

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

August 19, 2025

FROM

**DON DAY, Director, Project and Facilities Management Department
ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

SUBJECT

Budget Adjustment for the Magnetic Resonance Imaging Replacement Project at Arrowhead Regional Medical Center

RECOMMENDATION(S)

1. Approve a budget increase to Capital Improvement Program Project No. 17-112, for the Magnetic Resonance Imaging Replacement Project, in the amount of \$449,189, increasing the total project budget from \$6,222,984 to \$6,672,173, for the renovation of the space used to replace the existing end of life magnetic resonance imaging machine.
 2. 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

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The budget increase of \$449,189 for the Arrowhead Regional Medical Center (ARMC) Magnetic Resonance Imaging (MRI) Replacement Project (Project) (WBSE 10.10.0246), is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. This funding was previously approved by the Board of Supervisors (Board) on September 26, 2023 (Item No. 16) as part of the 2023-24 Capital Improvement Program (CIP) Budget.

Approval of the following budget adjustments will authorize the Auditor-Controller/Treasurer/Tax Collector to post adjustments to the CIP 2025-26 budget:

Fund Center	Commitment Item	Description	Action	Amount	WBSE
7700004204	54304030	Structures & Improvements to Structures	Increase	\$449,189	10.10.0246
7700004204	40909995	Residual Equity Transfers In	Increase	\$449,189	10.10.0246

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Fund Center	Commitment Item	Description	Action	Amount	WBSE
7701004204	40909999	Residual Equity Transfers Out	Decrease	\$449,189	-
7701004204	54304030	Structures & Improvements to Structures	Decrease	\$449,189	-

BACKGROUND INFORMATION

The ARMC Project is critical to ensuring the continued operations of the hospital, involving the replacement of the aging 1.5T Philips MRI unit with a new 3T Canon MRI system. The existing 1.5T Philips MRI has reached obsolescence and is increasingly costly to maintain due to the limited availability of replacement parts. To ensure the continued delivery of safe and effective patient care, the outdated unit must be replaced with the new 3T Canon MRI system. This upgrade will significantly improve imaging quality, reduce scan times, and enhance diagnostic accuracy, resulting in better overall patient care at ARMC.

The proposed budget increase of \$449,189 includes submitted contractor change order costs related to existing conditions and design changes. These design changes were required to address constructability issues stemming from inaccurate as-built documentation and to accommodate the provision of a temporary MRI trailer to support outpatient services. The installation and mobilization of the MRI trailer were essential to maintaining continuous patient care and service capacity during construction. Additionally, the costs account for extended construction administration time, increased Inspector of Record costs, and project management costs due to the contractor delay in completing this project, which has extended the scheduled construction completion date out by over a year.

Approval of the requested budget adjustments will enable ARMC to adequately fund the Project, which has been prioritized as critical to maintaining hospital operations and sustaining continued delivery of high-quality patient care.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel and Daniel Pasek, Deputy County Counsel, 387-5455) on August 4, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor Controller Manager, 382-7022) on August 4, 2025; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on August 4, 2025; Project and Facilities Management (Robert Gilliam, Chief of Project Management, 387-5000) August 4, 2025; County Finance and Administration (Eduardo Mora, 387-4376, Jenny Yang, Administrative Analysts, 387-4884, Yael Verduzco, Principal Administrative Analyst, 387-5285) on August 4, 2025.

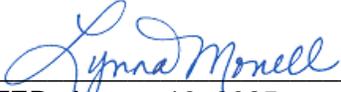
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 19, 2025



cc: File - Project & Facilities Management Department
MBA 08/22/2025