



**AGENDA**

**REGULAR MEETING OF THE FINANCE COMMITTEE  
A COMMITTEE OF THE BOARD OF DIRECTORS**

**Tuesday, January 30, 2024**

**9:00 AM**

**Administration Boardroom**

**600 N. Highland Springs Avenue, Banning, CA 92220**

**In compliance with the Americans with Disabilities Act**, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2101. **Notification 48 hours prior to the meeting** will enable the Hospital to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

I. Call to Order

S. DiBiasi

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Finance Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board/Committee wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board/Committee’s part; a response will be forthcoming.

**OLD BUSINESS**

III. \* **Proposed Action – Approval of Minutes**

S. DiBiasi

- December 22, 2023, regular meeting

A

**NEW BUSINESS**

- IV. \* **Proposed Action – Recommend Approval to Hospital Board** D. Heckathorne B  
▪ **December 2023 Financial Report (Unaudited)**  
▪ **ROLL CALL**
- V. \* **Proposed Action – Recommend Approval to Hospital Board and District Board that the CEO be authorized to approve SPC and NPC Construction documents and the Material Testing and Condition Assessment Program (MTCAP)** J. Peleuses C  
▪ **ROLL CALL**
- VI. Future Agenda Items
- VII. Next Meeting – February 27, 2024 @ 9:00 AM.
- VIII. Adjournment S. DiBiasi

**\* Requires Action**

In accordance with The Brown Act, Section 54957.5, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Committee. Such records shall be available at the Hospital office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

**Certification of Posting**

I certify that on January 26, 2024, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Hospital - Finance Committee, and on the San Gorgonio Memorial Hospital website said time being at least 72 hours in advance of the regular meeting of the Finance Committee (*Government Code Section 54954.2*).

Executed at Banning, California, on January 26, 2024



Ariel Whitley, Executive Assistant

**TAB A**

REGULAR MEETING OF THE  
SAN GORGONIO MEMORIAL HOSPITAL  
BOARD OF DIRECTORS

FINANCE COMMITTEE  
December 22, 2023

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Friday, December 22, 2023, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Darrell Petersen, Steve Rutledge

Members Absent: Shannon McDougall

Required Staff: Steve Barron (CEO), Daniel Heckathorne (CFO), Karan P. Singh, MD (CMO), Ariel Whitley (Executive Assistant), Angela Brady (CNE)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
<b>Call To Order</b>	Susan DiBiasi called the meeting to order at 9:31 am.									
<b>Public Comment</b>	No public present.									
<b>OLD BUSINESS</b>										
<b>Proposed Action - Approve Minutes November 28, 2023, regular meeting</b>	Susan DiBiasi asked for any changes or corrections to the minutes of the November 28, 2023, regular meeting. There were none.	<b>The minutes of the November 28, 2023, regular meeting will stand correct as presented.</b>								
<b>NEW BUSINESS</b>										
<b>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – November 2023</b>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited November 2023 finance report as included in the committee packets.</p> <p>The month of November resulted in negative \$4.75M EBIDA compared to budgeted negative EBIDA of \$1.2M vs. a positive \$1.42M Flex Budget. There were a few adjustments and items of note.</p> <p><b>ROLL CALL:</b></p> <table border="1" style="margin-left: 20px;"> <tr> <td>DiBiasi</td> <td style="text-align: center;">Yes</td> <td>McDougall</td> <td style="text-align: center;">Absent</td> </tr> <tr> <td>Petersen</td> <td style="text-align: center;">Yes</td> <td>Rutledge</td> <td style="text-align: center;">Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	McDougall	Absent	Petersen	Yes	Rutledge	Yes	<b>M.S.C. (Rutledge/Petersen), the SGMH Finance Committee voted to recommend approval of the Unaudited November 2023 Financial report to the Hospital Board of Directors.</b>
DiBiasi	Yes	McDougall	Absent							
Petersen	Yes	Rutledge	Yes							
<b>Proposed Action – Recommend Approval to Hospital Board and the</b>	No action was taken.									

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Healthcare District Board – Adopt Resolution No. 2024-01.</b>		
<b>Proposed Action – Recommend Approval to Hospital Board and the Healthcare District Board –California Health Facilities Financing Authority Distressed Loan Hospital Loan Program, Loan and Security Agreement</b>	No action was taken.	
<b>Future Agenda Items</b>	<ul style="list-style-type: none"> <li>• IT Dashboards</li> </ul>	
<b>Next Meeting</b>	The next regular Finance Committee meeting will be held on January 30, 2024 @ 9:00 am.	
<b>Adjournment</b>	The meeting was adjourned at 10:37 am.	

In accordance with The Brown Act, *Section 54957.5*, all reports, and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

**TAB B**



**SAN GORGONIO MEMORIAL HOSPITAL  
BANNING, CALIFORNIA**

**Unaudited Financial Statements**

**for**

**SIX MONTHS ENDING DECEMBER 31, 2023**

**FY 2024**

**Certification Statement:**

To the best of my knowledge, I certify for the hospital that the attached financial statements, except for the uncertainty of IGT revenue accruals, do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Note: Because these reports are prepared for internal users only, they do not purport to conform to the principles contained in U.S. GAAP.

Note: Certain June 30, 2023 final audit entries are not reflected in the 12/31/23 Statements.

Certified by:

*Daniel R. Heckathorne*

**Daniel R. Heckathorne**

CFO

# San Gorgonio Memorial Hospital

## Financial Report - Executive Summary

For the Month of December, 2023 and Six Months Ended December 31, 2023 (Unaudited)

### Profit/Loss (EBIDA) Summary (MTD) Negative and (YTD) Negative (comparisons to Budget)

**Month** - The month of December resulted in negative \$1.96M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$1.63M vs. a negative \$2.61M Flex Budget.

**YTD** - Six months ending in December resulted in negative \$15.25M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$6.38M and a Flex Budget loss of \$8.16M. Note: If the unaccrued Supplemental funds, along with provision for lease principal payments were booked, the YTD EBIDA would be a negative \$7.17M, and if the prorata budgeted DSH and P4P were also accrued, this YTD EBIDA would be a negative \$6.49M compared to the actual negative booked \$15.52M.

#### **Month** - Adjustments and Items of Note:

- Patient Days, Adjusted Patient Days and Emergency volumes were at or above budget.
- The Average Length of Stay and Case Mix Index for all patients were over the previous December by 5.1% and 10.9% respectively.
- Surgery cases were significantly below budget as well as the previous December's volume.
- To summarize, the monthly revenues and expenses were more reflective of a predominantly "medical services" month as compared to a predominantly "surgical services" month.
- There was a final reconciliation of the Anesthesia contract, which resulted in December's anesthesia expense being \$510K over budget.

**Month** - December's inpatient average daily census was 26.8, the highest of this fiscal year. Adjusted Patient Days were less than 1.0% under budget (1,966 vs. 1,971), and Patient Days were 10.9% over budget (831 vs. 749). Emergency Visits were slightly over budget (3,836 vs. 3,821), and Surgeries were 29% under budget (80 vs. 113).

**YTD** - Inpatient average daily census was 22.0. Adjusted Patient Days were .6% under budget (11,259 vs. 11,321), Patient Days were 2.1 below budget (4,042 vs. 4,125). Emergency Visits were 5.6% under budget (21,267 vs. 22,514), and Surgeries were 18% under budget (635 vs. 779) and 12% below the previous YTD of 718 cases.

### Patient Revenues (MTD) Positive Variance (YTD) Negative Variance

**Month** - Net Patient Revenues in December were \$5.59M, or \$374K over budget. Other items of note included the fact that gross Inpatient Revenues were 15% (\$2.52M) over budget, while gross Outpatient Revenues were 2.2% (\$517K) under budget. As discussed in the past, Inpatient Revenues pay about 16.8% of charges, compared to Outpatient Revenues which pay about 9.7% of charges.

**YTD** - Net Patient Revenues through December were \$25.4M compared to budgeted \$33.1M (-23%) In November there was a \$504K favorable adjustment to Deductions from Revenues Expense due to removal of previously estimated Medicare Outlier Repayments no longer deemed necessary and there was a one-time \$3.52M negative adjustment for Contractual Allowance Reserves, which was based on the latest reconciliation of cash collections compared to previously estimated collections. Finally, Net patient revenues are under budget, which includes the impact of Surgeries being 18% below budget, and the remaining variance results from budgeted Net Revenue estimates that have proven to be too high.

### Total Operating Revenues (MTD) Positive Variance & (YTD) Negative Variance

**Month** - Operating Revenue in December was \$285K over budget. This is mostly impacted by the Net Patient Revenues being \$374K over budget and the Non-Patient Revenues being \$89K under budget.

**YTD** - Operating Revenue through December was \$8.06M under budget. This is impacted by the Net Patient Revenues at \$7.63M under budget and the Non-Patient Revenues being \$433K under budget.



### **Operating Expenses (MTD) Negative & (YTD) Negative Variance**

**Month** - Operating Expenses in December were \$8.13M, were over budget by \$623K and over the Flex Budget by \$512K. Key items that impacted Expenses were: 1) Salaries, Wages, Benefits, and Contract Labor were collectively \$552K over budget and \$413K over the Flex budget. This was impacted by a) Wages being \$574K over budget, which included an estimated \$150K of Christmas Holiday Overtime, b) the 3.0% salary increase in October, and c) the overall inpatient days' workload being almost 11% over budget; 2) Physician Fees were \$445K over budget mostly driven by the \$510K anesthesia expense adjustment; 3) Purchased Services were \$41K under budget in spite of the Legal Fees being \$107K over budget; 4) Supplies were \$281K below budget due in large part to low surgery volumes; and 5) Repairs and Other Expenses were \$38K and \$66K under budget, impacted in part by December being a Holiday month.

**Year-to Date** - Operating Expenses through December were \$44.81M and were over budget by \$806K and over the Flex Budget by \$1.39M. Key items that impacted Expenses were: 1) Salaries and Wages, Benefits, and Contract Labor were collectively \$947K over budget and \$1.06M over the Flex budget. This was driven by the following: a) The \$527K State Mandated California Paid Sick Leave program that was accrued in July; b) Contract Labor was over budget by \$486K due to several nurse staffing vacancies in OB and ER along with orientation of 2 new grads in the ER; and c) an additional \$153K increase for re-valuing the PTO bank to reflect the 3.0% Wage increase in late October; 2) Physician Fees are \$348K over budget largely impacted by the \$510K anesthesia expense reconciliation; 3) Purchased Services are \$489K over budget which included Legal Fees exceeding budget by \$708K; 4) Supplies are the most notable item under budget by \$847K, again reflected by lower than anticipated intensities of services, including Surgeries and Emergency visits being under budget; 4) Repairs and Maintenance are over budget by \$60K largely to significant maintenance work occurring in September and October, and 5) Other Expenses are \$162K under budget due mostly to certain "seasonal" expenses still waiting to occur along with our conservative expenditures directives.

### **Balance Sheet/Cash Flow**

Patient cash collections in December totaled \$4.59M, compared to \$4.51M in November and \$5.24M in October. Gross Accounts Receivable Days in December were 64.1, compared to 60.8 in November. Note: Medicare had put a hold on \$793K payments in early December waiting for the annual cost report which was filed on December 8, however they did not bother to release the hold until January.

Cash Balances were \$6.17M compared to \$5.95M in November and \$8.68M in October. Net Accounts Receivable increased to \$9.92M from \$8.95M in November, primarily due to a \$5.8M increase in Gross Revenues, and the delay of Medicare payments mentioned above. Other changes of note included receipt of various District tax collections which normally commence in December. Accounts Payable increased to \$10.47M compared to \$10.13M in November and \$9.83M in October. Finally, a liability is in place \$1.5M for FY 2022 payable to Medicare for estimated overpayments for outliers and sequestration funds. The outstanding Line of Credit was increased by \$4M in mid-December, bringing the total outstanding balance to \$8M.

### **Summary**

#### **Positive takeaways:**

- 1) Patient workloads (excepting surgeries) exceeded budget.
- 2) Except for the Anesthesia expense adjustment, EBIDA would have outperformed budget by \$172K.

#### **Negative takeaways:**

- 1) Labor costs were over budget in December;
- 2) Surgeries continue to lag behind budget and prior year levels;
- 3) Legal fees continue to be over budget;
- 4) The Contractual Allowance Reserve adjustment in November significantly impacted YTD outcomes.
- 5) December's EBIDA, adjusted for pending Supplemental Income (excluding DSH & P4P) and reserving for Cash Payments required for Leases was a negative \$513K, and the YTD is a negative \$7.17M.

**SGMH DECEMBER 2023 SIGNIFICANT EXTRAORDINARY ITEMS IMPACTING EBIDA**

1/24/2024

EXPENSE		INCOME		GAIN/(LOSS)
<b>SALARIES / BENEFITS/ CONTRACT LABOR</b>		<b>REVENUES</b>		
TOTAL LABOR OVER BUDGET	552,512	NET REVENUES OVER BUDGET	74,321	
ANESTHESIA CONTRACT RECONCILIATION (OVER BUDGET)	509,633	NET REVENUES FAVORABLE ADJUSTMENT	300,000	
 <b>OTHER EXPENSE</b>		 <b>OTHER REVENUES</b>		
LEGAL FEES OVER BUDGET	106,815	OTHER REVENUES UNDER BUDGET	(114,122)	
SUPPLIES UNDER BUDGET	(280,726)			
REPAIRS AND OTHER EXPENSES UNDER BUDGET	(104,036)			
<b>EXTRAORDINARY NEGATIVE EXPENSES</b>	<b>784,198</b>	<b>EXTRAORDINARY POSITIVE REVENUES</b>	<b>260,199</b>	<b>(523,999)</b>

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## **STATISTICS**

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Inpatient Admissions/Discharges (Monthly Average)	Represents number of patients admitted/discharged into and out of the hospital.
Patient Days (Monthly Average)	Each day a patient stays in the hospital is counted as a patient day. This count is normally done at midnight.
Average Daily Census (Inpatient)	Equals the average number of inpatients in the hospital on any given day or month.
Average Length of Stay (Inpatient)	Represents that average number of days that inpatients stay in the hospital.
Emergency Visits (Monthly Average)	Represents the number of patients who sought services at the emergency room.
Surgery Cases - Excluding G.I. (Monthly Average)	Equals the number of patients who had a surgical procedure(s) performed.
G.I. Cases (Monthly)	Number of patients who had a gastrointestinal exam performed.
Newborn Deliveries (Monthly)	Number of babies delivered.

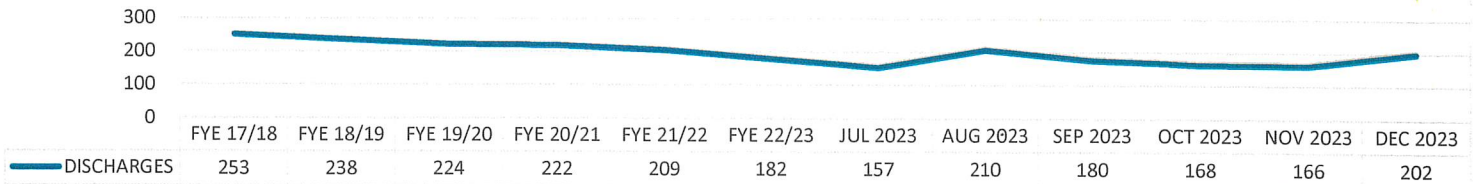
## **PRODUCTIVITY**

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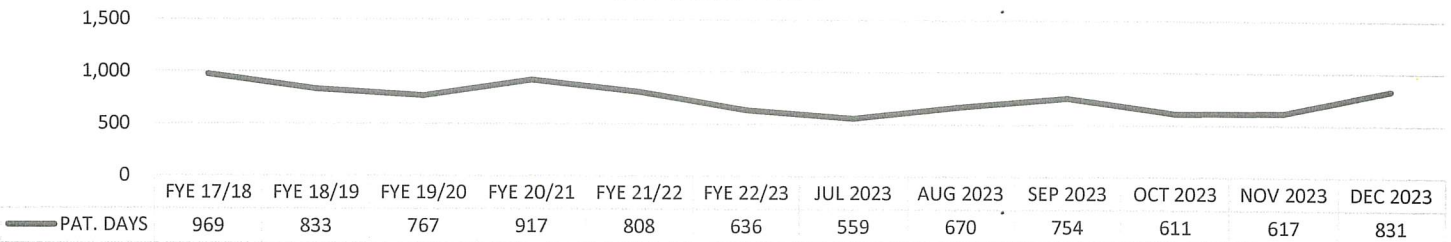
57 Worked FTEs ( includes Registry FTEs)	Represents an equivalency of full-time staff worked. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours worked by the number of hours in the respective work period (40, 80, etc.) Example: 340 hours worked in an 80 hour pay period = 4.25 FTE's
Worked FTES per APD	Divides the Total Worked FTE's by the daily average of the Adjusted Patient Days.
Paid FTEs ( includes Registry FTEs)	Represents an equivalency of full-time staff paid. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours paid (includes all hours paid consisting of worked hours, PTO hours, sick pay, etc.) by the number of hours in the respective work period (40, 80, etc.) Example: 500 hours paid in an 80 hour pay period = 6.25 FTE's.
Paid FTES per APD	Divides the Total Paid FTE's by the daily average of the Adjusted Patient Days.
ADJUSTED PATIENT DAYS	This is a blend of total patient days stayed in the hospital for a month, plus an equivalency factor (based on average inpatient revenue per patient day) applied to the outpatient revenues in order to account for outpatient workloads.

