REGULAR BI-MONTHLY MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, August 28, 2012
6:00 p.m.
University Health System - Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
Roberto L. Jimenez, M.D., Immediate Past Chairman
Robert Engberg
Alex Briseño
Ira Smith

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tricia Aleman, Director, Marketing, University Health System
Tim Brierty, Chief Executive Office, University Hospital
Francine Crockett, Vice President, Materials Management, University Health System
David Correa, Administrative Director, Ambulatory Services, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Theresa De La Haya, Senior Vice President, Community Health and Clinical Preventive Programs,
University Health System
Sergio Farrell, Vice President, Ambulatory Services, University Health System
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc., and Vice
President Managed Care, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Francisco Gonzalez-Scarano, Dean, School of Medicine, UTHSCSA
Marla Havel, R.N., Administrative Director, Ambulatory Services, University Health System
Michael Hernandez, Chief Legal Officer, University Health System
Kenneth Kalkwarf, D.D.S., President Ad Interim, UTHSCSA
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health
System
Sherry Johnson, Vice President/Integrity and Regulatory Services, University Health System
Monika Kapur, M.D., Medical Director, University Family Health Center – Northwest
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 6:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. De La Torre introduced Ms. Janet Deitiker for the invocation and Mr. Adams led the pledge of allegiance.

CITIZEN PARTICIPATION:

Ms. Melanie Brown with Stryker Medical addressed the Board regarding the Health System’s RFP process for bed stretchers and over bed tables. Ms. Brown expressed concern that the current process does not provide all vendors an equal opportunity to do business with UHS. She reported that on August 20, 2012, a member of the CIP team stated in an email that a vendor equipment fair held in November 2010 was being referred to as RFP criteria. This equipment fair was not specified in the RFP as part of the decision making process and therefore, had no relevance to the decision. Additionally, all vendor Stryker companies have come to market with new products or new technology since that equipment fair that should have been evaluated before a decision was made. According to a separate email from a CIP team member, the recommended company was given the opportunity to bring the beds and stretchers to University Hospital for equipment trial. This is an unfair advantage to other vendors looking at the same opportunity for evaluation. An objective assessment of the decision criteria would indicate the maximum score of 50 out of 50 for Stryker Medical, or a review of the clinical data would provide an equal opportunity as to which vendor can provide the best option for UHS. In conclusion, Ms. Brown recommended to the Board that the decision to award this bid to Hill-Rom be delayed until all of the vendors are provided a fair and equal opportunity, and until the Health System gathers objective feedback for evaluation. She thanked the Board for their consideration.
APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

JUNE 26, 2012

SUMMARY: The minutes of the second regular bi-monthly meeting of June 26, 2012 were presented for the Board’s approval.

RECOMMENDATION: Mr. Adams recommended approval of the minutes as submitted.

ACTION: A MOTION to approve the minutes as submitted was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

JULY 24, 2012

SUMMARY: The minutes of the first regular meeting of July 24, 2012, were presented for the Board’s approval.

RECOMMENDATION: Mr. Adams recommended approval of the minutes as submitted.

ACTION: A MOTION to approve the minutes with the correction requested by Mr. Briseno was made by Mr. Smith, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Briseno requested a correction on page 4 of 8 regarding action taken on the Resolution approving the sale of community center property by the Bexar County Board of Trustees for Mental Health Mental Retardation Services d/b/a The Center for Health Care Services. The minutes indicate that Mr. Briseno abstained from voting; however, they also reflect that he made a motion to approve the sale. The meeting notes and recording will be reviewed to verify the motion and the minutes will be corrected.

FOLLOW-UP: As indicated above. Correction will be reflected in minutes for the August 28, 2012, meeting.

JULY 31, 2012

SUMMARY: The minutes of the second regular meeting of July 31, 2012 were presented for the Board’s approval.

RECOMMENDATION: Mr. Adams recommended approval of the minutes as submitted.

ACTION: A MOTION to approve the minutes as submitted was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

REPORT FROM THE HEALTH SCIENCE CENTER – DR. FRANCISCO GONZALEZ-SCARANO FOR DR. KENNETH KALKWARE:

SUMMARY: Dr. Gonzalez reported that Dr. Henrich is doing well, and is expected to return in late December or January. The UT Board of Regents has approved a design concept for a $48 million, 100,000 sq. ft. education building on the main campus at San Antonio that will be used as a center for oral health. Two weeks ago, Chancellor Cigarroa held a press
conference in Edinburg, Texas announcing plans for a new medical school in South Texas. The School of Medicine in San Antonio will begin recruiting in 2013 for 2014 admissions for a special South Texas track. Students will complete two-thirds of their education in San Antonio and conclude their training in the Harlingen/McAllen area, with the option to return to practice in San Antonio. The plan is for this program to progress so that eventually there is a medical school in South Texas.

