

**California Health Facilities Financing Authority
Children's Hospital Program**

**Lucile Salter Packard Children's Hospital at Stanford
Project Period Extension Request**

**Staff Summary
Resolution No. CHP 2009-05
March 26, 2009**

PURPOSE OF REQUEST:

To provide an extension of the previously approved project period end date at the request of the Grantee.

BACKGROUND:

On May 25, 2006, the Authority approved Resolution No. 2006-07, providing a \$74,000,000 grant to the Lucile Salter Packard Children's Hospital at Stanford (LPCH or Grantee). The grant was to be used to fund/reimburse several projects, including for the benefit of the Oncology Unit, Surgical Suite, Pediatric Intensive Care Unit and the acquisition of patient care equipment.

LPCH contacted staff in September 2008 to notify staff of construction delays (beyond the control of LPCH) for the Pediatric Intensive Care Unit (PICU). Authority staff granted an extension of the project period end date of September 30, 2008, to March 31, 2009, which is the expiration date of the current resolution.

ISSUE:

LPCH has completed two of the three construction projects (Surgical and Oncology).

In a January 4, 2009, letter to the Authority, LPCH listed two specific reasons for the additional delays which it believes were extraordinary or unavoidable. Those reasons are:

1. Office of Statewide Health Planning and Development (OSHPD) field inspectors rejected previously installed work, even though those details were approved by OSHPD in Sacramento resulting in a five month delay.
2. The architect working on the projects was unaware of Department of Health Services and California Children's Services standards that were not a part of the building code. This caused additional delays.

LPCH expects the PICU to be occupied by the end of April 2009. Staff recommends a one year project period end date extension because of the current uncertainty of state funding.

STAFF RECOMMENDATION:

Staff recommends the Authority approve an extension of the project period end date to March 31, 2010.