# SAN GORGONIO MEMORIAL HOSPITAL

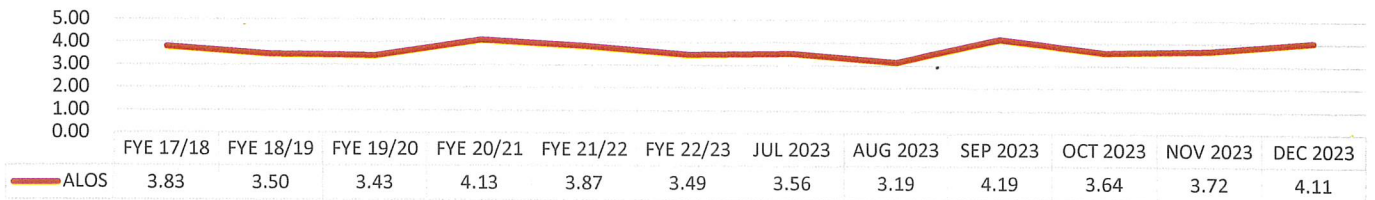
## INPATIENT DISCHARGES



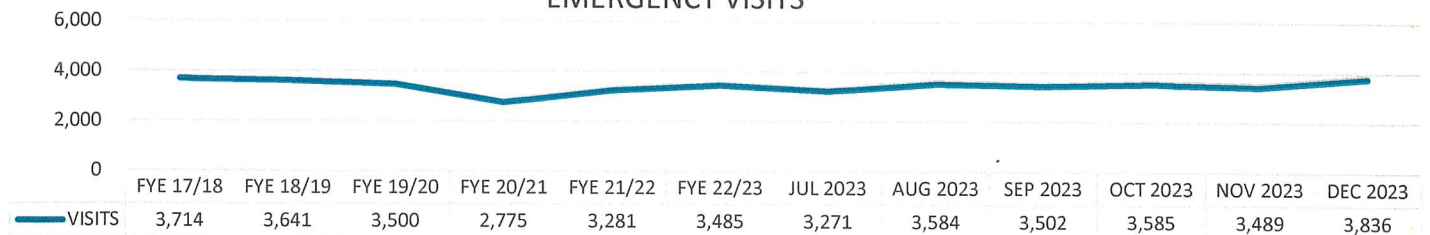
## INPATIENT DAYS



## AVERAGE LENGTH OF STAY

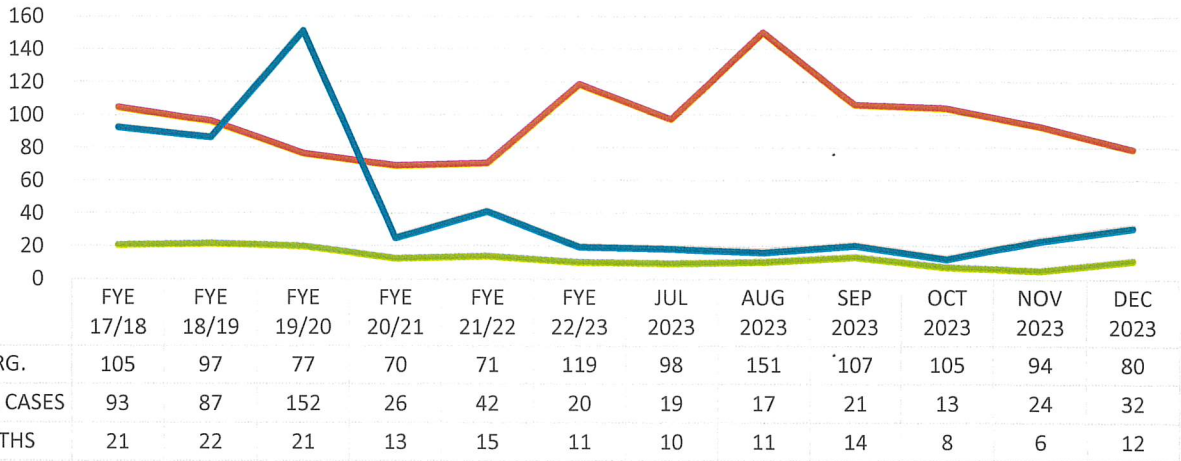


## EMERGENCY VISITS

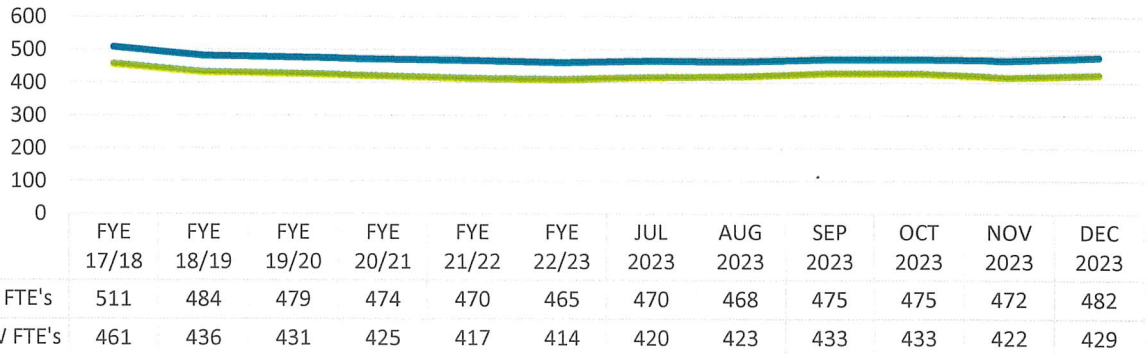


# SAN GORGONIO MEMORIAL HOSPITAL

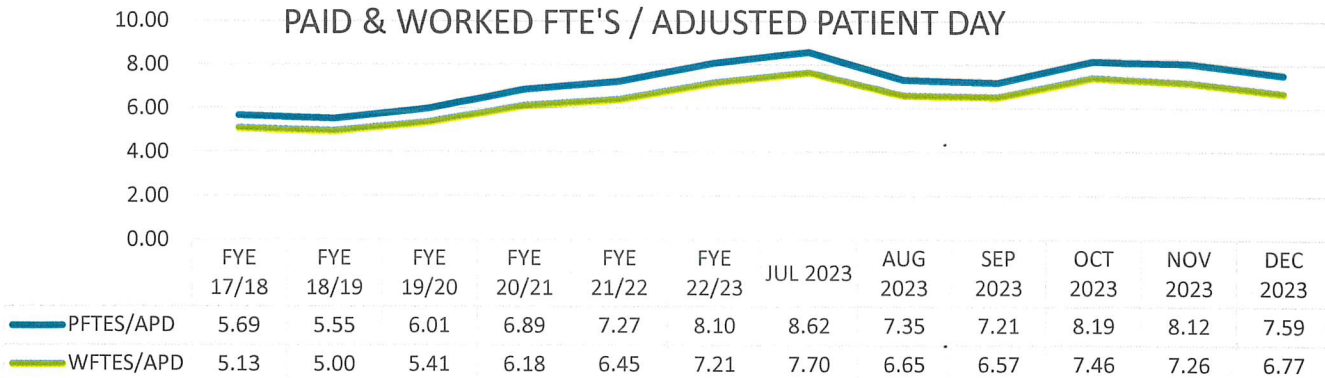
## SURGERY CASES, G.I. CASES, N/B DELIVERIES



## PAID & WORKED FTE'S



## PAID & WORKED FTE'S / ADJUSTED PATIENT DAY

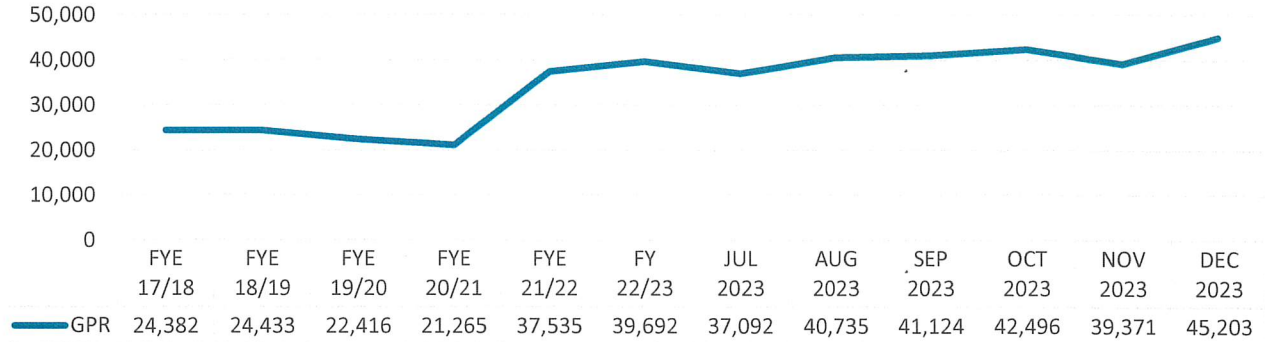


## INCOME STATEMENT

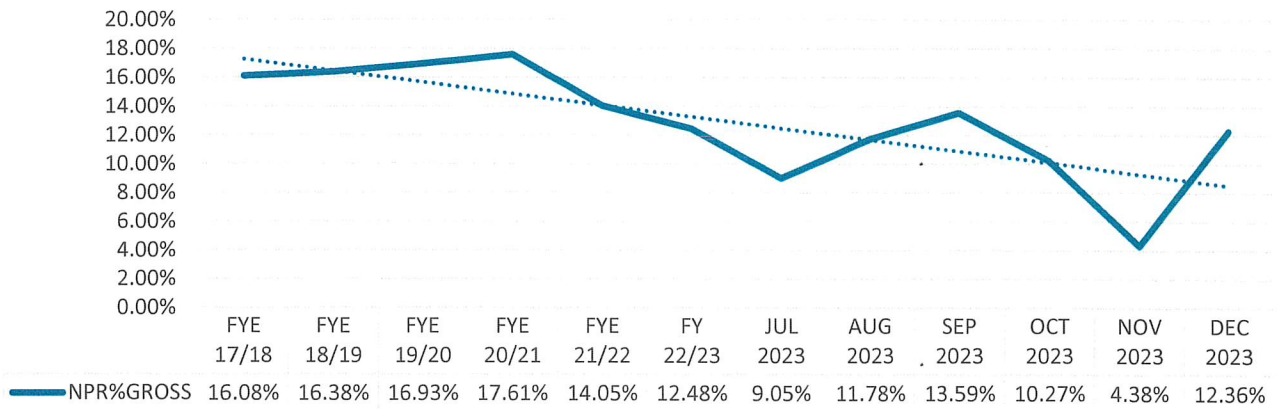
Gross Patient Revenue (000's) (Monthly Ave.)	Represents total charges (before discounts and allowances) made for all patient services provided.
Net Patient Revenue (NPR) (000's) (Monthly Ave.)	Equals the sum of all (patient) charges for services provided that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.
NPR as % of Gross	Reflects the percentage of Gross Patient Revenues (charges) that are expected to be collected. Calculated by dividing Net Patient Revenue by the Gross Patient Revenue.
Total Operating Revenue (000's) (Monthly Ave.)	This reflects all Revenues available for payment of Operating Expenses. This includes Net Patient Revenue plus all other forms of miscellaneous Revenues.
Salaries, Wages, Benefits & Contract Labor (000's) (Monthly Ave.)	Represents the total staffing expenses of the Hospital
SWB + Contract Labor as % of Total Operating Revenue	Identifies what portion the Operating Revenues are spent on staffing costs.
Total Operating Expense (TOE) (000's)(Monthly Ave.)	Operating Expense reflects all costs needed to fund the Hospital's business operations.
TOE as % of Total Operating Revenue	Identifies the relationship that Operating Expenses have to the Total Operating Revenues.
EBIDA (000's)(Monthly Average)	Earnings Before Interest, Depreciation, and Amortization. This reflects the difference between Net Operating Revenues and Total Operating Expense. This is a quick measurement of the Hospital's ability to meet its financial obligations and have additional funds for equipment replacement and future growth of the organization.
EBIDA as % of NPR	This measurement is a guage of the surplus (or deficit) of funds available for operations and future growth.
Net Patient Revenue vs. Total Labor Expense	This measurement illustrates that Net Patient Revenues basically only cover Total Labor Expense, and that all of the Other Revenues and Supplemental Incomes are necessary to cover the remaining operational Expenses and EBIDA required to operate the Hospital.
Operating Revenues (Normalized), Expenses, Staffing Expenses, and EBIDA (Normalized)	This graph illustrates the "normalization" of Operating Revenues and EBIDA, by reallocating proportionate Supplemental Revenues and related Expenses into the current month and YTD results.

# SAN GORGONIO MEMORIAL HOSPITAL

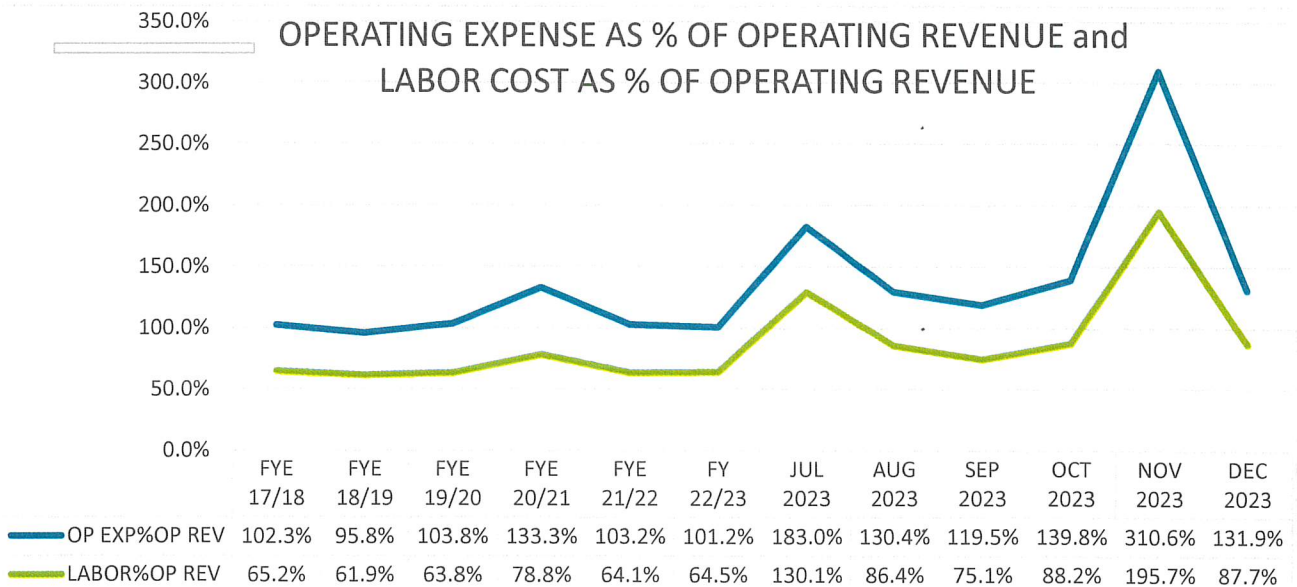
## GROSS PATIENT REVENUE (000's)



## NET PATIENT REVENUE AS % OF GROSS

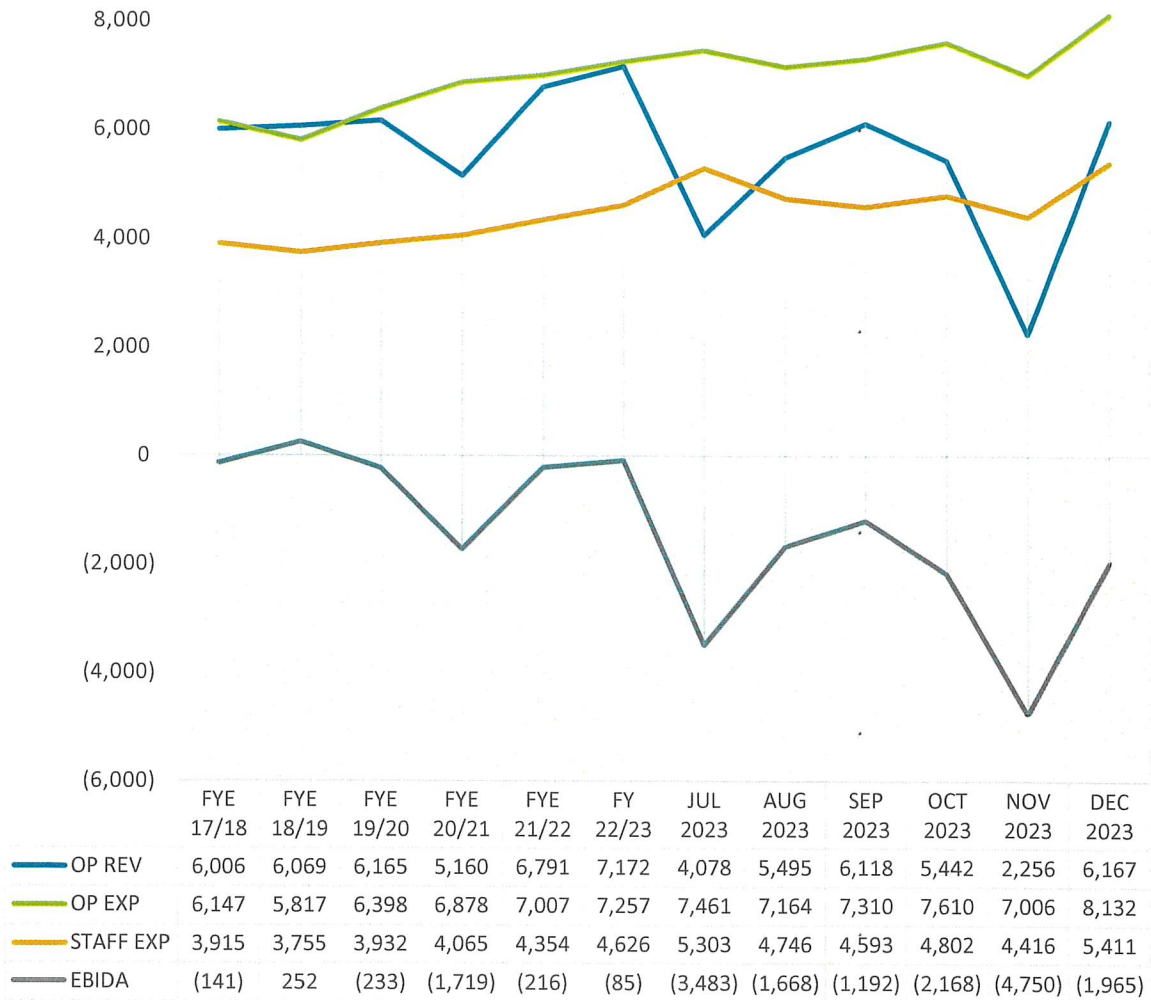


## OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE

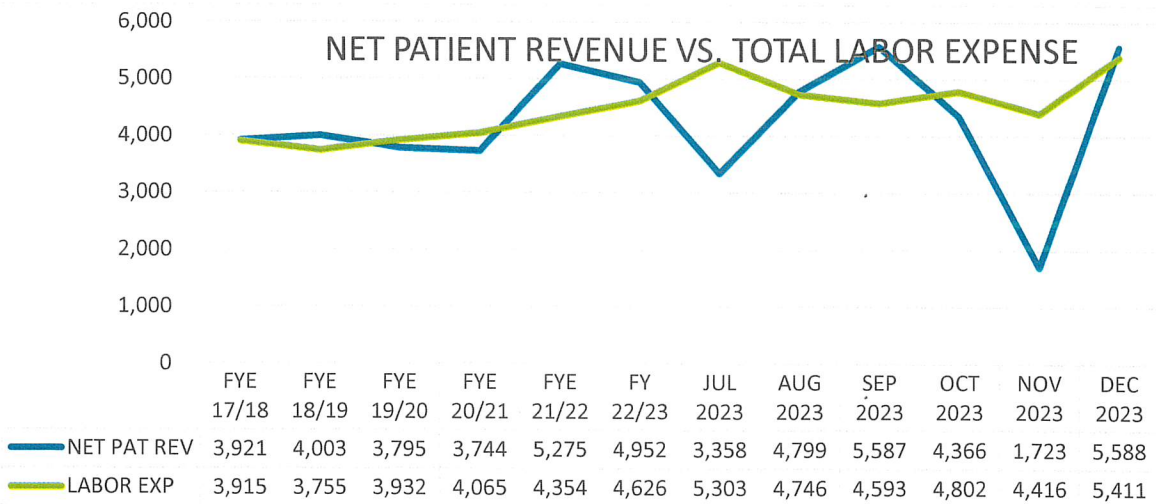


# SAN GORGONIO MEMORIAL HOSPITAL

## OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



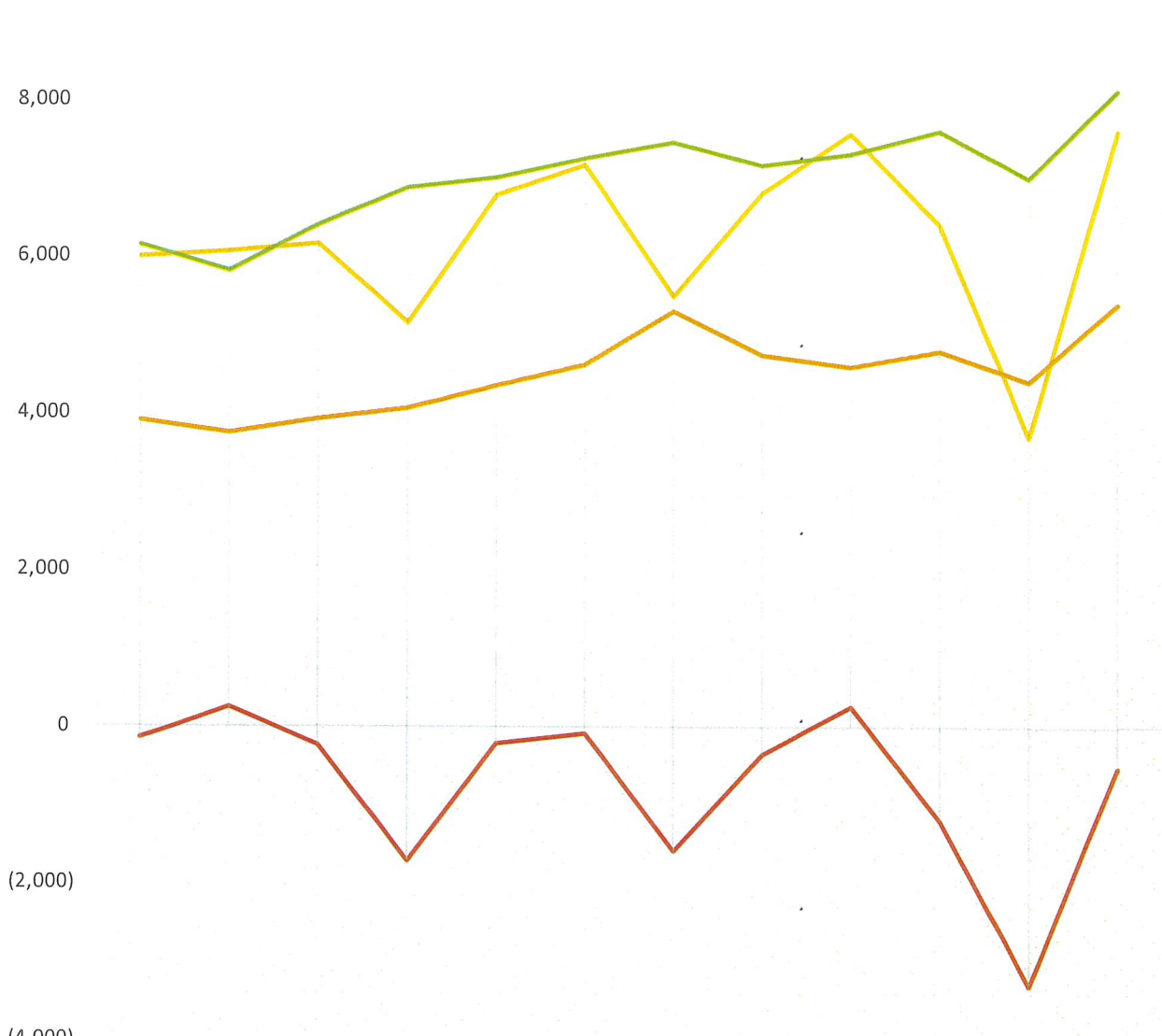
## NET PATIENT REVENUE VS. TOTAL LABOR EXPENSE





# SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE (NORMALIZED), OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA (NORMALIZED) (000's)