**RECOMMENDATION:** This report was provided for informational purposes only.

**ACTION:** No action was requested of the Board of Managers

**EVALUATION:** None.

**FOLLOW-UP:** Board members sent their regards and best wishes to Dr. Henrich.

## NEW BUSINESS

### CONSENT AGENDA – JAMES R. ADAMS

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – *Nicolas Walsh, M.D., President, Medical/Dental Staff*

Consideration and Appropriate Action Regarding Appointments/Reappointments to the Board of Directors of Community First Health Plans—*Rebecca Cedillo*

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) – *Kourtney Mosby/Francine Crockett*

**SUMMARY:** The items above were presented as consent for the Board’s consideration. Mr. Smith pulled the item regarding Medical-Dental Staff Membership for discussion purposes.

**RECOMMENDATION:** Staff recommended approval of the remaining items listed on the consent agenda.

**ACTION:** A **MOTION** to approve the remaining items on the consent agenda was made by Mr. Briseno, **SECONDED** by Ms. Cedillo, and **PASSED UNANIMOUSLY**.

**EVALUATION:** Mr. Smith expressed concern regarding the Board’s monthly approval process of Medical-Dental Staff memberships. Specifically, he feels there is potential for this item to become a Board perfunctory action. He has seen this happen at other facilities, where there has been very little thorough background investigation conducted on the providers. Mr. Hernandez assured the Board of Managers that this process is indeed routine, but not perfunctory by any means. There is more background review performed today than there was 10 years ago. The verification process has been extensively enhanced due in part to today’s technology and computer system abilities. Dr. Walsh informed the Board that in the past there was limited data available. Today, however, Dr. Alsip provides extensive data on the performance of these providers which few hospitals have access to, compared to the Health System and the VA
Hospital. Dr. Walsh described the following current process for the Board. After thorough review by a Credentials Committee, provider files that are clean and free are separated for further review. These files are routed to the Executive Committee on a monthly basis for individual review in a closed session. The files contain detailed information regarding any specific action that might have been taken in the past. Each of the case files is discussed with the department chair and residency program director, after which the Executive Committee makes a recommendation to the Board of Managers. Dr. Alsip added that aside from review by these two bodies of the Medical/Dental staff, an internal, thorough review is conducted concurrently on a monthly basis by UTHSCSA as well as Health System staffs to expedite the utility of the Executive Committee meeting.

Additionally, Dr. Alsip described requirements by the Joint Commission on the Accreditation of Healthcare Organizations for ongoing professional performance evaluations, which call for the Health System to work with the department chairs at the UTHSCSA to develop metrics that providers must meet on a regular basis. Because review for accreditation occurs every two years, there are other requirements for focus prevention evaluations that must occur in between that two year time period. These are more in depth reviews that involve the department chairs and/or the Risk Management Committee, which actually has a larger peer review function. This is another large body of the Medical/Dental staff that reviews issues in even greater detail. Dr. Alsip assured Mr. Smith that the current process is objective due to the additional information that is now available. Further, the Health System is able to hold people accountable for the data provided during the verification process.

**ACTION:** A **MOTION** to approve staff's recommendation regarding Medical-Dental Staff Memberships was made by Mr. Smith, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.

**FOLLOW-UP:** None.

**ACTION ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH VALLA CONSTRUCTION, INC. FOR THE CONSOLIDATION OF CENTRAL REGISTRATION AT THE PAVILION—MARK WEBB/SERGIO FARRELL**

**SUMMARY:** This is a purchase order to acquire labor and materials for consolidation of the central registration function, renovation of the Express Med Pediatric exam rooms and expansion of the restrooms at the Pavilion located across the street from University Hospital on Medical Drive. The architectural scope of work includes demolition/renovation and will take place in two phases on the first floor; the total renovated area is approximately 3,209 square feet. Capital funds in the amount of
$560,000 were budgeted in 2011 for this project and approximately $43,000 have been spent for architectural, engineering expenses and miscellaneous filing fees with the state agencies. After encumbering the proposed $455,535 construction fee, there will be a remaining balance of approximately $61,000. This acquisition is included as a priority item on the Year 2012 Capital Prioritization List. The term of this contract is 120 days. VALLA Construction, Inc., is classified as a local, Small, Minority Business Enterprise (SMBE), and a Historically Underutilized Business (HUB). VALLA Construction, Inc., has an Affirmative Action Plan or Policy in effect, and has a total of 14 employees. The workforce composition data was reviewed with the Board.

