

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 11, 2025

FROM

DON DAY, Director, Project and Facilities Management

ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center

SUBJECT

Budget Adjustments for Arrowhead Regional Medical Center's Capital Improvement Program Projects

RECOMMENDATION(S)

1. Approve a budget increase in the amount of \$1,874,461 to Capital Improvement Program Project No. 19-134 (WBSE 10.10.0839), increasing the total project budget from \$2,767,012 to \$4,641,473, to replace the aging hospital public address system.
2. Approve a budget increase in the amount of \$2,113,215 to Capital Improvement Program Project No. 20-013 (WBSE 10.10.0845), increasing the total project budget from \$363,485 to \$2,476,700, to replace the data room cooling system.
3. Approve a budget increase in the amount of \$28,596,878 to Capital Improvement Program Project No. 20-163 (WBSE 10.10.0949), increasing the total project budget from \$6,420,988 to \$35,017,866, to replace the existing nurse call system and install a real-time locating system.
4. Approve a budget increase in the amount of \$5,924,660 to Capital Improvement Program Project No. 21-047 (WBSE 10.10.1054), increasing the total project budget from \$5,331,490 to \$11,256,150, to replace the cooling tower.
5. Approve a budget increase in the amount of \$1,227,858 to Capital Improvement Program Project No. 21-056 (WBSE 10.10.1057), increasing the total project budget from \$4,800,302 to \$6,028,160, to modernize and upgrade the main lobby elevators.
6. Approve a budget increase in the amount of \$71,662 to Capital Improvement Program Project No. 19-068 (WBSE 10.10.0720), increasing the total project budget from \$755,828 to \$827,490, to replace the variable frequency drives in the central plant.
7. Approve a budget increase in the amount of \$700,000 to Capital Improvement Program Project No. 19-126 (WBSE 10.10.0777), increasing the total project budget from \$1,450,000 to \$2,150,000, for the development of funding ready packages, continuation of program management services, and pre-design services for various projects.
8. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments as detailed in the Financial Impact section (Four votes required).

(Presenter: Don Day, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

**Budget Adjustments for Arrowhead Regional Medical Center’s Capital Improvement Program Projects
March 11, 2025**

Approval of this item will not require the use of Discretionary General Funding (Net County Cost). The budget increases for Arrowhead Regional Medical Center’s (ARMC) Projects will be fully funded through the ARMC Enterprise Fund. The department will make annual transfers to the project in accordance with cash flow requirements. The capital improvement projects listed below were previously approved (June 11, 2024, Item No. 110) by the Board of Supervisors (Board) as part of the 2024-25 Capital Improvement Program (CIP) budget. Approval of Recommendation No. 8 will allow the Auditor-Controller/Treasurer/Tax Collector to post the following adjustments to the Capital Improvement Program 2024-25 budget:

Fund Center	Commitment Item	Description	Action	Amount	WBSE
7700004204	54304030	Structures & Improvements to Structures	Increase	\$1,874,461	10.10.0839
7700004204	54304030	Structures & Improvements to Structures	Increase	\$2,113,215	10.10.0845
7700004204	54304030	Structures & Improvements to Structures	Increase	\$28,596,878	10.10.0949
7700004204	54304030	Structures & Improvements to Structures	Increase	\$5,924,660	10.10.1054
7700004204	54304030	Structures & Improvements to Structures	Increase	\$1,227,858	10.10.1057
7700004204	54304030	Structures & Improvements to Structures	Increase	\$71,662	10.10.0720
7700004204	54304030	Structures & Improvements to Structures	Increase	\$700,000	10.10.0777
7700004204	40909975	Operating Transfers In	Increase	\$1,874,461	10.10.0839
7700004204	40909975	Operating Transfers In	Increase	\$2,113,215	10.10.0845
7700004204	40909975	Operating Transfers In	Increase	\$28,596,878	10.10.0949
7700004204	40909975	Operating Transfers In	Increase	\$5,924,660	10.10.1054
7700004204	40909975	Operating Transfers In	Increase	\$1,227,858	10.10.1057
7700004204	40909975	Operating Transfers In	Increase	\$71,662	10.10.0720
7700004204	40909975	Operating Transfers In	Increase	\$700,000	10.10.0777

BACKGROUND INFORMATION

The requested budget adjustments will allow ARMC to fund the CIP projects listed in the Recommendations that have been prioritized as critical to the continued operations of the hospital.