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023
REV NORMAL	6,006	6,069	6,165	5,160	6,791	7,172	5,494	6,810	7,569	6,412	3,707	7,619
OP EXP	6,147	5,817	6,398	6,878	7,007	7,257	7,461	7,164	7,310	7,610	7,006	8,132
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,626	5,303	4,746	4,593	4,802	4,416	5,411
EBIDA NORMAL	(141)	252	(233)	(1,719)	(216)	(85)	(1,584)	(354)	259	(1,198)	(3,299)	(513)





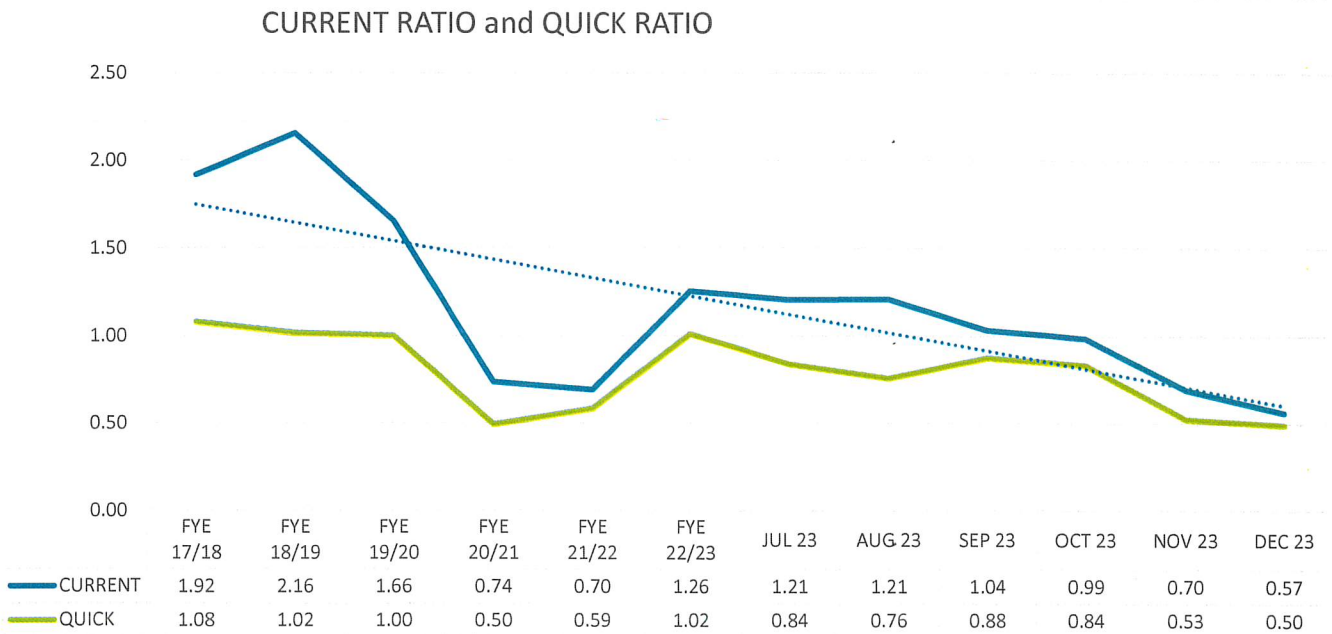
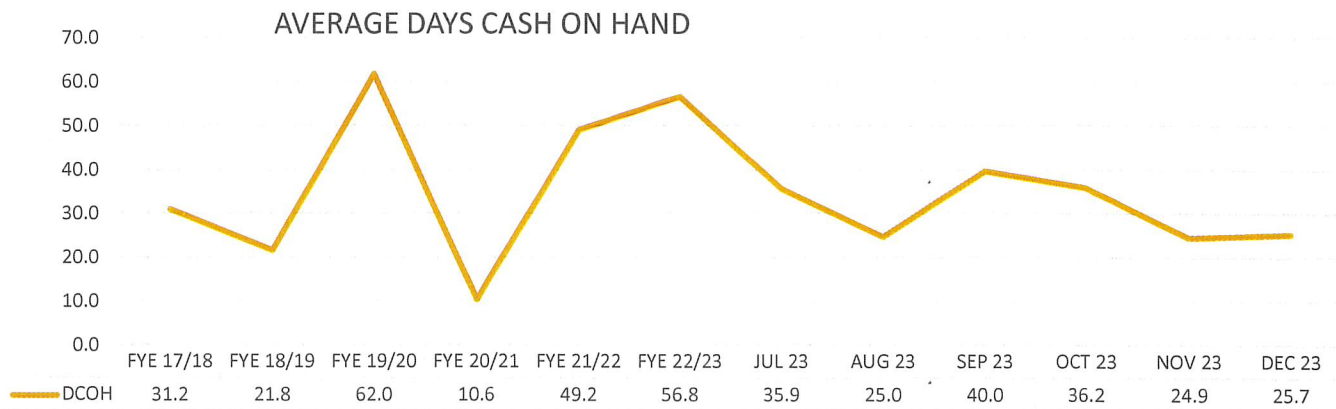
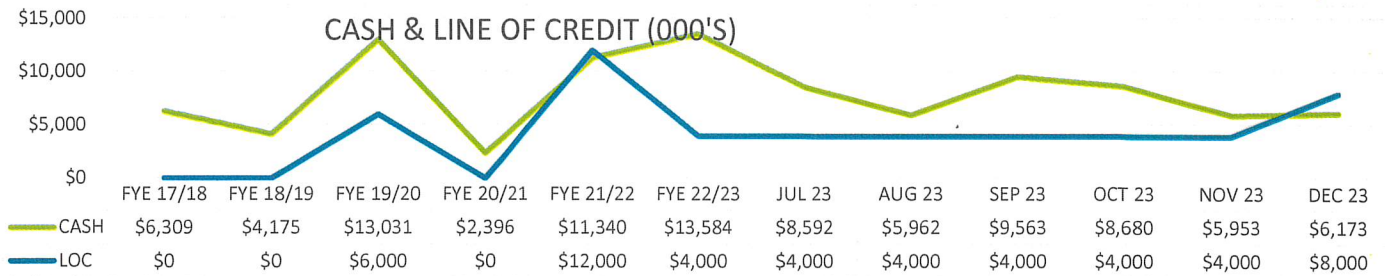
**BALANCE SHEET (Period End)**

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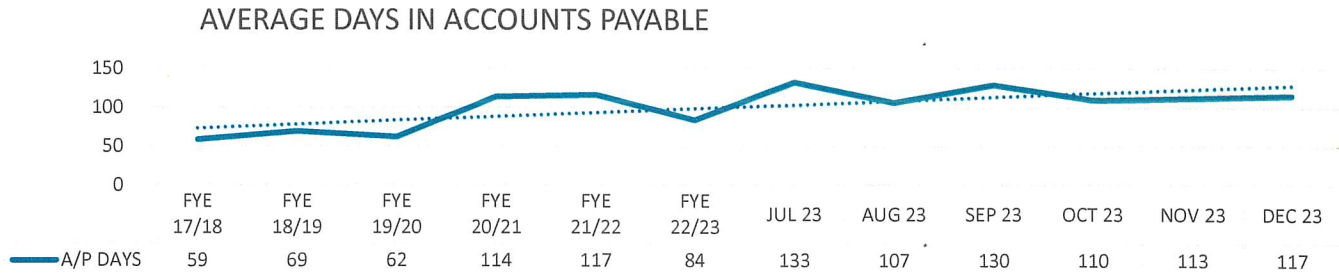
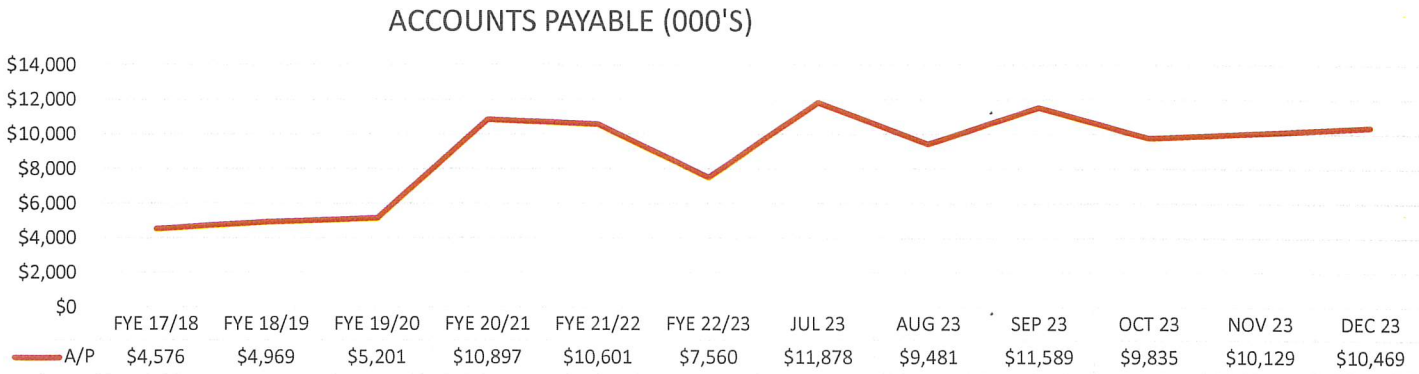
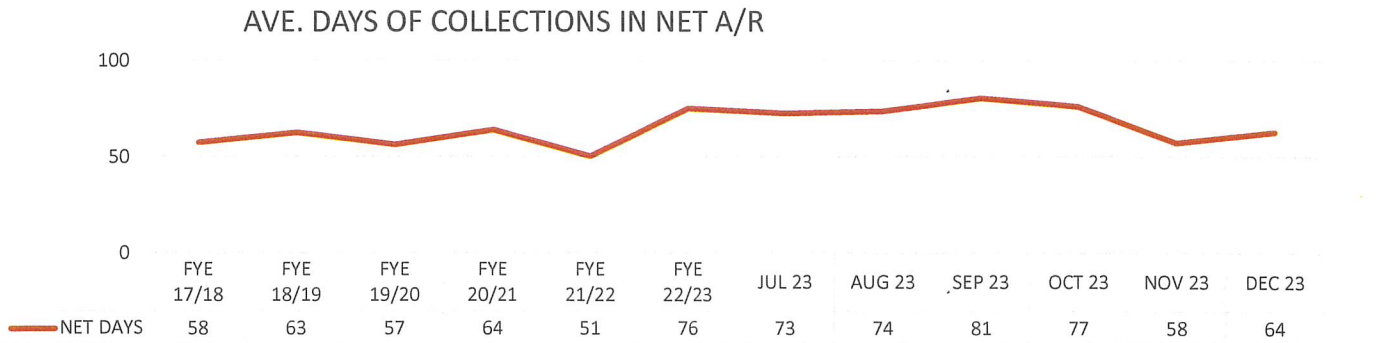
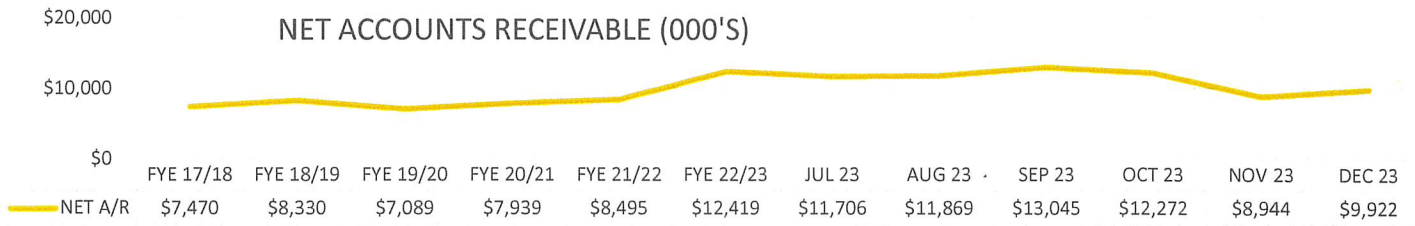
Cash (000's)	Represents all unrestricted cash in the bank at each month-end.
Days Cash on Hand	Calculated by dividing amount of Cash on Hand by the historical average daily amount of cash requirements to cover operating expenses.
Accounts Receivable - Net (000's)	Equals the sum of all (patient) accounts that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.
A/R Days - Net	This measures the average number of days it takes to collect payment of the Net Accounts Receivable. Lower values are desired.
Current Ratio (Current Assets/Current Liabilities)	A measure that illustrates the ability for the hospital to pay its obligations that come due over the course of the next year. The greater the Current Assets as compared to the Current Liabilities, the stronger position the organization is in to pay its upcoming obligations. Desired position is greater than 1:00 to 1:00, preferably at least 1:25 to 1:00 or greater.
Quick Ratio	This measures the Cash + Net Accounts Receivable compared to the Current Liabilities. Desired ratio is greater than 1.00 : 1.00.
Accounts Payable (000's)	Reflects payment obligations of the Hospital as of a point in time. Excludes Loans, Payroll and other Debt obligations. Lower values are desired.
Accounts Payable Days	Reflects the average number of days that it takes to pay routine bills. Lower numbers are desired. Calculated by dividing the Accounts Payable amount by the historical average daily cost of routine expenses.
Line of Credit Balance (000's)	The amount that is currently borrowed from a lending institution as of a given point in time.

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# SAN GORGONIO MEMORIAL HOSPITAL



# SAN GORGONIO MEMORIAL HOSPITAL



# Income Statement

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly	Dec 22 Act	Dec 23 BD	Dec 23 Act	Variance (Dec 23 Act - Dec 23 BD )	Var%
NET INCOME	-292,308	-1,227,558	-2,270,192	-1,042,634	-84.94 %
EBIDA	260,947	-1,627,037	-1,964,527	-337,490	-20.74 %
NET SERVICE REVENUE	6,777,624	5,882,269	6,167,357	285,088	4.85 %
NET PATIENT REVENUE	6,088,154	5,213,839	5,588,160	374,321	7.18 %
OTHER OPERATING REVENUE	689,470	668,430	579,197	-89,233	-13.35 %
TOTAL OPERATING EXPENSE	6,516,677	7,509,306	8,131,884	-622,578	-8.29 %
TOTAL OPERATING EXPENSE	6,516,677	7,509,306	8,131,884	-622,578	-8.29 %
NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
TOTAL INTEREST & DEPRECIATION	1,194,269	960,949	946,644	14,305	1.49 %

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# Income Statement

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD	Jul - Dec 22 Act YTD	Jul - Dec 23 BD YTD	Jul - Dec 23 Act YTD	Variance (Jul - Dec 23 Act YTD - Jul - Dec 23 BD YTD )	Var%
NET INCOME	-5,659,068	-4,941,358	-15,521,835	-10,580,477	-214.12
EBIDA	-4,926,556	-6,380,930	-15,251,799	-8,870,869	-139.02
NET SERVICE REVENUE	35,840,326	37,621,478	29,556,490	-8,064,988	-21.44 %
NET PATIENT REVENUE	31,252,421	33,053,158	25,421,569	-7,631,589	-23.09 %
OTHER OPERATING REVENUE	4,587,905	4,568,320	4,134,921	-433,399	-9.49 %
TOTAL OPERATING EXPENSE	40,766,882	44,002,408	44,808,289	-805,881	-1.83 %
TOTAL OPERATING EXPENSE	40,766,882	44,002,408	44,808,289	-805,881	-1.83 %
NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
TOTAL INTEREST & DEPRECIATION	6,005,386	5,765,694	5,737,624	28,070	0.49 %

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# Balance Sheet

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly	Jun 23 Act	Nov 23 Act	Dec 23 Act	Var Nov 23 Act	Var%
NET BALANCE SHEET	246,282	61	64	3	4.92 %
☐ TOTAL ASSETS	110,447,365	101,254,932	102,845,478	1,590,546	1.57 %
☐ TOTAL ASSETS	110,447,365	101,254,932	102,845,478	1,590,546	1.57 %
☐ CURRENT ASSETS	28,206,674	19,563,327	18,360,341	-1,202,986	-6.15 %
☐ ASSETS WHICH USE IS LIMITED	9,102,770	10,666,301	13,828,639	3,162,338	29.65 %
☐ NET PROPERTY, PLANT, AND EQUIPMENT	72,773,002	71,169,380	70,803,164	-366,216	-0.51 %
☐ OTHER ASSETS	364,919	-144,076	-146,666	-2,590	-1.80 %
☐ TOTAL LIABILITIES & FUND BALANCE	110,201,083	101,254,871	102,845,414	-1,590,543	-1.57 %
☐ TOTAL LIABILITIES	148,190,064	160,508,907	164,369,642	-3,860,735	-2.41 %
☐ CURRENT LIABILITES	28,790,048	27,982,583	32,290,870	-4,308,287	-15.40 %
☐ LONG TERM LIABILITIES	119,400,016	132,526,324	132,078,772	447,552	0.34 %
☐ NET ASSETS	-37,988,981	-59,254,036	-61,524,228	2,270,192	3.83 %
☐ NET ASSETS - UNRESTRICTED	-37,988,981	-59,254,036	-61,524,228	2,270,192	3.83 %

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## SAN GORGONIO MEMORIAL HOSPITAL

		FY23	FY 24	FY 24		FY 23	FY 24	FY 24		FY 23
		12/31/22	12/31/23	12/31/23		2023	2024	2024		2023
		ACTUAL	ACTUAL	BUDGET		6 MOS YTD ACTUAL	6 MOS YTD ACTUAL	6 MOS.YTD BUDGET		YR END TOTAL
[1]	Total Acute Patient Days	910	831	749		4,181	4,042	4,125		7,636
[2]	Average Daily Census	29.4	26.8	24.2		22.7	22.0	22.4		20.9
[3]	Average Acute Length of Stay	3.9	4.1	3.4		3.6	3.7	3.4		3.5
[4]	Patient Discharges	235	202	218		1,166	1,083	1,204		2,186
[5]	Adjusted Patient Days	2,166	1,966	1,971		11,113	11,259	11,321		21,460
[6]	Observation Days	302	289	289		1,568	1,824	1,701		3,160
[7]	Total Emergency Room Visits	3,506	3,836	3,821		21,893	21,267	22,514		41,821
[8]	Average ED Visits Per Day	113	124	123		119	116	122		115
[9]	Total Surgeries (Excluding G.I.'s)	107	80	113		718	635	779		1,433
[10]	Deliveries/Births	11	12	13		79	61	81		131

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# Income Statement

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly	Dec 22 Act	Dec 23 BD	Dec 23 Act	Variance (Dec 23 Act - Dec 23 BD )	Var%
NET INCOME	-292,308	-1,227,558	-2,270,192	A -1,042,634	-84.94 %
EBIDA	260,947	-1,627,037	-1,964,527	B -337,490	-20.74 %
NET SERVICE REVENUE	6,777,624	5,882,269	6,167,357	C 285,088	4.85 %
NET PATIENT REVENUE	6,088,154	5,213,839	5,588,160	D 374,321	7.18 %
GROSS REVENUE FROM PATIENT SERVICES	42,190,148	43,257,930	45,203,056	E 1,945,126	4.50 %
TOTAL INPATIENT REVENUE	17,770,529	16,585,259	19,103,480	2,518,221	15.18 %
TOTAL OUTPATIENT REVENUE	24,419,619	26,672,671	26,099,576	-573,095	-2.15 %
DEDUCTIONS FROM REVENUE	-36,101,994	-38,044,091	-39,614,896	-1,570,805	-4.13 %
DEDUCTIONS FROM REVENUE	-36,101,994	-38,044,091	-39,614,896	F -1,570,805	-4.13 %
CONTRACTUAL ALLOWANCES	-36,101,994	-38,044,091	-39,614,896	-1,570,805	-4.13 %
501052 - CONTRACTUAL ALLOWANCES	-35,021,202	-37,078,957	-38,595,300	-1,516,343	-4.09 %
501153 - BAD DEBT EXPENSE	-1,015,237	-873,842	-924,718	-50,876	-5.82 %
501254 - CHARITY WRITE_OFFS	-65,555	-91,292	-94,878	-3,586	-3.93 %
OTHER OPERATING REVENUE	689,470	668,430	579,197	G -89,233	-13.35 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	0	0	0.00 %
OTHER REVENUE - DSH	0	0	33,222	33,222	0.00 %
OTHER REVENUE - P4P	24,803	0	0	0	0.00 %
OTHER REVENUE - OTHER	263,173	258,603	144,481	-114,122	-44.13 %
OPERATING TAX REVENUES	401,494	409,827	401,494	-8,333	-2.03 %
TOTAL OPERATING EXPENSE	6,516,677	7,509,306	8,131,884	-622,578	-8.29 %
TOTAL OPERATING EXPENSE	6,516,677	7,509,306	8,131,884	H -622,578	-8.29 %
TOTAL LABOR EXPENSE	4,061,515	4,858,622	5,411,134	I -552,512	-11.37 %
EMPLOYEE WAGES & BENEFITS	3,992,642	4,763,979	5,288,675	-524,696	-11.01 %
WAGES	3,970,978	3,759,736	4,333,628	J -573,892	-15.26 %
EMPLOYEE BENEFITS	21,664	1,004,243	955,047	K 49,196	4.90 %
CONTRACT LABOR	68,873	94,643	122,459	L -27,816	-29.39 %
PROFESSIONAL FEES	1,247,102	1,155,239	1,600,672	-445,433	-38.56 %
PROFESSIONAL FEES	1,247,102	1,155,239	1,600,672	-445,433	-38.56 %
PHYSICIAN FEES	469,260	312,187	798,595	M -486,408	-155.81 %
PURCHASED SERVICES	777,842	843,052	802,077	N 40,975	4.86 %
SUPPLIES & OTHER EXPENSES	1,208,060	1,495,445	1,120,078	375,367	25.10 %