**RECOMMENDATION:** Staff recommends Board of Managers approval of the purchase request for construction services with Valla Construction in the amount of $455,535 for the consolidation of Central Registration at the University Health System Pavilion.

**ACTION:**

A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

**EVALUATION:**

Dr. Jimenez urged staff to consider a play therapist or a pediatric program for the waiting areas at this location. The pediatric waiting area will be stocked with age specific books, toys and other educational items to keep children occupied. Mr. Briseno noted that funds in the amount of $560,000 were budgeted for this project in 2011 and that the next lowest bid was actually 20 percent more than that submitted by Valla. Mr. Adams asked staff to reconsider use of the word “Pavilion” and encouraged waiting time improvement efforts at this location as well.

**FOLLOW-UP:**

None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH VALLA CONSTRUCTION, INC. FOR THE RENOVATION OF THE KENWOOD AND ZARZAMORA CLINICS—MARK WEBB/ThERESA DE LA HAYA**

**SUMMARY:**

This purchase order is to acquire labor and materials for renovations to Kenwood and Zarzamora Preventive Health Care Clinics. The scope of work includes renovation of the front reception areas, restrooms, exam rooms, common areas, and converting four existing offices into exam rooms at both locations. This will provide additional exam space for providers, increase physician productivity, improve patient flow, as well as patient satisfaction. These clinics support the Women's Health Program and expansion of the Medical Home Model. Capital funds in the amount of $664,930 are available for this acquisition which is included as a priority item on the Year 2012 Capital Prioritization List. The term of this contract is 84 days per project. Thirteen (13) construction firms attended the mandatory pre-bid meeting, however, only five (5) firms submitted proposals. They are: Abeco Contracting, $778,196 at 233 days; O'Haver Contracting, $887,222 at 300 days; Vision Construction, $824,679 at 180 days; Valla Construction, Inc, $664,930 at 168 days; and Tejas Premier, $830,640 at 305 days. Valla Construction, Inc. was the lowest bidder at $664,930 and a total of 168 days to complete this
project. VALLA Construction is classified as a local, Small, Minority Business Enterprise (SMBE), and is a Historically Underutilized Business (HUB). VALLA Construction, Inc., has an Affirmative Action Plan or policy in effect, with a total of 14 employees. The workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a purchase request for construction services with Valla Construction, Inc. in the amount of $664,930 for the Preventive Health Care Clinic Renovations at Kenwood and Zarzamora clinics.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE RENEWAL OF A LOCAL MATCH AGREEMENT WITH THE CENTER FOR HEALTH CARE SERVICES FOR STATE FY 2013—SALLY TAYLOR, M.D./GEORGE B. HERNANDEZ, JR.

SUMMARY: Since May, 2002, University Health System has contracted with the Center for Health Care Services (CHCS) to promote coordinated mental health services to create funding stability by considering CHCS's needs in the Sponsoring Agencies' budgetary cycle on an annual basis and maintain continued accountability to an elected governmental body with county-wide jurisdiction. This Memorandum of Understanding (MOU) is to renew the agreement that facilitates payment of the Local "match" requested by the State Department of Health Services ("DSHS"), in furtherance of the Health System's sponsorship commitment. This is a planned expense in the amount of $1,639,452, and operating funds have been included in the Year 2012 Operating Budget. As compared to the previous local match for mental health authority services, there is a 5.6% ($87,289) increase. The Center for Health Care Services does not have an Affirmative Action Plan. However, a copy of their Equal Employment Opportunity Statement and Policy is on file. The Center for Health Care Services has a total of 792 employees. The workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval to execute an Agreement with The Center for Health Care Services.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Smith, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: Although this MOU does not create an employment relationship, partnership, or joint venture between UHS and CHCS, staff assured Mr. Smith that the Health System continues to work in close affiliation with The Center for Health Care Services.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING THE RENEWAL OF LOCAL MATCH AGREEMENT WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS FOR STATE FY 2013—SALLY TAYLOR, M.D./GEORGE B. HERNANDEZ, JR.

