial bid submission by Black Construction. The Hospital will require additional funding for the implementation of these projects if the bid negotiations does not result in sufficient decreases to provide for funds to cover these costs.

G.M.H



Territory of Guam
Territorio de Guam

OFFICE OF THE GOVERNOR
LE FISIÑAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

Rec'd by Secy

JUL 06 1989

Honorable Joe T. San Agustin
Speaker
Twentieth Guam Legislature
P. O. Box CB-1
Agana, Guam 96910

J

Dear Mr. Speaker:

Transmitted herewith is official notification and justification of the transfer of funds pursuant to Public Law 19-34, Section 43. Enclosed is a modification effectuating such transfer.

Thank you for your attention in this matter. Si Yu'os Ma'ase.

Sincerely,

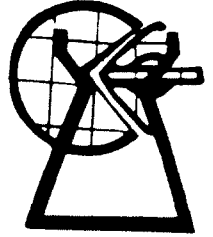
Joseph F. Ada
JOSEPH F. ADA
Governor of Guam

Enclosure

200338



BUREAU OF BUDGET & MANAGEMENT RESEARCH
OFFICE OF THE GOVERNOR, Post Office Box 2950, Agaña, Guam 96910



MICHAEL J. REIDY
Director

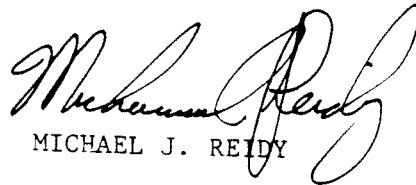
Memorandum

To: The Governor
From: Director, Bureau of Budget and Management Research
Subject: Request for FY 1989 Appropriation Transfer

Pursuant to Public Law 19-34; 43, the Bureau recommends approval/disapproval on the proposed appropriation transfer requested by the Guam Memorial Hospital Authority.

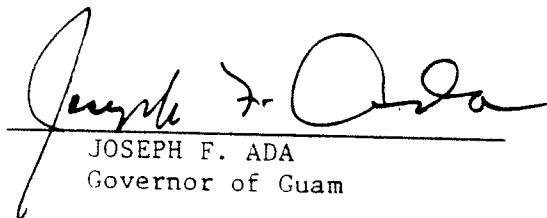
The amount to be transferred equals \$ 2,000,000 and is to be reallocated from Operating Expense to Operating Expense.

Should you require any additional information on this matter, please contact me.


MICHAEL J. REIDY

APPROVED

DISAPPROVED


JOSEPH F. ADA
Governor of Guam

DATE _____

REQUEST FOR APPROPRIATION/ALLOTMENT MODIFICATIONS

DEPARTMENT/AGENCY'S NAME GUAM MEMORIAL HOSPITAL AUTHORITY
 DIVISION/SECTION'S NAME _____

T Y P E APPROPRIATION ALLOTMENT

DESCRIPTION OF ACTION: TO TRANSFER FUNDS PURSUANT TO P.L. 19-34.

QUARTER / ACCOUNT NUMBER / OBJECT CATEGORY	CURRENT APPROP/ALLOTMENT LEVEL	MODIFICATION + or -	REVISED APPROP ALLOTMENT LEVEL
<u>APPROPRIATION</u>			
5100A99966CT017 290	6,008,252	(2,000,000)	4,008,252
5100D99966CT019 290	7,560,000	2,000,000	9,560,000
<u>ALLOTMENT</u>			
Resv. 5100A99966CT017 290	4,116,253	(2,000,000)	2,116,253
Resv. 5100D99966CT019 290	7,560,000	2,000,000	9,560,000

Modification(s) requires immediate Update of Accounting Files: YES NO

SIGNATURE:

REQUESTOR: _____ (Department Head) DATE _____

APPROVED/DISAPPROVED MICHAEL J. REIDY (BBMR Director) DATE 7/5/89

ACCOUNTING FILES MODIFIED: _____ DATE _____

FISCAL NOTE
BUREAU OF BUDGET & MANAGEMENT RESEARCH

BBMR-77

Bill No. 937(LS) Date Received October 20, 1989
Mandatory Bill Yes No Date Reviewed October 23, 1989

Department/Agency Affected: Guam Memorial Hospital Authority

Department/Agency Head: George B. Palican

Total Fiscal Year Appropriation: \$5,635,063

Bill Title (concise): An act to appropriate the sum of Ten Million One Hundred Eighty Six
Thousand Ninety One Dollars (\$10,186,091) to GMA for capital improvement projects
and collateral equipment.

Change in Law: No.