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Dec 22 Act	Dec 23 BD	Dec 23 Act	Variance (Dec 23 Act - Dec 23 BD )	Var%
☒ SUPPLY EXPENSE	598,668	930,953	650,227	280,726	30.15 %
☒ OTHER EXPENSES	609,392	564,492	469,851	94,641	16.77 %
☒ UTILITIES	112,163	106,063	115,692	-9,629	-9.08 %
☒ REPAIRS AND MAINTENANCE	70,679	83,208	44,993	38,215	45.93 %
☒ INSURANCE	158,248	146,289	146,380	-91	-0.06 %
☒ OTHER EXPENSES	176,082	183,558	117,737	65,821	35.86 %
☒ LEASE AND RENTALS	92,220	45,374	45,049	325	0.72 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ OTHER NON-OPERATING REVENUE	13,661	733,075	13,626	-719,449	-98.14 %
☒ NON-OPERATING TAX REVENUE	627,353	627,353	627,353	0	0.00 %
☒ EXTRAORDINARY REVENUE	0	0	0	0	0.00 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	960,949	946,644	14,305	1.49 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	960,949	946,644	14,305	1.49 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	960,949	946,644	14,305	1.49 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	960,949	946,644	14,305	1.49 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	960,949	946,644	14,305	1.49 %
☒ DEPRECIATION	587,530	522,162	577,088	-54,926	-10.52 %
☒ INTEREST & AMORTIZATION	606,739	438,787	369,556	69,231	15.78 %

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# Income Statement

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD	Jul - Dec 22 Act YTD	Jul - Dec 23 BD YTD	Jul - Dec 23 Act YTD	Variance (Jul - Dec 23 Act YTD - Jul - Dec 23 BD YTD )	Var%
NET INCOME	-5,659,068	-4,941,358	-15,521,835	A -10,580,477	-214.12
EBIDA	-4,926,556	-6,380,930	-15,251,799	B -8,870,869	-139.02
NET SERVICE REVENUE	35,840,326	37,621,478	29,556,490	C -8,064,988	-21.44 %
NET PATIENT REVENUE	31,252,421	33,053,158	25,421,569	D -7,631,589	-23.09 %
GROSS REVENUE FROM PATIENT SERVICES	240,011,634	251,570,236	246,020,060	E -5,550,176	-2.21 %
TOTAL INPATIENT REVENUE	90,666,429	92,216,145	88,322,786	-3,893,359	-4.22 %
TOTAL OUTPATIENT REVENUE	149,345,205	159,354,091	157,697,274	-1,656,817	-1.04 %
DEDUCTIONS FROM REVENUE	-208,759,213	-218,517,078	-220,598,491	F -2,081,413	-0.95 %
DEDUCTIONS FROM REVENUE	-208,759,213	-218,517,078	-220,598,491	-2,081,413	-0.95 %
CONTRACTUAL ALLOWANCES	-208,759,213	-218,517,078	-220,598,491	-2,081,413	-0.95 %
501052 - CONTRACTUAL ALLOWANCES	-202,572,237	-212,973,555	-214,759,547	-1,785,992	-0.84 %
501153 - BAD DEBT EXPENSE	-5,532,251	-5,019,161	-5,415,893	-396,732	-7.90 %
501254 - CHARITY WRITE_OFFS	-654,725	-524,362	-423,051	101,311	19.32 %
OTHER OPERATING REVENUE	4,587,905	4,568,320	4,134,921	G -433,399	-9.49 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	853,148	434,000	481,713	47,713	10.99 %
OTHER REVENUE - DSH	37,490	37,490	75,911	38,421	102.48 %
OTHER REVENUE - P4P	124,554	86,250	136,446	50,196	58.20 %
OTHER REVENUE - OTHER	1,163,749	1,551,618	864,629	-686,989	-44.28 %
OPERATING TAX REVENUES	2,408,964	2,458,962	2,576,222	117,260	4.77 %
TOTAL OPERATING EXPENSE	40,766,882	44,002,408	44,808,289	-805,881	-1.83 %
TOTAL OPERATING EXPENSE	40,766,882	44,002,408	44,808,289	H -805,881	-1.83 %
TOTAL LABOR EXPENSE	26,196,395	28,509,031	29,456,396	I -947,365	-3.32 %
EMPLOYEE WAGES & BENEFITS	25,808,193	27,987,362	28,448,937	-461,575	-1.65 %
WAGES	21,292,354	22,003,487	22,648,973	J -645,486	-2.93 %
EMPLOYEE BENEFITS	4,515,839	5,983,875	5,799,964	K 183,911	3.07 %
CONTRACT LABOR	388,202	521,669	1,007,459	L -485,790	-93.12 %
PROFESSIONAL FEES	7,149,961	7,056,492	7,893,152	-836,660	-11.86 %
PROFESSIONAL FEES	7,149,961	7,056,492	7,893,152	-836,660	-11.86 %
PHYSICIAN FEES	1,896,135	1,873,122	2,220,766	M -347,644	-18.56 %
PURCHASED SERVICES	5,253,826	5,183,370	5,672,386	N -489,016	-9.43 %

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

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	Jul - Dec 22 Act YTD	Jul - Dec 23 BD YTD	Jul - Dec 23 Act YTD	Variance (Jul - Dec 23 Act YTD - Jul - Dec 23 BD YTD )	Var%
☐ SUPPLIES & OTHER EXPENSES	7,420,526	8,436,885	7,458,741	978,144	11.59 %
☑ SUPPLY EXPENSE	4,686,361	5,542,819	4,696,080	846,739	15.28 %
☐ OTHER EXPENSES	2,734,165	2,894,066	2,762,661	131,405	4.54 %
☑ UTILITIES	639,571	646,998	590,174	56,824	8.78 %
☑ REPAIRS AND MAINTENANCE	441,119	493,122	553,462	-60,340	-12.24 %
☑ INSURANCE	793,128	877,734	878,278	-544	-0.06 %
☑ OTHER EXPENSES	708,127	603,968	441,875	162,093	26.84 %
☑ LEASE AND RENTALS	152,220	272,244	298,872	-26,628	-9.78 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☑ OTHER NON-OPERATING REVENUE	1,508,756	3,441,148	1,703,470	-1,737,678	-50.50 %
☑ NON-OPERATING TAX REVENUE	3,764,118	3,764,118	3,764,118	0	0.00 %
☑ EXTRAORDINARY REVENUE	0	0	0	0	0.00 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,765,694	5,737,624	28,070	0.49 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,765,694	5,737,624	28,070	0.49 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,765,694	5,737,624	28,070	0.49 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,765,694	5,737,624	28,070	0.49 %
☑ DEPRECIATION	3,174,748	3,132,972	3,328,860	-195,888	-6.25 %
☑ INTEREST & AMORTIZATION	2,830,638	2,632,722	2,408,764	223,958	8.51 %

# Income Statement

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly	Dec 22 Act	Dec 23 Flex	Dec 23 Act	Variance (Dec 23 Act - Dec 23 Flex )	Var%
NET INCOME	-292,308	-2,203,280	-2,270,192	A -66,912	-3.04 %
EBIDA	260,947	-2,605,373	-1,964,527	B 640,846	24.60 %
NET SERVICE REVENUE	6,777,624	5,014,374	6,167,357	C 1,152,983	22.99 %
NET PATIENT REVENUE	6,088,154	4,383,444	5,588,160	D 1,204,716	27.48 %
GROSS REVENUE FROM PATIENT SERVICES	42,190,148	44,138,103	45,203,056	E 1,064,953	2.41 %
TOTAL INPATIENT REVENUE	17,770,529	18,554,686	19,103,480	548,794	2.96 %
TOTAL OUTPATIENT REVENUE	24,419,619	25,583,417	26,099,576	516,159	2.02 %
DEDUCTIONS FROM REVENUE	-36,101,994	-39,754,659	-39,614,896	139,763	0.35 %
DEDUCTIONS FROM REVENUE	-36,101,994	-39,754,659	-39,614,896	F 139,763	0.35 %
CONTRACTUAL ALLOWANCES	-36,101,994	-39,754,659	-39,614,896	139,763	0.35 %
501052 - CONTRACTUAL ALLOWANCES	-35,021,202	-38,746,130	-38,595,300	150,830	0.39 %
501153 - BAD DEBT EXPENSE	-1,015,237	-913,132	-924,718	-11,586	-1.27 %
501254 - CHARITY WRITE_OFFS	-65,555	-95,397	-94,878	519	0.54 %
OTHER OPERATING REVENUE	689,470	630,930	579,197	G -51,733	-8.20 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	0	0	0.00 %
OTHER REVENUE - DSH	0	0	33,222	33,222	0.00 %
OTHER REVENUE - P4P	24,803	0	0	0	0.00 %
OTHER REVENUE - OTHER	263,173	221,103	144,481	-76,622	-34.65 %
OPERATING TAX REVENUES	401,494	409,827	401,494	-8,333	-2.03 %
TOTAL OPERATING EXPENSE	6,516,677	7,619,747	8,131,884	-512,137	-6.72 %
TOTAL OPERATING EXPENSE	6,516,677	7,619,747	8,131,884	H -512,137	-6.72 %
TOTAL LABOR EXPENSE	4,061,515	4,998,258	5,411,134	I -412,876	-8.26 %
EMPLOYEE WAGES & BENEFITS	3,992,642	4,901,020	5,288,675	-387,655	-7.91 %
WAGES	3,970,978	3,888,659	4,333,628	J -444,969	-11.44 %
EMPLOYEE BENEFITS	21,664	1,012,361	955,047	K 57,314	5.66 %
CONTRACT LABOR	68,873	97,238	122,459	L -25,221	-25.94 %
PROFESSIONAL FEES	1,247,102	1,142,389	1,600,672	-458,283	-40.12 %
PROFESSIONAL FEES	1,247,102	1,142,389	1,600,672	-458,283	-40.12 %
PHYSICIAN FEES	469,260	312,187	798,595	M -486,408	-155.81 %
PURCHASED SERVICES	777,842	830,202	802,077	N 28,125	3.39 %
SUPPLIES & OTHER EXPENSES	1,208,060	1,479,100	1,120,078	359,022	24.27 %

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SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Dec 22 Act	Dec 23 Flex	Dec 23 Act	Variance (Dec 23 Act - Dec 23 Flex )	Var%
☒ SUPPLY EXPENSE	598,668	915,071	650,227	264,844	28.94 %
☒ OTHER EXPENSES	609,392	564,029	469,851	94,178	16.70 %
☒ UTILITIES	112,163	106,063	115,692	-9,629	-9.08 %
☒ REPAIRS AND MAINTENANCE	70,679	83,477	44,993	38,484	46.10 %
☒ INSURANCE	158,248	146,289	146,380	-91	-0.06 %
☒ OTHER EXPENSES	176,082	182,837	117,737	65,100	35.61 %
☒ LEASE AND RENTALS	92,220	45,363	45,049	314	0.69 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ NON-OPERATING REVENUE & EXPENSE	641,014	1,360,428	640,979	-719,449	-52.88 %
☒ OTHER NON-OPERATING REVENUE	13,661	733,075	13,626	-719,449	-98.14 %
☒ NON-OPERATING TAX REVENUE	627,353	627,353	627,353	0	0.00 %
☒ EXTRAORDINARY REVENUE	0	0	0	0	0.00 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	958,335	946,644	11,691	1.22 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	958,335	946,644	11,691	1.22 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	958,335	946,644	11,691	1.22 %
☒ TOTAL INTEREST & DEPRECIATION	1,194,269	958,335	946,644	11,691	1.22 %
☒ DEPRECIATION	587,530	519,548	577,088	-57,540	-11.08 %
☒ INTEREST & AMORTIZATION	606,739	438,787	369,556	69,231	15.78 %

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# Income Statement

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD	Jul - Dec 22 Act YTD	Jul - Dec 23 Flex YTD	Jul - Dec 23 Act YTD	Variance (Jul - Dec 23 Act YTD - Jul - Dec 23 Flex YTD )	Var%
NET INCOME	-5,659,068	-6,714,309	-15,521,835	A -8,807,526	-131.18
EBIDA	-4,926,556	-8,159,867	-15,251,799	B -7,091,932	-86.91 %
NET SERVICE REVENUE	35,840,326	35,259,526	29,556,490	C -5,703,036	-16.17 %
NET PATIENT REVENUE	31,252,421	30,766,206	25,421,569	D -5,344,637	-17.37 %
GROSS REVENUE FROM PATIENT SERVICES	240,011,634	243,643,154	246,020,060	E 2,376,906	0.98 %
TOTAL INPATIENT REVENUE	90,666,429	91,297,830	88,322,786	-2,975,044	-3.26 %
TOTAL OUTPATIENT REVENUE	149,345,205	152,345,324	157,697,274	5,351,950	3.51 %
DEDUCTIONS FROM REVENUE	-208,759,213	-212,876,948	-220,598,491	-7,721,543	-3.63 %
DEDUCTIONS FROM REVENUE	-208,759,213	-212,876,948	-220,598,491	F -7,721,543	-3.63 %
CONTRACTUAL ALLOWANCES	-208,759,213	-212,876,948	-220,598,491	-7,721,543	-3.63 %
501052 - CONTRACTUAL ALLOWANCES	-202,572,237	-207,476,508	-214,759,547	-7,283,039	-3.51 %
501153 - BAD DEBT EXPENSE	-5,532,251	-4,889,612	-5,415,893	-526,281	-10.76 %
501254 - CHARITY WRITE_OFFS	-654,725	-510,828	-423,051	87,777	17.18 %
OTHER OPERATING REVENUE	4,587,905	4,493,320	4,134,921	G -358,399	-7.98 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	853,148	434,000	481,713	47,713	10.99 %
OTHER REVENUE - DSH	37,490	37,490	75,911	38,421	102.48 %
OTHER REVENUE - P4P	124,554	86,250	136,446	50,196	58.20 %
OTHER REVENUE - OTHER	1,163,749	1,476,618	864,629	-611,989	-41.45 %
OPERATING TAX REVENUES	2,408,964	2,458,962	2,576,222	117,260	4.77 %
TOTAL OPERATING EXPENSE	40,766,882	43,419,393	44,808,289	-1,388,896	-3.20 %
TOTAL OPERATING EXPENSE	40,766,882	43,419,393	44,808,289	H -1,388,896	-3.20 %
TOTAL LABOR EXPENSE	26,196,395	28,394,783	29,456,396	I -1,061,613	-3.74 %
EMPLOYEE WAGES & BENEFITS	25,808,193	27,938,978	28,448,937	-509,959	-1.83 %
WAGES	21,292,354	22,037,279	22,648,973	J -611,694	-2.78 %
EMPLOYEE BENEFITS	4,515,839	5,901,699	5,799,964	K 101,735	1.72 %
CONTRACT LABOR	388,202	455,805	1,007,459	L -551,654	-121.03 %
PROFESSIONAL FEES	7,149,961	6,976,300	7,893,152	-916,852	-13.14 %
PROFESSIONAL FEES	7,149,961	6,976,300	7,893,152	-916,852	-13.14 %
PHYSICIAN FEES	1,896,135	1,873,122	2,220,766	M -347,644	-18.56 %
PURCHASED SERVICES	5,253,826	5,103,178	5,672,386	N -569,208	-11.15 %

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SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

	Jul - Dec 22 Act YTD	Jul - Dec 23 Flex YTD	Jul - Dec 23 Act YTD	Variance (Jul - Dec 23 Act YTD - Jul - Dec 23 Flex YTD)	Var%
☐ SUPPLIES & OTHER EXPENSES	7,420,526	8,048,310	7,458,741	589,569	7.33 %
☑ SUPPLY EXPENSE	4,686,361	5,158,395	4,696,080	462,315	8.96 %
☐ OTHER EXPENSES	2,734,165	2,889,915	2,762,661	127,254	4.40 %
☑ UTILITIES	639,571	646,998	590,174	56,824	8.78 %
☑ REPAIRS AND MAINTENANCE	441,119	492,361	553,462	-61,101	-12.41 %
☑ INSURANCE	793,128	877,734	878,278	-544	-0.06 %
☑ OTHER EXPENSES	708,127	600,600	441,875	158,725	26.43 %
☑ LEASE AND RENTALS	152,220	272,222	298,872	-26,650	-9.79 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☐ NON-OPERATING REVENUE & EXPENSE	5,272,874	7,205,266	5,467,588	-1,737,678	-24.12 %
☑ OTHER NON-OPERATING REVENUE	1,508,756	3,441,148	1,703,470	-1,737,678	-50.50 %
☑ NON-OPERATING TAX REVENUE	3,764,118	3,764,118	3,764,118	0	0.00 %
☑ EXTRAORDINARY REVENUE	0	0	0	0	0.00 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,759,708	5,737,624	22,084	0.38 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,759,708	5,737,624	22,084	0.38 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,759,708	5,737,624	22,084	0.38 %
☐ TOTAL INTEREST & DEPRECIATION	6,005,386	5,759,708	5,737,624	22,084	0.38 %
☑ DEPRECIATION	3,174,748	3,126,986	3,328,860	-201,874	-6.46 %
☑ INTEREST & AMORTIZATION	2,830,638	2,632,722	2,408,764	223,958	8.51 %

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# Balance Sheet

## SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly	Jun 23 Act	Nov 23 Act	Dec 23 Act	Var Nov 23 Act	Var%
NET BALANCE SHEET	246,282	61	64	3	4.92 %
☐ TOTAL ASSETS	110,447,365	101,254,932	102,845,478	1,590,546	1.57 %
☐ TOTAL ASSETS	110,447,365	101,254,932	102,845,478	1,590,546	1.57 %
☐ CURRENT ASSETS	28,206,674	19,563,327	18,360,341	-1,202,986	-6.15 %
☐ CASH & EQUIVALENTS	14,521,085	5,952,687	6,172,730	220,043	3.70 %
☐ OPERATING CASH	14,521,085	5,952,687	6,172,730	220,043	3.70 %
☐ NET PATIENT ACCOUNTS RECEIVABLE	12,577,379	8,944,208	9,921,666	977,458	10.93 %
☐ HOSPITAL ACCOUNTS RECEIVABLE	86,192,181	83,591,108	90,684,885	7,093,777	8.49 %
☐ LESS: ALLOWANCE FOR BAD DEBTS	-73,614,802	-74,646,900	-80,763,219	-6,116,319	-8.19 %
☐ OTHER CURRENT ASSETS	1,108,210	4,666,432	2,265,945	-2,400,487	-51.44 %
☐ TAXES RECEIVABLE	2,263,620	5,324,379	3,192,397	-2,131,982	-40.04 %
☐ MISC RECEIVABLE	-636,167	-1,164,431	-1,393,569	-229,138	-19.68 %
☐ DUE FROM 3RD PARTIES	-2,228,810	-2,361,037	-2,319,918	41,119	1.74 %
☐ INVENTORIES	1,311,782	1,988,621	1,952,252	-36,369	-1.83 %
☐ PREPAID EXPENSES	397,785	878,900	834,783	-44,117	-5.02 %
☐ ASSETS WHICH USE IS LIMITED	9,102,770	10,666,301	13,828,639	3,162,338	29.65 %
☐ ASSETS WITH LIMITED USE	9,102,770	10,666,301	13,828,639	3,162,338	29.65 %
☐ INTERNALLY DESIGNATED	9,102,770	10,666,301	13,828,639	3,162,338	29.65 %
☐ NET PROPERTY, PLANT, AND EQUIPMENT	72,773,002	71,169,380	70,803,164	-366,216	-0.51 %
☐ PROPERTY, PLANT, AND EQUIPMENT	166,012,510	166,939,426	167,065,931	126,505	0.08 %
☐ LAND & LAND IMPROVEMENTS	4,828,182	4,828,182	4,828,182	0	0.00 %
☐ BUILDINGS & BUILDING IMPROVEMENTS	129,281,491	129,281,491	129,281,491	0	0.00 %
☐ FIXED EQUIPMENT	28,582,602	28,462,948	28,549,162	86,214	0.30 %
☐ CONSTRUCTION IN PROGRESS	3,320,235	4,366,805	4,407,096	40,291	0.92 %
☐ LESS: ACCUMULATED DEPRECIATION	-93,239,508	-95,770,046	-96,262,767	-492,721	-0.51 %
☐ OTHER ASSETS	364,919	-144,076	-146,666	-2,590	-1.80 %
☐ OTHER ASSETS	364,919	-144,076	-146,666	-2,590	-1.80 %
☐ INVESTMENT IN AFFILIATE	-200,007	-705,281	-705,282	-1	0.00 %
☐ BONDS	564,926	561,205	558,616	-2,589	-0.46 %
☐ TOTAL LIABILITIES & FUND BALANCE	110,201,083	101,254,871	102,845,414	-1,590,543	-1.57 %
☐ TOTAL LIABILITIES	148,190,064	160,508,907	164,369,642	-3,860,735	-2.41 %
☐ CURRENT LIABILITIES	28,790,048	27,982,583	32,290,870	-4,308,287	-15.40 %
☐ ACCOUNTS PAYABLE	11,665,887	10,128,862	10,468,695	-339,833	-3.36 %