SUMMARY: This contract provides a Memorandum of Understanding (MOU) between University Health System and the Alamo Area Council of Governments (AACOG) to facilitate payment of the local "match" required by Department of Aging and Disability Service (DADS) in furtherance of the Health System's sponsorship obligations. Additionally, this MOU promotes coordinated mental retardation services, creates funding stability for AACOG, and maintains continued accountability to an elected governmental body with county-wide jurisdiction. There are no services to be provided pursuant to this MOU, resulting pursuant to HB 2292 which directed CHCS to divest its dual roles as local authorities and providers of mental retardation services effective September 1, 2006. This is a planned expense in the amount of $288,456, and operating funds have been included in the Year 2012 Operating Budget. As compared to the previous contract, there is a 10% ($32,268) decrease in cost. This decrease is calculated from a DADS formula based on Bexar County's per capital income in relation the State of Texas per capital income and level of General Revenue allocation from DADS to Bexar County for purposes of supporting services for intellectually and developmentally disabled individuals. This MOU does not create an employment relationship, partnership, or joint venture between AACOG, its subcontractors, employees, or the Health System. This contract includes an option for automatic renewal for up to two (2) additional successive terms. AACOG has an Affirmative Action Plan or Policy in effect. AACOG has a total of 216 employees. The workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute the renewal Agreement with the Alamo Area Council of Governments in the amount of $288,456.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: Discussion ensued regarding the 10% decrease in cost to the Health System, which was attributed by Ms. Rivas to the decrease in advocacy efforts during the last legislative session.
CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS RELATED TO THE CAPITAL IMPROVEMENT PROJECT:

BOTH CAMPUSES:

CONSIDERATION AND APPROPRIATE ACTION TO REGARDING A CONTRACT WITH HILL-ROM FOR THE PURCHASE OF PATIENT BEDS, STRETCHERS AND OVERBED TABLES

SUMMARY: This purchase order is for acquisition of patient beds, stretchers, and overbed tables that are being purchased in a coordinated effort to support the Robert B. Green project, the ongoing University Hospital Tower project, and daily operations at the existing Hospital site. By co-procuring this equipment in coordination with the existing medical staff, efficiencies are being recognized to standardize new equipment, eliminate possible duplication of existing equipment, and updated technologies. Funding in the amount of $5,995,909 is available through Program Funds and the Project Contingency Fund in the amount of $400,073. The allocation of costs between the two facilities are: University Hospital Tower $5,831,289 and Robert B. Green Campus $164,620. Hill-Rom was the lowest responsible bidder and will provide the best value for the Health System. Hill-Rom Company has an Affirmative Action Plan or Policy in effect, with a total of 4,607 employees. The workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval for the purchase of patient beds, stretchers and over bed tables for the Robert B. Green Campus and University Hospital in the total amount of $5,995,909.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY.

EVALUATION: Discussion ensued among Board members regarding the various companies that responded to this competitively bid RFP: Stryker Medical, Cornerstone Business Interiors, Hausted Patient Handling Systems, LLC, and EPSTEXAS Storage Solutions, Inc. Specific bid amounts were not readily available for the Board’s review due to the combination and/or breakdown of the items that the respective companies responded to. Mr. Webb reported that the bid submitted by Stryker Medical did not meet RFP specifications in that the 360 patient beds would require a total of $220,000 worth of adjustments to meet current and new nurse call system configurations. The equipment fair referred to by Ms. Brown was posted on the purchasing website, was advertised extensively, and invited all vendors to display their equipment. Staff met with each and every vendor that requested a meeting, including Stryker. At that time, staff informed Stryker of staff dissatisfaction with their equipment and pointed out those issues. Staff tested the Hill-Rom bed against the criteria in the RFP. Additionally, Mr. Webb provided a written list of other factors associated with the
recommendation to purchase Hill-Rom patient beds, which staff has
determined provides the best value and allows for better service delivery
by the Health System. Mr. Adams urged staff to set clear and precise
expectations in all requests for proposals.