Bill Attempts to: Increase Program Funding
 Decrease Program Funding
 Reallocate Present Program Funding
Bill is for: Operations
 Capital Improvement
 Other

FINANCIAL/PROGRAM IMPACT

PROGRAM CATEGORIES	Minimum Estimated Required Funds (For Five Years)		
	GENERAL FUND	FEDERAL	OTHER
<u>Semi-Autonomous/Autonomous</u>	<u>\$10,186,091</u>		
GRAND TOTAL	<u>\$10,186,091</u>		

ESTIMATED MULTI-YEAR FUND REQUIREMENTS

SOURCES	1st	2nd	3rd	4th	5th
General Fund	<u>(See Comments.)</u>				
Federal Fund					
Other Fund					
GRAND TOTAL					

ESTIMATED MULTI-YEAR REALIZED REVENUES

SOURCES	1st	2nd	3rd	4th	5th
General Fund	<u>(See Comments.)</u>				
Federal Fund					
Other Fund					
GRAND TOTAL					

Orlida J. Guerrero
ORLIDA J. GUERRERO
PROGRAM ANALYST
Michael J. Rejo
MICHAEL J. REJO
DIRECTOR

Date Review Terminated: October 23, 1989

COMMENTS:

Comments on Bill No. 937 (LS)

Bill No. 937 is an act to appropriate the sum of Ten Million One Hundred Eighty Six Thousand Ninety One Dollars (\$10,186,091) to the Guam Memorial Hospital Authority for capital improvement projects and collateral equipment.

Based on information provided by the Guam Memorial Hospital Authority, the total amount required is \$8,386,091. As such, the appropriation as proposed in Bill No. 937 would be sufficient to meet the requirements of the capital improvement projects and purchase of collateral equipment.

The breakdown is as follows:

Reinstate those items excluded from the original contract with Black Construction	\$ 2,212,000
Add those items deemed essential to JCAHO accreditation and GMHA operations, and to provide for necessary change orders	2,451,200
Radiology Remodeling Modifications	182,000
Purchase collateral equipment	1,028,484
Package VI	2,134,407
Typhoon Shutters	178,000
Reimburse GMHA Operational funds	<u>200,000</u>
TOTAL FUNDING REQUIRED	\$ 8,386,091



MICHAEL J. REIDY

ATTENDANCE SHEET

TWENTIETH GUAM LEGISLATURE
COMMITTEE ON HEALTH, WELFARE, AND ECOLOGY

PUBLIC HEARING DATE: 10-19-89 ON Bill No. 937

INITIAL

- | | |
|-----------------------------------------|---------------|
| 1. SPEAKER SAN AGUSTIN, JOE T. | _____ |
| 2. SENATOR AGUON, JOHN P. | _____ |
| 3. SENATOR ARRIOLA, ELIZABETH P. (M) | _____ |
| 4. SENATOR DIERKING, HERMINIA D. (M) | _____ |
| 5. SENATOR GUTIERREZ, CARL T.C. | _____ |
| 6. SENATOR LUJAN, PILAR C. (M) | _____ |
| 7. SENATOR MAILLOUX, GORDON (M) | _____ |
| 8. SENATOR NELSON, TED S. (M) | _____ |
| 9. SENATOR PARKINSON, DON | _____ |
| 10. SENATOR QUITUGUA, FRANKLIN J.A. | _____ |
| 11. SENATOR REYES, EDWARD D. (M) | _____ |
| 12. SENATOR SANTOS, FRANK R. | _____ |
| 13. SENATOR BAMBA, GEORGE J. | _____ |
| 14. SENATOR BROOKS, DORIS F. | _____ |
| 15. SENATOR DUENAS, EDDIE R. | _____ |
| 16. SENATOR ESPALDON, ERNESTO (M) | _____ |
| 17. SENATOR MANIBUSAN, MARILYN D.A. (M) | _____ |
| 18. SENATOR RUTH, MARTHA C. (M) | <u>Murphy</u> |
| 19. SENATOR TANAKA, TOMMY (M) | _____ |
| 20. SENATOR UNPINGCO, TONY R. (M) | _____ |

ATTENDANCE SHEET
COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

DATE:

B.11 937

COMMENT

FAVOR:

AGAINST:

TESTIMONY

WRITTEN:

ORAL:

AGENCY / INTEREST GROUP

NAME

PRINT:

SIGN:

Robert A. Houdek

GEORGE PALICAD

R. A. Houdek

George Palicad

W. W. Anderson

Uma Leon Guerrero

Mercy International Health Services

GMHA

GMHA

X

X

X