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SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Jun 23 Act	Nov 23 Act	Dec 23 Act	Var Nov 23 Act	Var%
[-] PAYROLL PAYABLES	6,484,769	5,879,981	5,557,165	322,816	5.49 %
[+] SALARIES & WAGES PAYABLE	579,682	-602,404	-774,910	172,506	28.64 %
[+] PAYROLL TAXES & DEDUCTIONS PAYABLE	3,235,802	3,640,721	3,604,352	36,369	1.00 %
[+] ACCRUED PTO & SICK DAYS PAYABLE	2,669,285	2,841,664	2,727,723	113,941	4.01 %
[-] LINE OF CREDIT	4,021,859	4,030,873	8,032,675	-4,001,802	-99.28 %
[-] OTHER CURRENT LIABILITIES	6,617,533	7,942,867	8,232,335	-289,468	-3.64 %
[+] ACCRUED INTEREST PAYABLE	2,013,294	3,623,621	3,984,558	-360,937	-9.96 %
[+] OTHER CURRENT LIABILITIES	4,604,239	4,319,246	4,247,777	-71,469	-1.65 %
[-] LONG TERM LIABILITIES	119,400,016	132,526,324	132,078,772	447,552	0.34 %
[-] OTHER LONG TERM LIABILITIES	119,400,016	132,526,324	132,078,772	447,552	0.34 %
[+] NOTES PAYABLE	119,400,016	132,526,324	132,078,772	447,552	0.34 %
[-] NET ASSETS	-37,988,981	-59,254,036	-61,524,228	2,270,192	3.83 %
[-] NET ASSETS - UNRESTRICTED	-37,988,981	-59,254,036	-61,524,228	2,270,192	3.83 %
[-] NET ASSETS - BEGINNING OF PERIOD	-33,723,881	-46,002,393	-46,002,393	0	0.00 %
[+] NET ASSETS - BEGINNING OF PERIOD	-33,723,881	-46,002,393	-46,002,393	0	0.00 %
[-] CURRENT YEAR NET GAIN/(LOSS)	-4,265,100	-13,251,643	-15,521,835	-2,270,192	-17.13 %
[+] CURRENT YEAR NET GAIN/(LOSS)	-4,265,100	-13,251,643	-15,521,835	-2,270,192	-17.13 %

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	B	C	D	E	F	G	J
1	<b>SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT &amp; HOSPITAL</b>					<b>CASH FLOW</b>	
2							
3						<b>Current Month</b>	<b>Y-T-D</b>
4						<b>12/31/2023</b>	<b>12/31/2023</b>
5	<b>BEGINNING CASH BALANCES</b>						
6		Cash: Beginning Balances- Hospital				\$ 2,383,802	\$ 10,775,913
7		Cash: Beginning Balances- District				3,568,885	2,808,453
8		Cash: Beginning Balances Totals				\$ 5,952,687	\$ 13,584,366
9							
10	<b>Receipts</b>						
11		Patient Collections				\$ 4,586,155	\$ 28,145,837
12		Tax Subsidies/Measure D/Prop 13				401,494	\$ 2,408,964
13		Misc Tax Subsidies				-	\$ 167,258
14		Donations/Grants				-	\$ 402,074
15		Supplemental Funding (Rate Range, Etc.)				-	\$ 653,536
16		Draws/(Paydown) of LOC Balances				-	\$ -
17		Other Revenues/Receipts/Transfers				177,703	\$ 5,771,980
18	<b>TOTAL RECEIPTS</b>					<b>\$ 5,165,352</b>	<b>\$ 37,549,649</b>
19							
20	<b>Disbursements</b>						
21		Wages, Benefits, & Contract Labor				\$ 5,411,134	\$ 29,356,396
22		Other Operating Costs				2,720,750	\$ 15,395,848
23		Capital Spending				33,848	\$ 856,941
24		Debt Service Payments				81,000	\$ 169,983
25		Other - Changes in Accounts Payable, Other				(3,301,423)	\$ (817,883)
26	<b>TOTAL DISBURSEMENTS</b>					<b>\$ 4,945,309</b>	<b>\$ 44,961,285</b>
27							
28	<b>TOTAL CHANGE in CASH</b>					<b>\$ 220,043</b>	<b>\$ (7,411,636)</b>
29							
30	<b>ENDING CASH BALANCES</b>						
31		Ending Balances- Hospital				\$ 2,392,086	\$ 2,260,935
32		Ending Balances- District				3,780,644	3,911,795
33		Ending Balances- Totals				\$ 6,172,730	\$ 6,172,730
34							
35							
36							
37		LOC Current Balances				\$ 8,000,000	\$ 8,000,000
38		LOC Interest Expense Incurred				6,813	\$ 80,004
39							
40							

**TAB C**

San Geronio Memorial Hospital and San Geronio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for January 30, 2024, Finance Committee and February 6, 2024, Board Meetings

**Subject:**

Approval for Phase 2 fees for Seismic Retrofit Project.

**Background:**

We have engaged WP Moore Engineering and Healthcare Resource Management for assessment and recommendations to comply with the HCAI requirements as outlined in SB 1953. The initial phase was for assessment and recommendations to comply with the 2024 deadline requirements. This phase has been completed.

The next phase includes the two attached proposals for development of Construction documents for the SPC and NPC portions of the project. Additionally, we are requesting approval of Material Testing Fees from phase one that involves the actual testing, for which we are currently evaluating 3 proposals. The final amount is estimated be about \$250,000 for the testing. The testing will provide insight into the construction necessary.

After the completion of the testing WP Moore will create the construction documents necessary to seek proposals for the structural modifications needed. The construction will be phased to maintain the operations of the facility and could begin as early as July 2025 or as late as January 2026. The construction costs are yet to be determined due to obtaining MTCAP results.

Vendors reviewed:

- W P Moore
- CalTech Labs
- Terracon
- Independent Solutions

We are recommending the continuation of collaboration with WP Moore for this next phase for continuity with the project.

**Funding:**

The testing fees (approximately \$250,000) will be needed in the next six months. The development of the SPC and NPC construction documents will be spaced over the next year with about half to be spent in the current FY by June 2024 and the remainder in FY 25. WP Moore SPC fees \$198,000. WP Moore NPC fees \$144,000.

**Recommended Action:** That the CEO be authorized to approve SPC and NPC construction documents and the Material Testing and Condition Assessment Program (MTCAP). As follows:

MTCAP Testing	Estimated	\$250,000
SPC Construction Docs	WP Moore	\$198,000
NPC Construction Docs	WP Moore	\$144,000

**Exhibit:** WP Moore Quotes.



January 5, 2024

Mr. Steve Barron  
Chief Executive Officer  
San Geronio Memorial Hospital  
600 N. Highland Springs Avenue  
Banning, CA 92220

**Re: Proposal for Professional Services  
NPC-3 Upgrade Construction Documents (CDs) for Three (3) NPC-2 Buildings at  
San Geronio Memorial Hospital (HCAI Facility ID: 10559)  
600 N. Highland Springs Avenue, Banning, CA 92220  
Walter P Moore Proposal No. 23-3686**

Dear Steve:

Walter P Moore is pleased to submit this proposal to provide professional services for the referenced project. This project constitutes a critical and mandatory step towards obtaining seismic compliance beyond 2030 for these buildings. Walter P Moore has extensive experience with this type of project, and we are excited that SGMH is taking this step for 2030 seismic compliance for these buildings.

This proposal is presented to establish a basis for the commencement of our scope of services for the Project. Walter P Moore would be the prime design consultant for this Project, and we would bring in other consultants, if and as needed, and as articulated in more detail in the proposal. We anticipate that this Proposal and Agreement for Professional Services and attachments, when signed, will serve as our entire Agreement unless superseded by another document signed by both parties.

#### **Basis of Proposal**

This proposal is based on phone communication with John Peleuses.

#### **Agreement**

If this proposal is acceptable, please sign the attached Proposal and Agreement for Professional Services where indicated and return the signed copy to us. This proposal is valid for 60 days.

We very much appreciate the opportunity to provide these services and look forward to collaborating with you on this Project.

Sincerely,

**WALTER P. MOORE AND ASSOCIATES, INC.**

Balram Gupta, Ph.D., S.E. / Senior Principal  
Healthcare Market Leader – West Coast  
[bgupta@walterpmoore.com](mailto:bgupta@walterpmoore.com)  
(213) 694-4796 Direct; (818) 723-7085 Cell





**PROPOSAL AND AGREEMENT FOR PROFESSIONAL SERVICES – Terms Attached**

**Project:** NPC-3 Upgrade Construction Documents (CDs) for Three (3) NPC-2 Buildings at San Gorgonio Memorial Hospital (OSHPD Facility ID: 10559)  
**Client:** San Gorgonio Memorial Hospital  
**Client Contact:** Steve Barron  
**Proposal Date:** January 5<sup>th</sup>, 2024  
**Proposal Number:** 23-3686

Walter P. Moore and Associates, Inc. (Walter P Moore) shall provide services to Client for the Project as defined below and in accordance with the attachments listed below:

**Project Description**

Three (3) buildings at San Gorgonio Memorial Hospital (SGMH) are currently classified as NPC-2. Each NPC-2 building must first be upgraded and reclassified to NPC-3 followed by NPC-4D/4 and NPC-5 reclassification to allow its use as a hospital building beyond January 1, 2030. Relevant information for the three NPC-2 buildings included in this proposal is shown in the table below.

#	Building Name	SGMH / OSHPD Bldg. #s	Bldg. Code Year	Year Built	Overall Building Area± (SF)	Current NPC Rating	Current SPC Rating	Original OSHPD / OSA Project #
1	Original Bldg. – OB Addition – ‘64 Addition	01 / 01389	1949	1950	31,500	2	2	-
2	OR Addition	02 / 01390	1970	1973	900	2	2	-
3	Addition (1980)	03 / 01391	1976	1980	30,000	2	4	H-0803

If our understanding of the project scope is inaccurate or the project scope materially changes, we understand that our compensation will be equitably adjusted.

**Scope of Services**

In accordance with Schedule SR-01B: Scope of Structural Engineering Services for NPC-3 Upgrade Construction Documents (CDs).

**Compensation**

Walter P Moore proposes to provide the Scope of Structural Engineering Services defined in Schedule SR-01B for a fixed fee as indicated in the table below. Scope items in the table correspond to Schedule SR-01B.

Scope	Fee for Building			Total Fee
	01/01389	02/01390	03/01391	
NPC-3 Upgrade CDs	\$75,000	\$21,000	\$48,000	<b>\$144,000</b>

Compensation shall be equitably adjusted for changes in the scope of the project as described in the Project Description or changes in the scope of service as described in the Scope of Service.

Miscellaneous out-of-pocket project related expenses including, without limitation; printing, postage, courier costs, lodging, travel expenses, etc., shall be invoiced and paid at the incurred cost. Mileage shall be charged at IRS Standard Business Mileage Rate in effect at the time of travel. Sales tax, if applicable, will be paid by the Client. Reimbursable expenses are estimated to be **\$1,800**.

### **Additional Services**

Walter P Moore proposes to provide Additional Services not included in the Scope of Services as requested and approved by the Client in writing. Additional Services shall be provided without invalidating this Agreement. Additional Services shall be compensated at a mutually agreed upon fee.

### **Client's Responsibilities**

The Client shall provide overall management and coordination of the Project. Walter P Moore agrees to participate in the coordination effort, to be led by the Client, in order that our Portion of the Project is coordinated with the designs and deliverables of the other members of the Project team.

The Client shall provide to Walter P Moore, in a timely manner, full information of which the Client is aware regarding any special conditions, design criteria, reports, or special services needed, and to make available any existing data or drawings concerning the Project and Project Site. Walter P Moore shall be entitled to rely upon the accuracy and completeness of any such information provided.

### **Project Schedule**

Walter P Moore will endeavor to achieve the requirements of a reasonable schedule determined appropriate for the Project. Walter P Moore's fee for the defined Scope of Services is based, in part, upon the Project being executed in a timely manner without significant delays or interruptions.

In order for Walter P Moore to proceed with its services toward the accomplishment of the Project Schedule, the following information shall be provided by the Client in a timely manner:

- An executed copy of the Agreement for Professional Services.
- Complete set of existing architectural, structural, and MEP drawings for all three NPC-2 buildings.
- Detailed photographic survey and CAD files of above-ceiling utility distribution systems (pipes, ducts, conduits, equipment, etc.) to be performed by a third-party vendor at SGMH's cost.
- Cutsheets for medical and MEP equipment currently installed within NPC-3 areas.

### **Payment**

As defined in the attached Schedule T2.

### **Limitation of Liability**

**To the maximum extent permitted by law, Client agrees to limit Walter P Moore's liability for claims arising from or related to the Agreement or the Scope of Services to the Sum of \$50,000 or Walter P Moore's paid fee, whichever is lesser. This limitation shall apply regardless of the cause of action or legal theory pleaded or asserted, including any kind of indemnity.**

### **Terms of Agreement**


In accordance with the attached Schedule T2.

**Attachments**

The following attachments are incorporated by reference as if set forth at length. In the event of a direct conflict between this Agreement and the content of any of the Attachments, this Agreement shall govern.

- SR-01B: Scope of Structural Engineering Services for NPC-3 Upgrade Construction Documents (CDs)
- Site Plan
- Schedule T2: Terms of Agreement

Executed on this \_\_\_\_ day of \_\_\_\_\_, 2024 by:

<b>San Geronio Memorial Hospital</b> Accepted:	<b>Walter P. Moore and Associates, Inc.:</b> Balram Gupta, Ph.D., S.E. / Senior Principal Healthcare Market Leader – West Coast
Signature	



## **Schedule SR-01B: Scope of Structural Engineering Services for NPC-3 Upgrade Construction Documents (CDs)**

### **I. General Services**

- A. Walter P Moore shall be the Structural Engineer of Record (SEOR) for parts of the Project as described in the Agreement Letter.
- B. Walter P Moore will review the existing drawings as required to become generally familiar with the nonstructural systems of the building as described in the engagement letter. The availability of as-built MEP drawings, including those for fire-sprinkler systems, and previously approved OSHPD projects related to nonstructural items is an important assumption in this proposal.
- C. Hospital's ability to provide cut-sheets for medical, MEP, and architectural equipment is an important assumption in this proposal.
- D. Walter P Moore will visit the project site to become familiar with the present condition of the building. Walter P Moore's Basic Services do not include performing a detailed assessment of the structural conditions of the facilities nor a survey of field measurements.
- E. If Walter P Moore's evaluation indicates that the structure will not be able to readily accommodate the intended modifications, Walter P Moore will consult with the Hospital as appropriate and make recommendations to modify the location and/or character of the proposed modifications as needed.
- F. The Basic Services to be performed by Walter P Moore includes consultation, as outlined below in Table A: Scope of Services.
- G. The assumptions made in determining the fees and scope of work by Walter P Moore are outlined below in Table A: Scope of Services – under "Notes and Assumptions" column.
- H. The exclusions made in determining the fees and scope of work by Walter P Moore are outlined below in Table B: Exclusions. Walter P Moore's scope of Basic Services does not include structural analysis, design or detailing to upgrade the existing building's gravity or lateral load resisting system to meet the current building code or to meet any SPC requirements.
- I. For each phase of the Work, Walter P Moore will work with the Hospital (or their designated representative) to ascertain the requirements for that phase of the Work, will participate in necessary meetings, will be available for general consultation, will prepare necessary documentation, and will make appropriate recommendations.
- J. Walter P Moore will recommend to the Hospital the appropriate investigations, reports, surveys, tests, and services of other Consultants that should be retained for proper execution of Services. Walter P Moore will assist in the development of appropriate scopes of work for such services. Services that may be required include, but may not be limited to, 3D laser scanning, surveys, material tests, and site-specific seismic studies.

- K. Walter P Moore’s Scope of Services is limited to those items specifically described herein. If requested and authorized by the Client, other Additional Services may be provided for an additional fee.

**II. Scope of Services**

- A. Following written authorization from the Client to proceed with each subsequent phase of the Work, Walter P Moore shall provide the services for each phase as described in Table A: Scope of Services.

<b>Table A: SCOPE OF SERVICES</b>				
PHASE		Included	Not Included	NOTES AND ASSUMPTIONS
<b>A. NPC-3 Upgrade Construction Documents (CDs)</b>		<b>X</b>		Shall be evaluated/developed in accordance with CAC’2022 (California Administrative Code 2022 edition), Chapter 6, Table 11.1, and Sections 11.2.2.d and 11.2.2.e.
1	Review NPC-3 evaluation report submitted to OSHPD in December 2023.	<b>X</b>		
2	Compile as-built drawings and cutsheets for equipment within NPC-3 areas.	<b>X</b>		Hospital shall provide as-built drawings and equipment cutsheets.
3	Review documentation generated by the 3D laser scanning team for above-ceiling utilities within the NPC-3 areas.	<b>X</b>		
4	Evaluate existing anchorage details in accordance with the requirements of 2022 California Administrative Code.	<b>X</b>		
5	Develop criteria for in-situ testing of existing anchorages, if and as needed.	<b>X</b>		Develop criteria in accordance with §11.2.2.e of CAC’2022.
6	Develop seismic upgrade details for anchorages that are deficient.	<b>X</b>		
7	Develop typical details for support and attachment for Fixed, Interim, Mobile, Movable, Other, and Temporary equipment in accordance with OSHPD PIN-68.	<b>X</b>		
8	Prepare a consolidated NPC-3 Upgrade CDs package (structural calculations, drawings, TIO, etc.) and submit to OSHPD.	<b>X</b>		
9	Respond to OSHPD plan review comments on NPC-3 Upgrade CDs.		<b>X</b>	
<b>B. Field Implementation of NPC-3 Upgrade CDs</b>			<b>X</b>	Scope of work shall be provided as an Additional Service once NPC-3 Upgrade CDs have been approved by OSHPD and when a construction schedule has been established to complete the work.

<b>Table A: SCOPE OF SERVICES</b>			
PHASE	Included	Not Included	NOTES AND ASSUMPTIONS
			It is expected that this will be a phased process to allow continuity of operations in the hospital.
<b>C. Update NPC-3 Evaluation Report for submittal to OSHPD SCU.</b>		X	Scope of work shall be provided as an Additional Service once NPC-3 Upgrade CDs have been fully implemented in the field.
<b>D. Project Close-Out in accordance with OSHPD SCU Requirements.</b>		X	Scope of work shall be provided as an Additional Service once NPC-3 Upgrades have been completed.

### III. Exclusions

Exclusions from our Scope of Services are described in Table B: Exclusions

<b>Table B: EXCLUSIONS</b>		
EXCLUSIONS		NOTES
1	Field investigation and documentation of above-ceiling utilities.	This mandatory investigation and documentation shall be performed digitally by a third-party vendor by utilizing 3D laser scanning to minimize disruption to hospital functions and operations.
2	MEP engineering, architectural, medical equipment planning, and other consulting services.	
3	Communication with vendors/suppliers of medical and MEP equipment and/or web searches to obtain equipment cutsheets.	Hospital shall provide cutsheets for all equipment currently installed.
4	Response to OSHPD plan review comments for NPC-3 Upgrade CDs.	
5	Construction administration for NPC-3 upgrade.	
6	Preparation of as-built drawings.	
7	Review of structural anchorage of MEP equipment and/or systems outside of NPC-3 areas.	
8	Study of impact of potential NPC-3 upgrades on disruption to hospital functions.	

<b>Table B: EXCLUSIONS</b>		
EXCLUSIONS		NOTES
9	Review and evaluation of existing MEP equipment or systems to assess functional conditions.	
10	Air measurements, power measurements, and recording of fluid flows.	
11	Review of Article 10 Items in CAC'2022.	
12	Hazardous material monitoring and abatement.	
13	ADA related condition assessment.	
14	Move management, phasing, and evaluations related to ADA upgrades.	
15	Probing, patching, and testing of structural systems to document strength and physical geometry.	
16	Material testing and condition assessment for as-built material strengths and conditions.	
17	Additional efforts because of unforeseen conditions.	
18	Development of Operational Plan for NPC-4D reclassification.	
19	SPC related evaluations and/or upgrades.	
20	Preparation of cost estimates.	
21	Fee for OSHPD reviews.	
22	Anchorage designs for any new medical equipment and new food service equipment, if any are proposed as part of Tenant Improvements (TI).	
23	Vibration analysis for equipment.	
24	Phasing Drawings.	
26	NPC-5 Evaluation.	
27	Response to prior outstanding OSHPD comments, if any.	
28	Efforts to close prior OSHPD projects that might have been closed non-compliant.	