FOLLOW-UP:
None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH
BELIMED INC. FOR THE PURCHASE OF SURGICAL SCRUB SINKS – MARK WEBB

SUMMARY: This purchase order is for acquisition of surgical scrub sinks that are
being purchased in a coordinated effort to support the Robert B. Green
project, the ongoing University Hospital Tower project, and daily
operations at the existing hospital site. By co-procuring this equipment
in coordination with the existing medical staff, efficiencies are being
recognized to standardize new equipment, eliminate possible duplication
of existing equipment, and update technologies. Funding in the amount
of $172,236 is available through Program Funds. The current cost is
$130,658 less than the budgeted amount and the savings will be carried
in the equipment budget category until all equipment has been
purchased. The components of this purchase are University Hospital
Tower $165,672 and Robert B. Green Campus $6,564. Belimed, Inc.,
does not have an Affirmative Action Plan or Policy in effect. However,
a copy of their Equal Employment Opportunity Statement is on file.
Belimed Inc., with a total of 598 employees. The workforce composition
data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval for the purchase
of surgical scrub sinks for the Robert B. Green campus and University
Hospital in the total amount of $172,236.

ACTION: A MOTION to approve staff’s recommendation was made by Mr.
Engberg, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Briseno suggested a transfer of savings in the amount of $130,658 to
the owners’ contingency fund rather than the equipment budget category.
This would allow more flexibility in future use of funds. Staff’s goal is
to purchase all necessary equipment through the use of savings and will
consider Mr. Briseno’s suggestion when that goal is reached. Dr.
Jimenez and Ms. Rivas requested additional information on Mission
Surgical Equipment, Inc., a local vendor that submitted a bid but not
selected.

FOLLOW-UP: Mr. Webb will provide additional information on Mission Surgical
Equipment.

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO AMEND AND APPROVE THE
FOLLOWING ARTIST CONSULTANT CONTRACTS FOR DESIGN, FABRICATION AND
INSTALLATION OF PUBLIC ART PIECES: (A) ENRIQUE CARBAJAL D/B/A SEBASTIAN
SCULPTOR; AND (B) ANSEN SEALE - MARK WEBB
SUMMARY: Both art items above were tabled until the next Board meeting on Tuesday, September 18, 2012, to allow ample time for Board deliberation. Mr. Adams asked his colleagues to forward comments and/or concerns to Mr. Webb or to Ms. Becky Cedillo, the Board’s representative on the Design Enhancement and Public Art Committee.

RECOMMENDATION: None.

ACTION: A MOTION to table both art items until September 18, 2012 was made by Mr. Smith, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR SIGNAGE, VARIOUS SECURITY FEATURES, EMERGENCY CENTER (“EC”) PARKING DECK AND MECHANICAL, ELECTRICAL AND PLUMBING (“MEP”) DESIGN MODIFICATIONS (GMP #13O)-MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #13o) is for work associated with Signage, Access Control Surveillance Infrastructure, EC Deck, and MEP modifications. Funding is available through Program Funds ($826,000) and the Project Contingency Fund ($1,119,399). The participation goals for SMWVBE and local firms is 40% and 80% respectively. To date, SMWVBE participation of awarded construction projects is 39% and local participation is 77%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.). The original contract in the amount of $44,451,753 was approved by the Board of Managers in September 2009. Modifications #1 through 57 total $508,142,662 and were for GMPs #1, 1b, 2-R, 2-CO, 3a, 3b, 3c, 3d, 3e, 4, 4b, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 9b-R, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 13j, 13k, 13l, 13m, 14, 15a, 15b, 15c, 15d, 16a, 16b, and 16c. The total value of this contract including Modification #58 is $554,539,814.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an amendment to the Construction Agreement with Zachry Vaughn Layton for GMP #13o in the amount of $1,945,399.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: None.
CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR PHASE 0 FIRST AND THIRD FLOOR RENOVATIONS AND RELOCATIONS AND PHASE 1 DEMOLITION IN PUBLIC SPACES ON THE FIRST FLOOR (GMP # 15G)-MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #15g) includes permanent relocation and build out of the new Cashier on the sub-level of the existing hospital; build out of the new Interim Main Lobby and Gift Shop to be used during the renovation of the future lobby of the hospital; relocation of Patient Relations, Blood Draw, Patient Access Services, Quality Improvement, Infection Control, and Clinical Informatics from the 1st floor to an interim 3rd floor location; relocation of the Discharge Pharmacy to an interim location on the 1st floor; and demolition work associated with Phase I renovation which includes future public spaces on the 1st floor of the hospital. Funding is available through Program Funds. The participation goals for SMWVBE and local firms is 40% and 80% respectively. To date, SMWVBE participation of awarded construction projects is 39% and local participation is 77%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.). The original contract in the amount of $44,451,753 was approved by the Board of Managers in September 2009. Modifications #1 through 58 total $510,088,061 and were for GMPs #1, 1b, 2, 2-R, 2-CO, 3a, 3b, 3c, 3d, 3e, 4, 4b, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 9b-R, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 13j, 13k, 13l, 13m, 13o, 14, 15a, 15b, 15c, 15d, 15e, 15f, 16a, 16b, and 16c. The total value of this contract including Modification #59 is $557,857,334. As compared to the Control Estimate, GMP #15g is under budget by $292,643.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $3,317,520 for GMP #15g.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR VARIOUS STRUCTURAL MODIFICATIONS; MECHANICAL, ELECTRICAL, PLUMBING AND FIRE (“MEPF”); SECURITY AND INFORMATION TECHNOLOGY (“IT”) ADDITIONS; CHANGES BY CPS ENERGY AND MAINTENANCE RELATED UPGRADES FOR THE CENTRAL UTILITY PLANT (“CUP”) PROJECT (GMP#16D)-MARK WEBB