CIP Project No. 19-134 (WBSE 10.10.0839) is to replace the aging hospital public address system including amplifiers, paging servers, microphones, and speakers. The initial project for ARMC was only funded through the end of design and California Department of Health Care

**Budget Adjustments for Arrowhead Regional Medical Center’s Capital Improvement Program Projects
March 11, 2025**

Access and Information (HCAI) approval. This budget adjustment will complete the project through construction and close out.

CIP Project No. 20-013 (WBSE 10.10.0845) is to replace the data room cooling system. The Computer Room Air Conditioning (CRAC) Unit has failed in the Data Room, and it needs to be replaced. The initial project for ARMC was only funded through the end of design and HCAI approval. This budget adjustment will allow the hospital to commence construction and close out the project. The cost includes the equipment inside the data room as well as the equipment that will be placed on the rooftop. New plumbing lines will need to be installed between the two pieces of equipment as well as additional electrical work. Because of the size of the new CRAC Unit, one opening will need to be widened to transport it to its final location in the data room.

CIP Project No. 20-163 (WBSE 10.10.0949) is to replace the existing Nurse Call System. The original budget for this project was strictly for the nurse call system. The scope has increased to meet the nursing staff’s needs to safely care for their patients, including installing a real-time locating system that includes staff badging, equipment tagging, and Centrak Infant Security System. The scope also includes new patient information boards and digital panels for patient monitoring. The construction scope includes wall rating, IDF data closets, fire alarm integration, and code compliance that was not addressed in the first budget adjustment, which was only to cover the cost of the vendor contract for the Nurse Call System project.

Item	Cost
Design & Project Administration	\$2,196,878
Construction & Inspection	\$24,000,000
Owner’s Contingency	\$2,400,000
Total	\$28,596,878

CIP Project No. 21-047 (WBSE 10.10.1054) is to replace the cooling tower. Current cooling towers were originally going to be refurbished; however, after investigation, including destructive testing, it was observed that there was internal component deterioration and corrosion, as well as the structural steel that supports the cooling towers, which is also in a state of deterioration and corrosion resulting in the need for replacement. Furthermore, the roof was found to be in an irreparable condition and requires complete demolition and re-roofing. The budget adjustment also includes the replacement of temporary cooling towers to maintain adequate cooling for the hospital during the replacement.

CIP Project No. 19-068 (WBSE 10.10.0720) is to replace the variable frequency drives in the Central Plant. The scope of work adds additional equipment such as Fan Coil Units and a meat curtain to create separation between the plumbing room and boiler room in the Central Plant to reduce heat and ensure the newly installed variable frequency drives meets proper temperatures per manufacturer requirements – this resulted in additional equipment cost and additional construction to meet code requirements.

CIP Project No. 21-056 (WBSE 10.10.1057) is modernize and upgrade the main lobby elevators. This includes the replacement of door components, motors, software upgrades, controls, and flooring. The original project was funding elevators one and two; however, multiple elevators are at end of life and having failures causing delays in movement throughout the hospital. This budget adjustment will allow the hospital to upgrade elevators four, five, six, and seven as well.

**Budget Adjustments for Arrowhead Regional Medical Center's Capital
Improvement Program Projects
March 11, 2025**

CIP Project No. 19-126 (WBSE 10.10.0777) is to provide for the development of funding ready packages, continuation of program management services, and pre-design services for various projects prior to them becoming a CIP.

ARMC recommends approval of these budget adjustments because it will allow ARMC to operate in a fiscally-responsible and business-like manner and continue to provide for the health and safety of County residents as it will help ARMC to continue critical services.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kaleigh Ragon, Deputy County Counsel and Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on February 21, 2025; Auditor-Controller/Treasurer/Tax Collector (Mima Ugbo, Deputy Chief Controller, 382-3035) on February 21, 2025; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on February 21, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884, Yael Verduzco, Principal Administrative Analyst, 387-5285) on February 23, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on February 27, 2025.

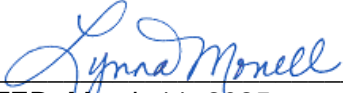
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March 11, 2025

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 11, 2025



cc: File - Project and Facilities Management
MBA 03/13/2025