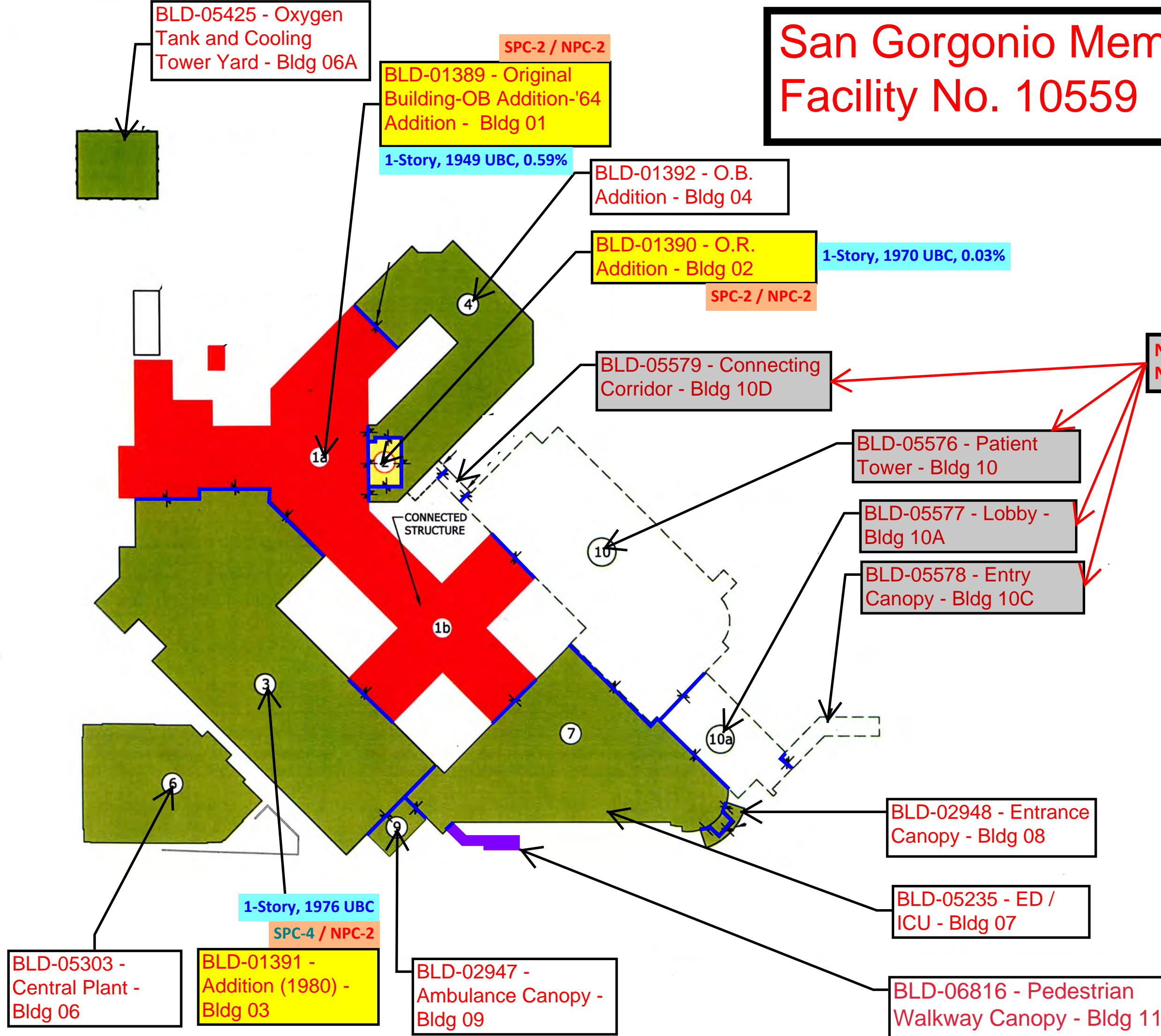
# San Geronio Memorial Hospital Facility No. 10559

10/25/2021

Unless noted otherwise, ALL buildings are SPC-4/5/5s and NPC-4/4s, i.e., 2030 compliant.

New buildings - proposed. Not in HCAI inventory yet.

Under construction?







## Schedule T2 TERMS OF AGREEMENT

### I. Compensation & Expenses

A. Walter P. Moore and Associates, Inc., "WALTER P MOORE", shall be paid as stated in the Agreement for Professional Services.

1. Lump Sum Fee - The total fee payable shall be the total sum stated herein, and payments shall be made periodically based upon WALTER P MOORE's percentage complete of the total fee as of the invoice date, or according to the schedule of payment by design phase if such schedule is expressly included herein.
2. Time and Expense Fee - The periodic fee payable shall be the cumulative sum of the mathematical products of the actual hours worked by individuals assigned to and providing services on the Project multiplied by the category billing rate for each respective individual as indicated in the Hourly Billing Rate Schedule attached to this Agreement for Professional Services.

B. WALTER P MOORE shall be compensated for all services provided regardless of whether the improvements designed are built, in whole or in part.

C. Additional Services: Additional Services shall be paid monthly in proportion to the percentage of the Additional Services completed for Fixed Fee compensation, or for the number of hours spent for Time and Expense Fee compensation, as of the invoice date.

D. Reimbursable Expenses: Miscellaneous out-of-pocket project related expenses including, without limitation; printing, postage, courier costs, lodging, travel expenses, etc., shall be charged at the incurred cost. Mileage shall be charged at IRS Standard Business Mileage Rate in effect at the time of travel.

E. Reimbursable Services: Third Party services retained by WALTER P MOORE on behalf of Owner shall be charged at the incurred cost plus 10%.

F. Sales taxes, if applicable, are not included and shall be paid by the Client.

### II. Invoices and Payments

A. WALTER P MOORE will prepare and present invoices in WALTER P MOORE's standard format

on a monthly basis, unless other arrangements are stated in the Agreement for Professional Services.

B. Client shall pay WALTER P MOORE for approved invoices within thirty (30) days after receipt of invoice from WALTER P MOORE.

C. If the Client fails to make any payment due WALTER P MOORE for services and expenses within thirty (30) days after receipt of invoice from WALTER P MOORE may charge interest on the amounts due but unpaid at the lesser of the highest legal rate or twelve percent (12%) per annum.

D. Final payment for all fees and expenses is due to WALTER P MOORE no later than completion of the construction of This Part of the Project.

E. Any costs incurred by WALTER P MOORE in collecting delinquent amounts including, without limitation, reasonable attorney's fees shall be reimbursed by the Client. If any portion of WALTER P MOORE's invoice is disputed, the undisputed portion shall be paid by the Client by the due date, and Client shall contemporaneously advise WALTER P MOORE in writing of the basis for any disputed portion of any invoice.

F. WALTER P MOORE reserves the right to declare a substantial breach of this Agreement upon the Client's failure to make payment for services performed or Reimbursable Expenses incurred within ninety (90) days after Client's receipt of invoice from WALTER P MOORE.

G. No deductions shall be made from WALTER P MOORE's compensation on account of penalty, liquidated damages, or on account of the cost of changes in the Work except to the extent such costs are found by a court of competent jurisdiction to be caused by WALTER P MOORE.

### III. Responsibilities of the Client

A. The Client shall, with reasonable promptness, perform normal administrative and management tasks to facilitate the design process, including, without limitation, the following:

1. Verify that the contemplated Project will be financed adequately, including provisions for contingencies, to accomplish stated goals and commitments.

2. Define the Project in writing and list the intended functions and needs and enumerate any special design criteria, for This Part of the Project.
3. Provide all available information regarding requirements for This Part of the Project. WALTER P MOORE shall have the right to rely on the accuracy and completeness of any information provided by Client.
4. When requested in writing by WALTER P MOORE, the Client shall furnish the services of other reasonably required consultants including, without limitation, 3D laser scanning, surveyor, MEP engineer, architect, medical equipment planner, geotechnical and testing laboratory. These services shall be furnished at no charge to WALTER P MOORE which shall be entitled to rely upon the accuracy and completeness of any such consultants' work.
5. Advise WALTER P MOORE of the identity and scope of services of other consultants participating in the Project.
6. Review WALTER P MOORE's work for compliance with Client's programmatic requirements and for overall coordination with the work of the Clients' other consultants.
7. Notify WALTER P MOORE promptly if Client becomes aware of any fault with This Part of the Project or WALTER P MOORE's Services.
8. The Client or other professional consultant retained by the Client shall prepare and assemble specifications for the General Conditions, Supplementary Conditions and all components of the Project, and coordinate assembly of WALTER P MOORE's specification sections into the proper format.
9. Furnish to WALTER P MOORE copies of preliminary or detailed estimates of Total Project Construction Cost, bidding documents, change orders, and construction change directives, to the extent that they pertain to This Part of the Project.
10. Furnish to WALTER P MOORE for review and recommendation all construction phase submittals that pertain, directly or indirectly, to This Part of the Project.

11. Confer with WALTER P MOORE before issuing any interpretations or clarifications of documents prepared by WALTER P MOORE.
12. Endeavor to protect the interests of WALTER P MOORE in any dealings with Owner during the course of the Project to same extent as Client protects its interests.

- B. If a signed certificate is to be provided as a deliverable of WALTER P MOORE, the Client shall provide WALTER P MOORE with the exact requested wording no later than five (5) days prior to the anticipated execution date of the Agreement for Professional Services. To the extent such wording is currently available; it shall be attached to the Agreement for Professional Services as an exhibit and made part of the Agreement for Professional Services. Under no circumstances shall WALTER P MOORE be required to execute a certificate that requires WALTER P MOORE to accept duties or have knowledge beyond that required by the Agreement.
- C. CLIENT shall pay all costs WALTER P MOORE incurs because of any professional licensing or other complaint filed against WALTER P MOORE, or anyone related to it, related to any certificate of merit, or its equivalent, that results from this Project.

#### **IV. Instruments of Service**

- A. Drawings, specifications, and other documents prepared by WALTER P MOORE pursuant to the Agreement are instruments of WALTER P MOORE's professional services ("Instruments of Service"). WALTER P MOORE shall be deemed the author of these documents and shall retain all common law, statutory, and other reserved rights, including the copyrights. Provided that Client is not in breach of the Agreement, Client is granted a limited, non-exclusive license to use WALTER P MOORE's Instruments of Service for the construction, use, replacement, and maintenance of the Project. The Client shall be permitted to retain copies, including reproducible copies, of the Instruments of Service for the purposes permitted by the non-exclusive license. The Instruments of Service shall not be used on any other project, or for completion of the Project by others, except as permitted by law in the event WALTER P MOORE has been adjudged in default under the Agreement or except by separate

written agreement of the parties with appropriate compensation to WALTER P MOORE. Third parties such as the Contractor shall be permitted to obtain a copy of the Instruments of Service in electronic format in connection with the construction of the Project by executing WALTER P MOORE's standard agreement for such use.

- B. The Client or WALTER P MOORE shall not make changes in each other's Drawings, Specifications, and other documents without written permission of the other party.

#### **V. Insurance**

- A. WALTER P MOORE shall endeavor to maintain professional liability insurance covering claims arising out of the performance of professional services under the Agreement or the Project or caused by negligent errors, omissions or acts for which each may be liable. This insurance, as reflected in the parties' certificates of insurance, shall be maintained in force for a period of One (1) year after the date of Substantial Completion of the Project, if reasonably available and commercially affordable, or as otherwise agreed to and documented by Client and WALTER P MOORE.
- B. If insurance is required, and an Architect or other professional consultants are part of the design team, the Architect and any other consultants shall be required by the Client to obtain and maintain insurance coverage of similar nature to cover errors, omissions, or negligent acts for which the Architect or consultant are legally liable.
- C. Unless otherwise agreed, WALTER P MOORE, Client, Architect, and other professional consultants shall each provide insurance to protect themselves from: 1) claims under workers' or workmen's compensation acts; 2) from general liability claims for damages because of bodily injury, including personal injury, sickness, disease, or death of any employees or of any other person and from claims for damages because of destruction of property including loss of valuable papers and records coverage and including loss of use resulting therefrom; and 3) employment practices liability.
- D. The insurance coverage required by the above paragraphs shall be in not less than the limits required by law and as otherwise agreed.

- E. If Client enters into a construction contract based in whole or in part upon design services performed or deliverables prepared by WALTER P MOORE under the Agreement, Client shall use its best efforts to require in the Contract Documents that the Contractor shall: 1) provide liability insurance appropriate and adequate for the size and complexity of the Project; 2) agree to hold harmless, defend and indemnify Client and WALTER P MOORE against claims and lawsuits by Contractor or its subcontractors or suppliers of any tier for economic loss; and 3a) name WALTER P MOORE as an additional insured party, and 3b) waive any right of subrogation against WALTER P MOORE, under any commercial general liability or builders' risk policy providing coverage with respect to the construction of the Project; provided, however, that Client shall use its best efforts to have Client name WALTER P MOORE as an additional insured on, and waive subrogation against WALTER P MOORE under, any such policies Client provides with respect to the Project.

#### **VI. Controlling Law and Disputes**

- A. The Agreement, and its interpretation and performance, shall be governed by the laws of the United States of America and State of Texas notwithstanding any choice of law principles. Exclusive venue for any dispute arising out of the interpretation or performance of the Agreement shall be a court of competent jurisdiction where the Project is located.

#### **VII. Standard of Care**

- A. WALTER P MOORE shall provide services under the Agreement in a manner consistent with that degree of care and skill customarily exercised by members of the same profession currently practicing under similar circumstances.

#### **VIII. Time for Performance**

- A. WALTER P MOORE shall perform its services as expeditiously as is consistent with the Standard of Care as defined herein and the orderly progress of the Project.

#### **IX. Indemnity, Limitations of Liabilities, Warranty and Remedies**

- A. WALTER P MOORE shall not be responsible or held liable for any acts or omissions of Client, Client's other consultants, Contractor or any of its subcontractors or suppliers of any tier or any

other persons or entity performing any of the Work.

- B. WALTER P MOORE agrees, to the fullest extent permitted by law, to hold harmless and indemnify Client from and against any and all claims, damages, fines, penalties, assessments, requirements or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense and response costs that arise under the Agreement for Professional Services to the extent such damages are caused by the negligence of WALTER P MOORE.
- C. Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages, fines, penalties, assessments, requirements or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense and response costs that arise under the Agreement for Professional Services to the extent such damages are caused by the negligence of the Client.
- D. If WALTER P MOORE's construction contract administration services are limited or excluded from WALTER P MOORE's scope of services, it is agreed that WALTER P MOORE's professional services shall not extend to or include any review or site observation of Contractor's work or performance, and Client shall in such circumstances, to the fullest extent permitted by law, hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages, liabilities including without limitation, claims for injury to persons or property, death, or economic loss, or costs including without limitation reasonable attorney's fees and defense costs arising out of, or alleged to arise out of, designs or deliverables of WALTER P MOORE regardless of whether any such claims, damages, liabilities, or costs were, or were alleged to be, caused in part by the negligence or negligent misrepresentation of WALTER P MOORE or someone for whom WALTER P MOORE is legally responsible.
- E. Because remodeling and/or rehabilitation of an existing structure and/or related infrastructure

requires that certain assumptions be made regarding existing conditions, and because these assumptions may not be verifiable without expending inordinate amounts of time and money, or damaging otherwise adequate and serviceable portions of the structure, Client agrees, to the fullest extent permitted by law to hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense costs arising out of any designs or deliverables of WALTER P MOORE based in whole or in part upon any assumptions made by WALTER P MOORE regarding existing conditions, excepting only those claims, damages, liabilities or costs to extent caused by the negligence or willful misconduct by WALTER P MOORE.

- F. **To the maximum extent permitted by law, Client agrees to limit Walter P Moore's liability for claims arising from or related to the Agreement or the Scope of Services to the Sum of \$50,000 or Walter P Moore's paid fee, whichever is lesser. This limitation shall apply regardless of the cause of action or legal theory pleaded or asserted, including any kind of indemnity.**
- G. Other than as expressly stated herein, WALTER P MOORE makes no other express or implied warranties regarding the performance or result of these services.
- X. **Successors and Assigns**
  - A. Client and WALTER P MOORE, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to the Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of the Agreement.
  - B. Neither party to the Agreement shall transfer, sublet, or assign any rights under or interest in the Agreement (including, without limitation, monies that are due or monies that may be due) without the prior written consent of the other party. Subcontracting by WALTER P MOORE shall not be considered an assignment for purposes of the Agreement, and nothing contained in this paragraph shall prevent WALTER P MOORE from employing such independent professional

associates and consultants as WALTER P MOORE may deem appropriate to assist in the performance of services hereunder.

- C. Nothing under the Agreement shall be construed to confer any rights or benefits in the Agreement to anyone other than Client and WALTER P MOORE, and all duties and responsibilities undertaken pursuant to the Agreement shall be for the sole and exclusive benefit of Client and WALTER P MOORE and not for the benefit of any other party.

#### **XI. Hazardous Material**

- A. WALTER P MOORE shall have no responsibility for the detection, presence, removal, encapsulation, treatment, abatement, storage, transportation, disposal, or any other form of identification or handling of any asbestos, asbestos containing products materials or substances, polychlorinated biphenyl (PCB), or any other materials, constituents or substances that are, or are deemed to be, hazardous under the Resource Conservation and Recovery Act of 1976 as amended or any other similar federal, state or local regulation or law ("Hazardous Material"). Client shall use its best efforts to have Client furnish any tests for Hazardous Materials and other laboratory and environmental tests, inspections, reports, mitigation, or removal as necessary or required by law since no such test shall be provided by or through WALTER P MOORE.
- B. Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages, fines, penalties, assessments, requirements, or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense and response costs arising out of any claims related to Hazardous Materials.

#### **XII. Termination and Suspension**

- A. The Agreement may be terminated by either party upon not less than Seven (7) days' written notice should the other party fail substantially to perform in accordance with the terms of the Agreement through no fault of the party initiating the termination, and such failure to perform is not cured within such Seven (7) days.

- B. After the Project or WALTER P MOORE's services are interrupted or suspended for any cause other than the fault of WALTER P MOORE for more than Forty-Five (45) calendar days in the aggregate over the term of the Agreement, WALTER P MOORE may, at its option at any time thereafter, without waiving any other right or remedy, and without incurring any liability to Client or any other party, terminate the Agreement upon seven days written notice without cure or suspend its services, and WALTER P MOORE shall be compensated for all its services performed and reimbursable expenses incurred prior to the termination or commencement of suspension of services by WALTER P MOORE. WALTER P MOORE shall have no liability to Client or otherwise for such suspension, and Client covenants not to make any claim for any delay or damage alleged to have resulted from such suspension. If WALTER P MOORE elects to suspend its services, Client shall, upon WALTER P MOORE's resumption of services, compensate WALTER P MOORE for expenses incurred as a result of the suspension and resumption of its services, and WALTER P MOORE's schedule and fees for the remainder of WALTER P MOORE's Project services shall be equitably adjusted.
- C. If Client is in breach of the Agreement, WALTER P MOORE may at any time thereafter, without waiving any other right or remedy, and without incurring any liability to Client or any other party, upon Seven (7) calendar days' written notice suspend its services to Client. WALTER P MOORE shall have no liability to Client or otherwise for such suspension, and Client covenants not to make any claim for any delay or damage alleged to have resulted from such suspension. If WALTER P MOORE elects to resume its services, provided that WALTER P MOORE has not previously terminated the Agreement, and upon receipt of payment in full to WALTER P MOORE of all outstanding sums due from Client, or curing of such other breach by Client which caused WALTER P MOORE to suspend services, Client shall as Additional Services compensate WALTER P MOORE for expenses incurred as a result of the suspension and resumption of its services, and WALTER P MOORE's schedule and fees for the remainder of WALTER P MOORE's Project services shall be equitably adjusted.

### **XIII. Force Majeure**

- A. In the event that WALTER P MOORE is obstructed, interrupted, or impeded, directly or indirectly, in performing any of its obligations under the Agreement by an Act of God, sickness, disease, infection, epidemic, government order, building closure, fire, flood, earthquake, terrorism or terrorism threat, adverse weather, war, attack, labor unrest or shortage, civil unrest or any other occurrence beyond the control of WALTER P MOORE, or by any complications, responses (e.g., COVID plans), or unreasonable risks arising from such occurrences, then WALTER P MOORE shall be excused from any further performance of its obligations under the Agreement and entitled to adjustment of the Project schedule and its compensation under this Agreement. Additionally, any obligation by WALTER P MOORE to attend an in-person meeting or site visit shall be: (a) excused if it would, in WALTER P MOORE's judgment, be unsafe or its purposes may be satisfied virtually, and (b) subject to any reasonable protocols that WALTER P MOORE has adopted for the health and safety of its employees.

### **XIV. Waiver**

- A. The failure on the part of either party, at any time, to require full performance by the other party of any portion of the Agreement, shall not be deemed a waiver of, or in any way affect, that party's rights to enforce such provisions or any other provision at a later time. Any waiver by any party of any provision or on any occasion shall not be taken or held to be a waiver of any other provision or on any other occasion.

### **XV. Severability and Survival of Terms**

- A. If any one or more provisions of the Agreement, any portion thereof, or the application thereof to any person or circumstance, shall for any reason be held invalid, illegal or unenforceable in any respect, any such invalidity, illegality or unenforceability shall be deemed stricken and shall not affect any other provision of the Agreement or the application of such provisions to other persons or circumstances, and the balance of the Agreement shall be enforced to the greatest extent permitted by law. Limitations of liability and remedies and all indemnity obligations shall survive termination of the Agreement for any cause.