SUMMARY: Guaranted Maximum Price Proposal (GMP #16d) includes CUP flood protection including installation of manual flood doors and gates to provide a water flow path through the building; extension of the concrete slab and walls at B elevator bank in the basement level; changes to the transformer pad by CPS Energy; revisions to the CPS Energy gas meter based on CPS Energy evaluation criteria; purchase of new lifting equipment for the maintenance of the new CUP equipment; addition of enhanced fall protection; and repair of structural issues at the southeast corner of the South Parking Garage. Funding is available through the Project Contingency Fund. The participation goals for SMWVBE and local firms is 40% and 80% respectively. To date, SMWVBE participation of awarded construction projects is 39% and local participation is 77%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.). The original contract in the amount of $44,451,753 was approved by the Board of Managers in September 2009. Modifications #1 through 59 total $513,405,581 and were for GMPs #1, 1b, 2, 2-R, 2-CO, 3a, 3b, 3c, 3d, 3e, 4, 4b, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 9b-R, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 13j, 13k, 13l, 13m, 13o, 14, 15a, 15b, 15c, 15d, 15e, 15f, 15g, 16a, 16b, and 16c. The total value of this contract including Modification #60 is $559,182,578.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in an amount of $1,325,244 for GMP #16d

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Smith asked Mr. Webb to describe the various controls that are currently in place to monitor project funds related to the capital improvement project: First, there is a finance and audit committee that meets monthly and is chaired by Ms. Deming. Second, there are site specific checks within each project by the lead program manager, Jacobs. Additionally, there is a small CIP staff assigned to monitor the funds. And finally, the Board has retained external auditors, Deloitte & Touche, for the sole purpose of monitoring CIP funds.

Ms. Deming introduced a snap shot report for capital projects as of July 31, 2012. The report includes a CIP project summary broken down by CIP program funds, CIP enhancements from reserves, and a site specific summary. The report also includes an ongoing capital summary and its funding sources. Mr. Adams emphasized that the report is a work in progress and requested that Board members submit their feedback to
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staff about its format. Mr. Briseno suggested a column noting the balance in the various contingency funds. He also suggested that the SMWVBE percentages indicating the levels of participation (same breakdown that is at the end of the CIP report) be included in the snapshot report for convenience purposes. Mr. Engberg requested a periodic report on the status of reserves.

FOLLOW-UP: As indicated above.

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE GUARANTEED MAXIMUM PRICE WITH ZACHRY/VAUGHN/LAYTON RELATED TO PAYMENT FOR UTILITY CONSUMPTION ASSOCIATED WITH CONSTRUCTION ACTIVITIES (GMP#04C)-MARK WEBB

SUMMARY: This proposed amendment to ZVL’s contract deducts the utility costs that UHS will now pay directly. The remaining portion of GMP 4 is $5,961,377 for utility cost to be paid by the construction manager (ZVL) based on their projected usage. It is recommended that the Health System now pay those costs directly to avoid these costs being counted against the Construction Manager’s Construction Cost Limitation (CCL) which is directly tied to their fee. As such, this remaining balance is being returned with these funds being deducted from the CCL. This proposed amendment will deduct $5,961,377 from the current GMP amount of $28,873,644. The new amount of GMP 4, including all amendments to date, will be $22,912,267. The returned funds will be utilized to pay utility costs associated with the project. There are no savings or additional costs associated with this item

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement for a credit amount of ($5,961,377) for GMP #4.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH MEDASSETS FOR LEAN WORKFLOW DESIGN AND WORKPLACE ORGANIZATION SERVICES ASSOCIATED WITH THE MOVE AND TRANSITION INTO THE NEW TOWER-MARK WEBB

SUMMARY: Mr. Hernandez pulled this item for further review by staff. Staff hopes to return on September 18, 2012 to allow ample time for deliberation by the Board.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE CONTRACT WITH BROADDUS + MUÑOZ FOR PROJECT MANAGEMENT SERVICES RELATED TO THE HEART & VASCULAR INSTITUTE—MARK WEBB

SUMMARY: Modification #1 provides senior project management and related support personnel that are required to assist in the development of the Heart and Vascular Institute. This specialized project management staff will hire the architects, medical equipment planners, low voltage specialists, and all other consultants required to design the Institute. Following these initial efforts, project definition, schematic design, design development and construction documentation will ensue. This effort will span the pre-construction phase only and runs through June 2014. At that point in time, if the construction phase is authorized, additional project management services will be required. Funding is available through Program Funds. To date, SMWVBE participation is 100% and local participation is 100%. The original contract in the amount of $19,832,244 was approved by the Board of Managers in February 2009. Modification #1 totals $769,822. The total value of this contract including Modification #1 is $20,602,066.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an amendment to the Broaddus+Muñoz contract in the amount of $769,822.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: This cost will be paid from $4.1 million in project funds set aside within the CIP for use on the Heart and Vascular Institute. The Board has authorized an additional $1.65 million for a total amount of $5.75 million to date. The estimated total project cost for the first phase (the first six suites) is $32.9 million. Mr. Briseno suggested that to aid Board members in the memory recollection process, fiscal notes in the CIP reports include prior Board approval dates. Dr. Jimenez asked about the cost to operate a heart center for one full year, as well as the return on investment.

FOLLOW-UP: As indicated above. Staff will provide a business model proforma for the Board’s review.

ROBERT B. GREEN CAMPUS:

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE CONTRACT WITH WARD NORTH AMERICAN FOR RELOCATION SERVICES RELATED TO VARIOUS DEPARTMENTS—MARK WEBB

SUMMARY: Modification #1 provides relocation of staff, existing medical equipment and supplies, full replacement coverage based on $2 million, and phased scheduling of services to occur, mostly on weekends, from September 21, 2012 through March 2013. All relocation services are being closely coordinated with Health System staff to ensure compliance with Health System requirements to minimize operational impacts. Funding in the amount of $74,655 is available through Program Funds. The current cost
is $5,335 less than the budgeted amount and the savings will be carried in the relocation budget category until all relocations have been completed. The term of this contact is for five months. Ward North American has an Affirmative Action Plan or Policy in effect. Ward North American has a total of 373 employees. The workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends the Board of Managers’ approval to execute an amendment to the Ward North American agreement in the amount of $74,665.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR SECURITY, CT SUITE AND X-RAY SUITE UPGRADES AND 6TH FLOOR MAKE READY ELEVATOR IN THE CLINICAL SERVICES BUILDING AT THE ROBERT B. CAMPUS (RBG-GMP# 6J) - MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #6j) relates to the Robert B. Green Campus and includes an upgrade to the CT suite to support a second CT scanner; upgrade to the x-ray rooms to modify mechanical and electrical systems; furnishing the final elevator for the Clinical Pavilion; and additional security cameras and security system upgrades. Funding is available through Capital Reserves ($180,319) and the Project Contingency Fund ($127,676). The participation goals for SMWVBE and local firms are 56% and 95% respectively. To date, SMWVBE participation of awarded construction projects is 63.6% and local participation is 98.6%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.). The original contract in the amount of $5,202,068 was approved by the Board of Managers in October 2009. Modifications #1 through #20 total $87,150,142 for GMPs #1, 1a, 2, 2a, 3, 3a, 3b, 3c, 4, 5, 6, 6a, 6b, 6c, 6d, 6e, 6f, 6g, 6h, 6i, 7, 7a, 7b, 7c, and 7d. The total value of this contract including Modification #21 is $92,660,205.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an amendment to the existing Bartlett Cocke Construction Management Agreement in the amount of $307,995.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Mr. Briseno, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR ARCHITECTURAL SERVICES TO INCLUDE A 6TH FLOOR MAKE READY DESIGN AT THE ROBERT B. GREEN CAMPUS—MARK WEBB

SUMMARY: Modification #11 provides additional design services for the 6th floor make-ready project in the Clinical Pavilion of the Robert B. Green Campus. In preparation of adding clinical components that match the Health System's modular flex clinic template, RTKL will design appropriate degree connecting the north and south building stairwells with a fire rated corridor. The public spaces such as restrooms and concierge elevator lobbies will also be finished. The final public elevator will be completed, for a total of seven for the building, and will accommodate any additional occupant volumes from 6th floor departments. Funding is available through Capital Reserves. The same level of local and SMWVBE participation goals as negotiated in the original contract is expected (i.e. 25.7% SMWVBE and 52% Local). The original contract in the amount of $7,728,795 was approved by the Board of Managers in September 2009. Modifications #1 through #10 total $2,033,763. The total value of this contract including Modification #11 is $9,781,358.