### **XVI. Dispute Resolution**

- A. If a dispute arises out of or relates to this contract or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association under its Construction Industry Mediation Procedures before resorting to arbitration or litigation.

### **XVII. Meaning of Terms**

- A. **Client** - The party, with which WALTER P MOORE has entered into the Agreement, responsible for managing the overall design including, without limitation, the design and deliverables of WALTER P MOORE as a consultant to the Client.
- B. **Construction Cost of This Portion of the Project** - The total cost incurred by, or if the project is not built, the estimated construction cost to, Client of all elements of the Project designed or specified by WALTER P MOORE. Such Cost shall include the cost (at current market rates if estimated) of all labor and materials furnished including the overhead, fee or profit contingency for This Part of the Project.
- C. **Contractor** - A third party, if any, engaged to provide construction services to Client based in part upon designs and deliverables of WALTER P MOORE.
- D. **WALTER P MOORE** - Walter P. Moore and Associates, Inc., and WALTER P MOORE's independent professional associate or consultant engineering firms.
- E. **Project** - As defined in the Agreement for Professional Services.
- F. **Services** - As defined in the Agreement for Professional Services.
- G. **This Part of the Project** - All elements of the Project design within WALTER P MOORE's engineering discipline designed or specified by WALTER P MOORE.
- H. **Total Project Construction Cost** - The total cost incurred by, or if the project is not built, the estimated construction cost to, Client of all elements of the Project designed or specified by Client and its Consultants. Such Cost shall include the cost at current market rates of all labor and materials furnished including the overhead, fee or profit contingency, plus the cost of equipment specifically specified by Client and its Consultants.



January 4, 2024

Mr. Steve Barron  
Chief Executive Officer  
San Gorgonio Memorial Hospital  
600 N. Highland Springs Avenue  
Banning, CA 92220

**Re: Proposal for Professional Services  
SPC-4D Upgrade Construction Documents (CDs) for Two (2) SPC-2 Buildings at  
San Gorgonio Memorial Hospital (HCAI Facility ID: 10559)  
600 N. Highland Springs Avenue, Banning, CA 92220  
Walter P Moore Proposal No. 23-3685**

Dear Steve:

Walter P Moore is pleased to submit this proposal to provide professional services for the referenced project. This project constitutes a critical and mandatory step towards obtaining seismic compliance beyond 2030 for this building from a structural perspective. Walter P Moore has extensive experience with this type of project, and we are excited that SGMH is taking this step for 2030 seismic compliance for these buildings.

This proposal is presented to establish a basis for the commencement of our scope of services for the Project. Walter P Moore would be the prime design consultant for this Project, and we would bring in other consultants, if and as needed, and as articulated in more detail in the proposal. We anticipate that this Proposal and Agreement for Professional Services and attachments, when signed, will serve as our entire Agreement unless superseded by another document signed by both parties.

#### **Basis of Proposal**

This proposal is based on phone communication with John Peleuses.

#### **Agreement**

If this proposal is acceptable, please sign the attached Proposal and Agreement for Professional Services where indicated and return the signed copy to us. This proposal is valid for 60 days.

We very much appreciate the opportunity to provide these services and look forward to collaborating with you on this Project.

Sincerely,

**WALTER P. MOORE AND ASSOCIATES, INC.**

Balram Gupta, Ph.D., S.E. / Senior Principal  
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**PROPOSAL AND AGREEMENT FOR PROFESSIONAL SERVICES – Terms Attached**

**Project:** SPC-4D Upgrade Construction Documents for Two (2) SPC-2 Buildings at San Geronio Memorial Hospital (OSHPD Facility ID: 10559)  
**Client:** San Geronio Memorial Hospital  
**Client Contact:** Steve Barron  
**Proposal Date:** January 4<sup>th</sup>, 2024  
**Proposal Number:** 23-3685

Walter P. Moore and Associates, Inc. (Walter P Moore) shall provide services to Client for the Project as defined below and in accordance with the attachments listed below:

**Project Description**

Two (2) buildings at San Geronio Memorial Hospital (SGMH) are currently classified as SPC-2. Each SPC-2 building must be upgraded and reclassified to SPC-4D to allow its use as a hospital building beyond January 1, 2030. Relevant information for the two SPC-2 buildings included in this proposal are shown in the table below.

#	Building Name	PMH / OSHPD Bldg. #s	Bldg. Code Year	# Of Stories	Current SPC Rating
1	Original Bldg. – OB Addition – ‘64 Addition	01 / 01389	1949	1	2
2	OR Addition	02 / 01390	1970	1	2

There are specific engineering requirements that must be complied with to reclassify a building to SPC-4D. These requirements are outlined in 2022 editions of the California Administrative Code (CAC’2022), California Building Code (CBC’2022), and California Existing Building Code (CEBC’2022). §304A.3.3 of CEBC’2022 provides three independent approaches to reclassify an existing non-conforming hospital building to SPC-4D. Out of these three approaches, ASCE 41-13<sup>1</sup> approach, per §304A.3.4.5, is the most efficient and, thus, shall be used for this building. This approach entails evaluation and retrofit of the building for dual-level performance criteria, which comprises of (a) Damage Control (DC) structural performance under BSE-1E<sup>2</sup> earthquake and Collapse Prevention (CP) structural performance under BSE-2E<sup>3</sup> earthquake. §304A.3.4.5 has an additional requirement re satisfying the “Position Retention” non-structural performance level under BSE-1E earthquake for building elements that are not part of the seismic-force-resisting-system (SFRS).

If our understanding of the project scope is inaccurate or the project scope materially changes, we understand that our compensation will be equitably adjusted.

**Scope of Services**

In accordance with Schedule SR-02B: Scope of Structural Engineering Services for SPC-4D Upgrade Construction Documents (CDs).

<sup>1</sup>ASCE 41-13: ASCE (American Society of Civil Engineers) Standard for Seismic Evaluation & Retrofit of Existing Buildings

<sup>2</sup>BSE-1E represents a frequently occurring but smaller (milder) earthquake. In engineering terms, BSE-1E represents an earthquake with 20% probability of exceedance in 50 years or an earthquake with a mean return period of ±225 years.

<sup>3</sup>BSE-2E represents a rare but stronger earthquake. In engineering terms, BSE-2E represents an earthquake with 5% probability of exceedance in 50 years or an earthquake with a mean return period of ±975 years.



## Compensation

Walter P Moore proposes to provide the Scope of Structural Engineering Services defined in Schedule SR-02B for a fixed fee as indicated in the table below. Scope items in the table correspond to Schedule SR-02B.

Scope Item	Scope	Fee for Building		Total Fee
		01/01389	02/01390	
A	Preparation of As-Built Drawings	\$0	\$18,000	\$18,000
B	Structural Basis of Design (BOD)	\$36,000	\$12,000	\$48,000
C	Geotech & Geo-Hazards Report	\$6,000	\$0	\$6,000
D	SPC-4D Construction Documents (CDs)	\$99,000	\$27,000	\$126,000
	<b>TOTAL</b>	<b>\$141,000</b>	<b>\$57,000</b>	<b>\$198,000</b>

Compensation shall be equitably adjusted for changes in the scope of the project as described in the Project Description or changes in the scope of service as described in the Scope of Service.

Miscellaneous out-of-pocket project related expenses including, without limitation; printing, postage, courier costs, lodging, travel expenses, etc., shall be invoiced and paid at the incurred cost. Mileage shall be charged at IRS Standard Business Mileage Rate in effect at the time of travel. Sales tax, if applicable, will be paid by the Client. Reimbursable expenses are estimated to be **\$3,900**.

## Additional Services

Walter P Moore proposes to provide Additional Services not included in the Scope of Services as requested and approved by the Client in writing. Additional Services shall be provided without invalidating this Agreement. Additional Services shall be compensated at a mutually agreed upon fee.

## Client's Responsibilities

The Client shall provide overall management and coordination of the Project. Walter P Moore agrees to participate in the coordination effort, to be led by the Client, in order that our Portion of the Project is coordinated with the designs and deliverables of the other members of the Project team.

The Client shall provide to Walter P Moore, in a timely manner, full information of which the Client is aware regarding any special conditions, design criteria, reports, or special services needed, and to make available any existing data or drawings concerning the Project and Project Site. Walter P Moore shall be entitled to rely upon the accuracy and completeness of any such information provided.

## Project Schedule

Walter P Moore will endeavor to achieve the requirements of a reasonable schedule determined appropriate for the Project. Walter P Moore's fee for the defined Scope of Services is based, in part, upon the Project being executed in a timely manner without significant delays or interruptions.

In order for Walter P Moore to proceed with its services toward the accomplishment of the Project Schedule, the following information shall be provided by the Client in a timely manner:

- An executed copy of the Agreement for Professional Services
- As-built structural drawings
- SGMH to bring on board a geotechnical and geo-hazard engineer to provide the info we need for checking foundations

**Payment**

As defined in the attached Schedule T2.

**Limitation of Liability**

To the maximum extent permitted by law, Client agrees to limit Walter P Moore’s liability for claims arising from or related to the Agreement or the Scope of Services to the Sum of \$50,000 or Walter P Moore’s paid fee, whichever is lesser. This limitation shall apply regardless of the cause of action or legal theory pleaded or asserted, including any kind of indemnity.

**Terms of Agreement**


In accordance with the attached Schedule T2.

**Attachments**

The following attachments are incorporated by reference as if set forth at length. In the event of a direct conflict between this Agreement and the content of any of the Attachments, this Agreement shall govern.

- SR-02B: Scope of Structural Engineering Services for SPC-4D Upgrade Construction Documents (CDs)
- Site Plan
- Schedule T2: Terms of Agreement

Executed on this \_\_\_\_ day of \_\_\_\_\_, 2024 by:

<b>San Geronio Memorial Hospital</b> Accepted:	<b>Walter P. Moore and Associates, Inc.:</b> Balram Gupta, Ph.D., S.E. / Senior Principal Healthcare Market Leader – West Coast
Signature	



## **Schedule SR-02B: Scope of Structural Engineering Services for SPC-4D Upgrade Construction Documents (CDs)**

### **I. General Services**

- A. Walter P Moore shall be the Structural Engineer of Record (SEOR) for parts of the Project as described in the Agreement Letter.
- B. Walter P Moore will review drawings of the existing building(s) as required to become generally familiar with the structural systems of the building as described in the engagement letter. Unless noted otherwise, the availability of appropriate as-built structural drawings and other required documentation (viz. SPC-2 upgrade projects, if any; HAZUS reports, geotechnical reports, etc.) is an important assumption in this proposal.
- C. Walter P Moore will visit the project site to become familiar with the present condition of the building. Walter P Moore's Basic Services do not include performing a detailed assessment of the structural conditions of the building(s) nor a survey of field measurements to create as-built drawings.
- D. Walter P Moore will provide structural analyses, designs, and documentation as required. Walter P Moore's design and documentation will not include vibration analysis of the existing building due to new or existing equipment or any needed modifications to other building systems such as exterior cladding or roofing.
- E. Walter P Moore's scope of Basic Services does not include structural analysis, design or detailing to upgrade the existing buildings' gravity and/or lateral load resisting systems to meet the current building code beyond the SPC-4D reclassification requirements.
- F. If Walter P Moore's evaluation indicates that the structure will not readily accommodate the intended modifications, Walter P Moore will consult with the Hospital, as appropriate and make recommendations to modify the location and/or character of the proposed modifications as needed.
- G. The Basic Services to be performed by Walter P Moore include consultation, as outlined below in Table A: Scope of Services.
- H. The assumptions made in determining the fees and scope of work by Walter P Moore are outlined below in Table A: Scope of Services – under Notes and Assumptions.
- I. The exclusions for determining the fees and scope of work by Walter P Moore are outlined below in Table B: Exclusions.
- J. For each phase of the Work, Walter P Moore will work with the Hospital (or their designated Representative) to ascertain the requirements for that phase of the Work, will participate in necessary meetings, will be available for general consultation, will prepare necessary documentation, and will make appropriate recommendations.
- K. Walter P Moore will recommend to the Hospital the appropriate investigations, reports, surveys, tests, and services of other Consultants that should be retained for

proper execution of Services. Walter P Moore will assist in the development of appropriate scopes of work for such services. Services that may be required include, but are not limited to, geotechnical investigations, surveys, material testing, and site-specific geotechnical studies, etc.

- L. Walter P Moore’s Scope of Services is limited to those items specifically described herein. If requested and authorized by the Client, other Additional Services may be provided for an additional fee.

**II. Scope of Services**

- A. Following written authorization from the Client to proceed with each subsequent phase of the Work, Walter P Moore shall provide services for each phase as described below:

Table A: Scope of Services  
 Table B: Exclusions

<b>Table A: Scope of Services</b>				
<b>PHASE</b>		<b>Included</b>	<b>Not Included</b>	<b>NOTES AND ASSUMPTIONS</b>
<b>A. Structural Basis of Design (BOD)</b>				
1	Prepare the structural Basis of Design (BOD) to initiate discussions with the Seismic Compliance Unit (SCU) at OSHPD Sacramento. BOD will be updated as we proceed with detailed analyses.	X		Hospital to provide all as-built drawings for any new additions to original building and adjacent buildings to verify seismic separations.
2	Prepare computer models to comply with the requirements of ASCE 41-13.	X		Hospital to provide reports, drawings, and computer models for prior work for SPC-2 reclassification, if applicable.
3	Quick run updated computer models and process results.	X		
4	Evaluate compliance, or lack thereof, of existing SFRS <sup>1</sup> elements with the provisions of ASCE 41-13.	X		
5	Discuss with SCU, as required, until compliance with the provision of ASCE 41-13 is achieved.	X		
6	Update the BOD.	X		
7	Prepare the required OSHPD applications.	X		
8	Prepare and submit a formal package that would include BOD and relevant backup information (i.e., computer models, calculations, etc.) to SCU for review.	X		
9	Respond to SCU’s plan review comments on the BOD and backup information.	X		
10	Obtain SCU’s approval of the BOD.	X		

<sup>1</sup>SFRS = Seismic Force Resisting System

<b>Table A: Scope of Services</b>				
<b>PHASE</b>		<b>Included</b>	<b>Not Included</b>	<b>NOTES AND ASSUMPTIONS</b>
<b>B. Geotech and Geo-Hazards Report</b>				
1	Hospital would need to bring a geotechnical and geo-hazard engineer on board since a dedicated geotechnical and geo-hazards report is a mandatory code requirement for SPC-4D reclassification.	X		Hospital to bring on board geotechnical and geo-hazard engineer promptly to provide the information required by us.
2	Coordinate with the geotechnical and geo-hazard engineer regarding specific OSHPD requirements for SPC-4D.	X		
3	Provide relevant structural information to the geo engineer to support him with providing us the information we need for SPC-4D evaluation and upgrade designs (i.e., seismic ground motion information (response spectra), soil bearing capacities, etc.).	X		
<b>C. SPC-4D Construction Documents (CDs)</b>				
1	Incorporate provisions from SCU approved BOD into analysis models.	X		
2	Evaluate all existing SFRS elements for SPC-4D criteria.	X		
3	If we conclude that new structural elements must be added to supplement the existing SFRS, then meet with the Hospital and facility representatives to present multiple options to identify a solution that would be least disruptive to ongoing hospital operations and functions.	X		
4	Incorporate the recommend option for new SFRS element(s) into our computer models and perform iterations to optimize (minimize) the scope of retrofit.	X		
5	Perform detailed designs of the following: <ul style="list-style-type: none"> <li>• New SFRS elements</li> <li>• Connection of new SFRS elements to the existing structure</li> <li>• Upgrade(s) as needed for the existing SFRS elements</li> </ul>	X		
6	Compile structural calculations and drawings for SPC-4D upgrade.	X		
7	Submit package of structural calculations and upgrade drawings to SCU.	X		
8	Obtain SCU's confirmation/approval that the proposed upgrade, once fully implemented in the	X		Architect and MEP engineers to be brought on board by the Hospital after OSHPD SCU has approved

<b>Table A: Scope of Services</b>				
<b>PHASE</b>		<b>Included</b>	<b>Not Included</b>	<b>NOTES AND ASSUMPTIONS</b>
	field, would allow the building to be reclassified to SPC-4D.			SPC-4D designs. Accordingly, we assume that the architect and MEP engineers would work around the SPC-4D upgrade approved by OSHPD.
9	Prepare the required OSHPD applications, TIO forms, specifications, etc.	X		
10	Compile and submit package to OSHPD local region.	X		SPC-4D upgrade package would be submitted to OSHPD as an incremental package in which the structural upgrade scope would be part of the first increment while accessibility, architectural, and MEP scopes would be part of subsequent increment(s) that would be developed after Increment 1 has been approved by OSHPD.  Hospital should acknowledge that OSHPD could enforce submittal of subsequent increments prior to granting approval for the first (i.e., structural) increment.
11	Respond to plan review comments from OSHPD local region.	X		We have considered maximum 80 hours for responding to OSHPD local region's plan review comments.
12	Obtain OSHPD local region's approval of SPC-4D upgrade construction documents.	X		

### III. Exclusions

Exclusions from our Scope of Services (outlined in Table A) are described in Table B.

<b>TABLE B: EXCLUSIONS</b>		
	<b>EXCLUSIONS</b>	<b>NOTES</b>
1	Fees for architect and/or MEP engineers.	
2	Coordination of SPC-4D upgrade scope (Increment 1) with other disciplines (subsequent Architectural and MEP Increments).	
3	Structural efforts associated with redesign because of Architectural and/or MEP increments.	

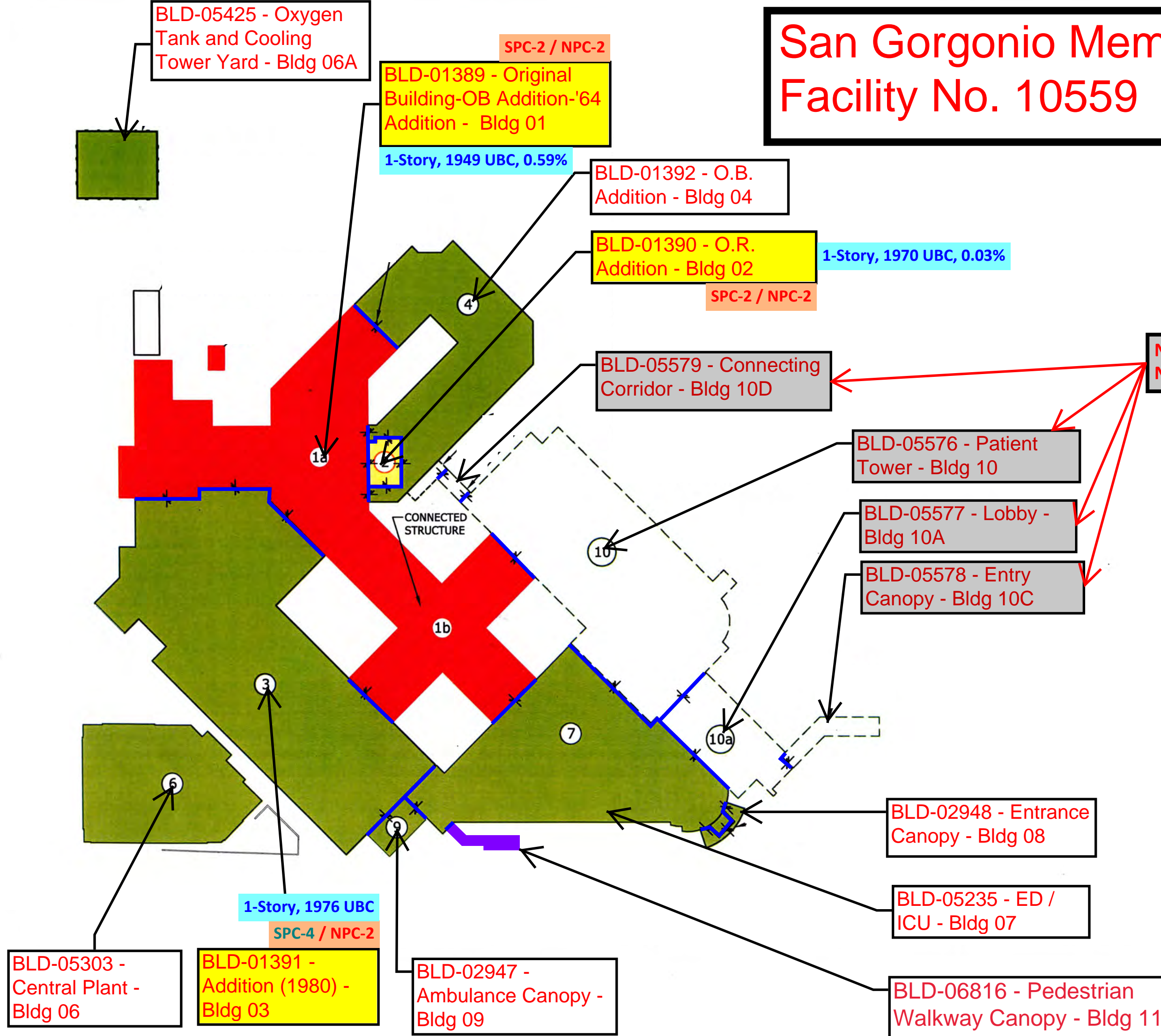
<b>TABLE B: EXCLUSIONS</b>		
4	Structural efforts associated with satisfaction of Position-Retention performance level for elements that are not a part of the SFRS, if such elements are determined to be deficient. While we would identify the deficient non-structural elements as part of the MTCAP, the fixes or upgrades for deficient non-structural elements would need to be a part of the Architectural and/or MEP Increment with separate fee.	
5	Fees for geotechnical and/or geo-hazard engineer, testing lab, OSHPD/city permits, etc.	
6	Plan and/or peer reviews beyond the normal OSHPD plan review.	
7	Nonlinear analyses, if enforced by OSHPD for any reason.	
8	Hazardous material assessment and related impact design.	
9	Travel outside of Los Angeles area.	
10	NPC related evaluations and/or upgrades.	
11	Bidding and construction administration for SPC-4D upgrade.	
12	Redesign of SPC-4D upgrades should the contractor prefer to do things differently.	
13	Preparation of multiple packages.	
14	Shoring design and calculations, if required.	
15	Preparation of cost estimates.	We will review cost estimates prepared by others.
16	Anchorage design for new medical equipment, new interior designs, and new food service equipment, if any are proposed as part of Tenant Improvements (TI) within the building.	
17	Design of anchorage of architectural and MEP equipment and/or distribution systems impacted by SPC-4D upgrade. This would need to be part of the Architectural and/or MEP increment with separate fee.	
18	Design of temporary conditions that might exist during move management.	
19	SPC-4D project close out and reclassification. This would need to happen after completion of SPC-4D upgrade construction with separate fee.	

# San Geronio Memorial Hospital Facility No. 10559

10/25/2021

Unless noted otherwise, ALL buildings are SPC-4/5/5s and NPC-4/4s, i.e., 2030 compliant.

New buildings - proposed. Not in HCAI inventory yet.



**Under construction?**





## Schedule T2 TERMS OF AGREEMENT

### I. Compensation & Expenses

A. Walter P. Moore and Associates, Inc., "WALTER P MOORE", shall be paid as stated in the Agreement for Professional Services.

1. Lump Sum Fee - The total fee payable shall be the total sum stated herein, and payments shall be made periodically based upon WALTER P MOORE's percentage complete of the total fee as of the invoice date, or according to the schedule of payment by design phase if such schedule is expressly included herein.
2. Time and Expense Fee - The periodic fee payable shall be the cumulative sum of the mathematical products of the actual hours worked by individuals assigned to and providing services on the Project multiplied by the category billing rate for each respective individual as indicated in the Hourly Billing Rate Schedule attached to this Agreement for Professional Services.

B. WALTER P MOORE shall be compensated for all services provided regardless of whether the improvements designed are built, in whole or in part.

C. Additional Services: Additional Services shall be paid monthly in proportion to the percentage of the Additional Services completed for Fixed Fee compensation, or for the number of hours spent for Time and Expense Fee compensation, as of the invoice date.

D. Reimbursable Expenses: Miscellaneous out-of-pocket project related expenses including, without limitation; printing, postage, courier costs, lodging, travel expenses, etc., shall be charged at the incurred cost. Mileage shall be charged at IRS Standard Business Mileage Rate in effect at the time of travel.

E. Reimbursable Services: Third Party services retained by WALTER P MOORE on behalf of Owner shall be charged at the incurred cost plus 10%.

F. Sales taxes, if applicable, are not included and shall be paid by the Client.

### II. Invoices and Payments

A. WALTER P MOORE will prepare and present invoices in WALTER P MOORE's standard format

on a monthly basis, unless other arrangements are stated in the Agreement for Professional Services.

B. Client shall pay WALTER P MOORE for approved invoices within thirty (30) days after receipt of invoice from WALTER P MOORE.

C. If the Client fails to make any payment due WALTER P MOORE for services and expenses within thirty (30) days after receipt of invoice from WALTER P MOORE may charge interest on the amounts due but unpaid at the lesser of the highest legal rate or twelve percent (12%) per annum.

D. Final payment for all fees and expenses is due to WALTER P MOORE no later than completion of the construction of This Part of the Project.

E. Any costs incurred by WALTER P MOORE in collecting delinquent amounts including, without limitation, reasonable attorney's fees shall be reimbursed by the Client. If any portion of WALTER P MOORE's invoice is disputed, the undisputed portion shall be paid by the Client by the due date, and Client shall contemporaneously advise WALTER P MOORE in writing of the basis for any disputed portion of any invoice.

F. WALTER P MOORE reserves the right to declare a substantial breach of this Agreement upon the Client's failure to make payment for services performed or Reimbursable Expenses incurred within ninety (90) days after Client's receipt of invoice from WALTER P MOORE.

G. No deductions shall be made from WALTER P MOORE's compensation on account of penalty, liquidated damages, or on account of the cost of changes in the Work except to the extent such costs are found by a court of competent jurisdiction to be caused by WALTER P MOORE.

### III. Responsibilities of the Client

A. The Client shall, with reasonable promptness, perform normal administrative and management tasks to facilitate the design process, including, without limitation, the following:

1. Verify that the contemplated Project will be financed adequately, including provisions for contingencies, to accomplish stated goals and commitments.

2. Define the Project in writing and list the intended functions and needs and enumerate any special design criteria, for This Part of the Project.
3. Provide all available information regarding requirements for This Part of the Project. WALTER P MOORE shall have the right to rely on the accuracy and completeness of any information provided by Client.
4. When requested in writing by WALTER P MOORE, the Client shall furnish the services of other reasonably required consultants including, without limitation, 3D laser scanning, surveyor, MEP engineer, architect, medical equipment planner, geotechnical and testing laboratory. These services shall be furnished at no charge to WALTER P MOORE which shall be entitled to rely upon the accuracy and completeness of any such consultants' work.
5. Advise WALTER P MOORE of the identity and scope of services of other consultants participating in the Project.
6. Review WALTER P MOORE's work for compliance with Client's programmatic requirements and for overall coordination with the work of the Clients' other consultants.
7. Notify WALTER P MOORE promptly if Client becomes aware of any fault with This Part of the Project or WALTER P MOORE's Services.
8. The Client or other professional consultant retained by the Client shall prepare and assemble specifications for the General Conditions, Supplementary Conditions and all components of the Project, and coordinate assembly of WALTER P MOORE's specification sections into the proper format.
9. Furnish to WALTER P MOORE copies of preliminary or detailed estimates of Total Project Construction Cost, bidding documents, change orders, and construction change directives, to the extent that they pertain to This Part of the Project.
10. Furnish to WALTER P MOORE for review and recommendation all construction phase submittals that pertain, directly or indirectly, to This Part of the Project.

11. Confer with WALTER P MOORE before issuing any interpretations or clarifications of documents prepared by WALTER P MOORE.
12. Endeavor to protect the interests of WALTER P MOORE in any dealings with Owner during the course of the Project to same extent as Client protects its interests.

- B. If a signed certificate is to be provided as a deliverable of WALTER P MOORE, the Client shall provide WALTER P MOORE with the exact requested wording no later than five (5) days prior to the anticipated execution date of the Agreement for Professional Services. To the extent such wording is currently available; it shall be attached to the Agreement for Professional Services as an exhibit and made part of the Agreement for Professional Services. Under no circumstances shall WALTER P MOORE be required to execute a certificate that requires WALTER P MOORE to accept duties or have knowledge beyond that required by the Agreement.
- C. CLIENT shall pay all costs WALTER P MOORE incurs because of any professional licensing or other complaint filed against WALTER P MOORE, or anyone related to it, related to any certificate of merit, or its equivalent, that results from this Project.

#### **IV. Instruments of Service**

- A. Drawings, specifications, and other documents prepared by WALTER P MOORE pursuant to the Agreement are instruments of WALTER P MOORE's professional services ("Instruments of Service"). WALTER P MOORE shall be deemed the author of these documents and shall retain all common law, statutory, and other reserved rights, including the copyrights. Provided that Client is not in breach of the Agreement, Client is granted a limited, non-exclusive license to use WALTER P MOORE's Instruments of Service for the construction, use, replacement, and maintenance of the Project. The Client shall be permitted to retain copies, including reproducible copies, of the Instruments of Service for the purposes permitted by the non-exclusive license. The Instruments of Service shall not be used on any other project, or for completion of the Project by others, except as permitted by law in the event WALTER P MOORE has been adjudged in default under the Agreement or except by separate

written agreement of the parties with appropriate compensation to WALTER P MOORE. Third parties such as the Contractor shall be permitted to obtain a copy of the Instruments of Service in electronic format in connection with the construction of the Project by executing WALTER P MOORE's standard agreement for such use.

- B. The Client or WALTER P MOORE shall not make changes in each other's Drawings, Specifications, and other documents without written permission of the other party.

**V. Insurance**

- A. WALTER P MOORE shall endeavor to maintain professional liability insurance covering claims arising out of the performance of professional services under the Agreement or the Project or caused by negligent errors, omissions or acts for which each may be liable. This insurance, as reflected in the parties' certificates of insurance, shall be maintained in force for a period of One (1) year after the date of Substantial Completion of the Project, if reasonably available and commercially affordable, or as otherwise agreed to and documented by Client and WALTER P MOORE.
- B. If insurance is required, and an Architect or other professional consultants are part of the design team, the Architect and any other consultants shall be required by the Client to obtain and maintain insurance coverage of similar nature to cover errors, omissions, or negligent acts for which the Architect or consultant are legally liable.
- C. Unless otherwise agreed, WALTER P MOORE, Client, Architect, and other professional consultants shall each provide insurance to protect themselves from: 1) claims under workers' or workmen's compensation acts; 2) from general liability claims for damages because of bodily injury, including personal injury, sickness, disease, or death of any employees or of any other person and from claims for damages because of destruction of property including loss of valuable papers and records coverage and including loss of use resulting therefrom; and 3) employment practices liability.
- D. The insurance coverage required by the above paragraphs shall be in not less than the limits required by law and as otherwise agreed.

- E. If Client enters into a construction contract based in whole or in part upon design services performed or deliverables prepared by WALTER P MOORE under the Agreement, Client shall use its best efforts to require in the Contract Documents that the Contractor shall: 1) provide liability insurance appropriate and adequate for the size and complexity of the Project; 2) agree to hold harmless, defend and indemnify Client and WALTER P MOORE against claims and lawsuits by Contractor or its subcontractors or suppliers of any tier for economic loss; and 3a) name WALTER P MOORE as an additional insured party, and 3b) waive any right of subrogation against WALTER P MOORE, under any commercial general liability or builders' risk policy providing coverage with respect to the construction of the Project; provided, however, that Client shall use its best efforts to have Client name WALTER P MOORE as an additional insured on, and waive subrogation against WALTER P MOORE under, any such policies Client provides with respect to the Project.

**VI. Controlling Law and Disputes**

- A. The Agreement, and its interpretation and performance, shall be governed by the laws of the United States of America and State of Texas notwithstanding any choice of law principles. Exclusive venue for any dispute arising out of the interpretation or performance of the Agreement shall be a court of competent jurisdiction where the Project is located.

**VII. Standard of Care**

- A. WALTER P MOORE shall provide services under the Agreement in a manner consistent with that degree of care and skill customarily exercised by members of the same profession currently practicing under similar circumstances.

**VIII. Time for Performance**

- A. WALTER P MOORE shall perform its services as expeditiously as is consistent with the Standard of Care as defined herein and the orderly progress of the Project.

**IX. Indemnity, Limitations of Liabilities, Warranty and Remedies**

- A. WALTER P MOORE shall not be responsible or held liable for any acts or omissions of Client, Client's other consultants, Contractor or any of its subcontractors or suppliers of any tier or any

other persons or entity performing any of the Work.

- B. WALTER P MOORE agrees, to the fullest extent permitted by law, to hold harmless and indemnify Client from and against any and all claims, damages, fines, penalties, assessments, requirements or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense and response costs that arise under the Agreement for Professional Services to the extent such damages are caused by the negligence of WALTER P MOORE.
- C. Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages, fines, penalties, assessments, requirements or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense and response costs that arise under the Agreement for Professional Services to the extent such damages are caused by the negligence of the Client.
- D. If WALTER P MOORE's construction contract administration services are limited or excluded from WALTER P MOORE's scope of services, it is agreed that WALTER P MOORE's professional services shall not extend to or include any review or site observation of Contractor's work or performance, and Client shall in such circumstances, to the fullest extent permitted by law, hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages, liabilities including without limitation, claims for injury to persons or property, death, or economic loss, or costs including without limitation reasonable attorney's fees and defense costs arising out of, or alleged to arise out of, designs or deliverables of WALTER P MOORE regardless of whether any such claims, damages, liabilities, or costs were, or were alleged to be, caused in part by the negligence or negligent misrepresentation of WALTER P MOORE or someone for whom WALTER P MOORE is legally responsible.
- E. Because remodeling and/or rehabilitation of an existing structure and/or related infrastructure

requires that certain assumptions be made regarding existing conditions, and because these assumptions may not be verifiable without expending inordinate amounts of time and money, or damaging otherwise adequate and serviceable portions of the structure, Client agrees, to the fullest extent permitted by law to hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense costs arising out of any designs or deliverables of WALTER P MOORE based in whole or in part upon any assumptions made by WALTER P MOORE regarding existing conditions, excepting only those claims, damages, liabilities or costs to extent caused by the negligence or willful misconduct by WALTER P MOORE.

- F. **To the maximum extent permitted by law, Client agrees to limit Walter P Moore's liability for claims arising from or related to the Agreement or the Scope of Services to the Sum of \$50,000 or Walter P Moore's paid fee, whichever is lesser. This limitation shall apply regardless of the cause of action or legal theory pleaded or asserted, including any kind of indemnity.**
- G. Other than as expressly stated herein, WALTER P MOORE makes no other express or implied warranties regarding the performance or result of these services.
- X. **Successors and Assigns**
  - A. Client and WALTER P MOORE, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to the Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of the Agreement.
  - B. Neither party to the Agreement shall transfer, sublet, or assign any rights under or interest in the Agreement (including, without limitation, monies that are due or monies that may be due) without the prior written consent of the other party. Subcontracting by WALTER P MOORE shall not be considered an assignment for purposes of the Agreement, and nothing contained in this paragraph shall prevent WALTER P MOORE from employing such independent professional

associates and consultants as WALTER P MOORE may deem appropriate to assist in the performance of services hereunder.

- C. Nothing under the Agreement shall be construed to confer any rights or benefits in the Agreement to anyone other than Client and WALTER P MOORE, and all duties and responsibilities undertaken pursuant to the Agreement shall be for the sole and exclusive benefit of Client and WALTER P MOORE and not for the benefit of any other party.

#### **XI. Hazardous Material**

- A. WALTER P MOORE shall have no responsibility for the detection, presence, removal, encapsulation, treatment, abatement, storage, transportation, disposal, or any other form of identification or handling of any asbestos, asbestos containing products materials or substances, polychlorinated biphenyl (PCB), or any other materials, constituents or substances that are, or are deemed to be, hazardous under the Resource Conservation and Recovery Act of 1976 as amended or any other similar federal, state or local regulation or law ("Hazardous Material"). Client shall use its best efforts to have Client furnish any tests for Hazardous Materials and other laboratory and environmental tests, inspections, reports, mitigation, or removal as necessary or required by law since no such test shall be provided by or through WALTER P MOORE.
- B. Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify WALTER P MOORE from and against any and all claims, damages, fines, penalties, assessments, requirements, or liabilities including, without limitation, claims for injury to persons or property, death, or economic loss, and costs including, without limitation, reasonable attorney's fees and defense and response costs arising out of any claims related to Hazardous Materials.

#### **XII. Termination and Suspension**

- A. The Agreement may be terminated by either party upon not less than Seven (7) days' written notice should the other party fail substantially to perform in accordance with the terms of the Agreement through no fault of the party initiating the termination, and such failure to perform is not cured within such Seven (7) days.

- B. After the Project or WALTER P MOORE's services are interrupted or suspended for any cause other than the fault of WALTER P MOORE for more than Forty-Five (45) calendar days in the aggregate over the term of the Agreement, WALTER P MOORE may, at its option at any time thereafter, without waiving any other right or remedy, and without incurring any liability to Client or any other party, terminate the Agreement upon seven days written notice without cure or suspend its services, and WALTER P MOORE shall be compensated for all its services performed and reimbursable expenses incurred prior to the termination or commencement of suspension of services by WALTER P MOORE. WALTER P MOORE shall have no liability to Client or otherwise for such suspension, and Client covenants not to make any claim for any delay or damage alleged to have resulted from such suspension. If WALTER P MOORE elects to suspend its services, Client shall, upon WALTER P MOORE's resumption of services, compensate WALTER P MOORE for expenses incurred as a result of the suspension and resumption of its services, and WALTER P MOORE's schedule and fees for the remainder of WALTER P MOORE's Project services shall be equitably adjusted.
- C. If Client is in breach of the Agreement, WALTER P MOORE may at any time thereafter, without waiving any other right or remedy, and without incurring any liability to Client or any other party, upon Seven (7) calendar days' written notice suspend its services to Client. WALTER P MOORE shall have no liability to Client or otherwise for such suspension, and Client covenants not to make any claim for any delay or damage alleged to have resulted from such suspension. If WALTER P MOORE elects to resume its services, provided that WALTER P MOORE has not previously terminated the Agreement, and upon receipt of payment in full to WALTER P MOORE of all outstanding sums due from Client, or curing of such other breach by Client which caused WALTER P MOORE to suspend services, Client shall as Additional Services compensate WALTER P MOORE for expenses incurred as a result of the suspension and resumption of its services, and WALTER P MOORE's schedule and fees for the remainder of WALTER P MOORE's Project services shall be equitably adjusted.

### **XIII. Force Majeure**

- A. In the event that WALTER P MOORE is obstructed, interrupted, or impeded, directly or indirectly, in performing any of its obligations under the Agreement by an Act of God, sickness, disease, infection, epidemic, government order, building closure, fire, flood, earthquake, terrorism or terrorism threat, adverse weather, war, attack, labor unrest or shortage, civil unrest or any other occurrence beyond the control of WALTER P MOORE, or by any complications, responses (e.g., COVID plans), or unreasonable risks arising from such occurrences, then WALTER P MOORE shall be excused from any further performance of its obligations under the Agreement and entitled to adjustment of the Project schedule and its compensation under this Agreement. Additionally, any obligation by WALTER P MOORE to attend an in-person meeting or site visit shall be: (a) excused if it would, in WALTER P MOORE's judgment, be unsafe or its purposes may be satisfied virtually, and (b) subject to any reasonable protocols that WALTER P MOORE has adopted for the health and safety of its employees.

### **XIV. Waiver**

- A. The failure on the part of either party, at any time, to require full performance by the other party of any portion of the Agreement, shall not be deemed a waiver of, or in any way affect, that party's rights to enforce such provisions or any other provision at a later time. Any waiver by any party of any provision or on any occasion shall not be taken or held to be a waiver of any other provision or on any other occasion.

### **XV. Severability and Survival of Terms**

- A. If any one or more provisions of the Agreement, any portion thereof, or the application thereof to any person or circumstance, shall for any reason be held invalid, illegal or unenforceable in any respect, any such invalidity, illegality or unenforceability shall be deemed stricken and shall not affect any other provision of the Agreement or the application of such provisions to other persons or circumstances, and the balance of the Agreement shall be enforced to the greatest extent permitted by law. Limitations of liability and remedies and all indemnity obligations shall survive termination of the Agreement for any cause.

### **XVI. Dispute Resolution**

- A. If a dispute arises out of or relates to this contract or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association under its Construction Industry Mediation Procedures before resorting to arbitration or litigation.

### **XVII. Meaning of Terms**

- A. **Client** - The party, with which WALTER P MOORE has entered into the Agreement, responsible for managing the overall design including, without limitation, the design and deliverables of WALTER P MOORE as a consultant to the Client.
- B. **Construction Cost of This Portion of the Project** - The total cost incurred by, or if the project is not built, the estimated construction cost to, Client of all elements of the Project designed or specified by WALTER P MOORE. Such Cost shall include the cost (at current market rates if estimated) of all labor and materials furnished including the overhead, fee or profit contingency for This Part of the Project.
- C. **Contractor** - A third party, if any, engaged to provide construction services to Client based in part upon designs and deliverables of WALTER P MOORE.
- D. **WALTER P MOORE** - Walter P. Moore and Associates, Inc., and WALTER P MOORE's independent professional associate or consultant engineering firms.
- E. **Project** - As defined in the Agreement for Professional Services.
- F. **Services** - As defined in the Agreement for Professional Services.
- G. **This Part of the Project** - All elements of the Project design within WALTER P MOORE's engineering discipline designed or specified by WALTER P MOORE.
- H. **Total Project Construction Cost** - The total cost incurred by, or if the project is not built, the estimated construction cost to, Client of all elements of the Project designed or specified by Client and its Consultants. Such Cost shall include the cost at current market rates of all labor and materials furnished including the overhead, fee or profit contingency, plus the cost of equipment specifically specified by Client and its Consultants.