RECOMMENDATION: Staff recommends the Board of Managers approves the amendment to the contract with RTKL in the amount of $18,800 for additional architectural services and authorize the President/CEO to execute an amendment to the RTKL agreement in the amount of $18,800.

ACTION: A MOTION to approve staff’s recommendation was made by Ms. Rivas, SECONDED by Mr. Briseno, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR JULY 2012
FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was down 4.6% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was down 2.2%. From operations, the Health System experienced a gain of $1.9 million which was $493,000 higher than the budgeted gain of $1.4 million due primarily to higher operating revenue. Meaningful use incentive of $407,000 was recorded and was $80,000 over budget due to the CMA portion which was not budgeted. Investment income was under budget by $58,000 due to slightly lower interest rates than budgeted and included a realized loss of $19,000. An unrealized market gain of $161,000 was recorded in the month. The bottom line gain excluding debt service and including $521,000 (reversing 1/8 of the amount recorded in December 2011) of the Premium Deficiency Reserve was $3.3 million which was $1.2 million higher than the budgeted gain of $2.1 million. CFHP reflected bottom line gain of $1.1 million which was $393,000 off from a budgeted gain of $1.5 million.
Debt Service Revenue was $3.5 million which is equal to the budgeted portion of the Debt Service payment of $3.5 million. Notable increases and/or decreases from the Consolidated Balance Sheet were in reviewed in detail with the Board.

**RECOMMENDATION:** Staff recommends acceptance of the financial reports subject to audit.

**ACTION:** A **MOTION** to approve staff’s recommendation was made by Mr. Engberg, **SECONDED** by Mr. Briseno, and **PASSED UNANIMOUSLY**.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**REPORTS AND EDUCATION:**

**2012 QUARTER 2 SUPPLIER DIVERSITY REPORT—GABRIELA CANALES/FRANCINE CROCKETT**

**REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN**

**COMMUNITY FIRST HEALTH PLANS OPERATIONS REPORT—GREG GIESEMAN**

**SUMMARY:** Staff provided Board members with three detailed, written reports for educational purposes only. Mr. Adams encouraged Board members to review them and ask questions or provide feedback to staff.

**RECOMMENDATION:** None.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**INFORMATION ONLY ITEMS:**

**REPORT REGARDING YEAR 2012 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS—NICOLAS WALSH, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB**

**UPDATE ON ROBERT B. GREEN PAVILION TRANSITIONAL ACTIVITIES—SERGIO FARRELL/GARY MCWILLIAMS, M.D.**

**ANNUAL REPORT ON GRADUATE MEDICAL EDUCATION—LOIS BREADY, M.D., SENIOR ASSOCIATE DEAN FOR GRADUATE MEDICAL EDUCATION, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO**

**SUMMARY:** Staff provided Board members with four detailed, written reports for information purposes only. Mr. Adams encouraged Board members to review them and ask questions or provide feedback to staff.

**RECOMMENDATION:** None.

**ACTION:** None.
EVALUATION: None.
FOLLOW-UP: None.

CLOSED SESSION:

Mr. Adams recessed the public Board meeting at 8:15 p.m. to receive information and and/or deliberate regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines as permitted by Section 551.085 of the TEXAS GOV’T CODE, Vernon (2004). The following Board members were present at 8:20 p.m.: Jim Adams, Dr. Roberto Jimenez, Linda Rivas, Rebecca Cedillo, Robert Engberg, Ira Smith, and Alex Briseno. The following staff members and consultant were also present: George Hernandez, Peggy Deming, Christann Vasquez, Bryan Alsip, Michael Hernandez, and Tim Schier. After discussion, no action was taken in closed session. The closed meeting ended at 9:47 p.m. and the public meeting reconvened.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 9:48 p.m.

James R. Adams
Chair, Board of Managers

Rebecca Q. Cedillo
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary