


Capital Asset Realignment for Enhanced Services (CARES)

West LA Study Site

Local Advisory Panel Meeting

September 6, 2007





This report was produced under the scope of work and related terms and conditions set forth in Contract Number V776P-0515. Our work was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). Our work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation service in accordance with standards established by the AICPA. Accordingly, we do not express an opinion or any other form of assurance on the financial statements of the Department of Veterans Affairs or any financial or other information or on internal controls of the Department of Veterans Affairs.

This report was written solely for the purpose set forth in Contract Number V776P-0515 and therefore should not be relied upon by any unintended party who may eventually receive this report.

Local Advisory Panel (LAP) Meeting Objectives

- Present Contractor draft Stage II study results to the LAP, veterans and the public
- Present Contractor evaluation of strengths and weaknesses for each Business Plan Option (BPO)
- Obtain feedback from the LAP, veterans and the public regarding the study findings and provide the feedback to VA in the Stage II report

Facility Highlights

- The West LA facility is a tertiary care facility, providing highly specialized medical services, within the VA Greater Los Angeles Healthcare System (GLA) in VISN 22 – among the largest healthcare campuses in the U.S.
- Currently operates 740 beds, including 261 acute beds, 158 nursing home beds, and 321 inpatient residential and domiciliary beds.
- Comprised of 387 acres (14 acres allocated to State Veterans Home) and includes 91 structures sited in the Brentwood neighborhood at busy intersection of I-405 and Wilshire Blvd.
- The majority of buildings were built in the 1930s and 1940s but there are some that were built in the 1800s; two buildings are listed on the National Historic Register.
- A 900,000 square foot replacement hospital (Bldg. 500) was built in 1976 (shown above).
- Total building gross square footage is approximately 2.8 million with approximately 335,000 unused/vacant gross square footage, and approximately 200,000 square footage leased to various federal and community organizations.
- 14 of the buildings (including Building 500) have been seismically evaluated by VA as ‘exceptionally high risk’ and an additional 5 as ‘high risk’.
- In addition to these VHA assets the State Veterans Home is under construction on the Brentwood Campus and there is an approved Fisher House for the Wadsworth Campus.



Background - 2004 Secretary's Decision Document

- The Secretary's May 2004 decision specified that:
 - It is important that VA preserve the integrity of the land originally granted for use as an Old Soldiers home.
 - VA needs to ensure a clear framework for managing the vacant and underused property, VA will develop a Master Plan for the campus in collaboration with stakeholders who will have input into the plan's development.
 - VA will maintain the Long Beach and West LA campuses as separate tertiary care facilities, but will continue to consolidate administrative and clinical services.
 - VA will meet increased demand for inpatient care through new construction, by converting and renovating existing space, and by using existing authorities and policies to contract for care where necessary.

Background - 2004 Secretary's Decision Document (continued)

- The Secretary's May 2004 decision specified that:
 - VA will improve patient and employee safety by correcting seismic and life safety deficiencies.
 - VA will explore opportunities to develop new research facilities at the West LA campus that are consistent with its patient care mission.
 - VA will explore the feasibility of co-locating the Veterans Benefit Administration (VBA) Regional Office at the West LA VAMC.
 - VA will co-locate a National Cemetery Administration (NCA) columbarium on 20 acres of available land at the West LA campus and pursue additional opportunities for expanding the NCA presence on the West LA campus.

Key Drivers Considered in Developing and Assessing Each BPO

- The delivery of high quality care to veterans
- Overall, utilization for all services are revised annually to accommodate the special needs of new and returning veterans.
- The West LA site requires significant capital expenditure to upgrade facilities to modern, safe, and secure standards, especially relating to seismic upgrades.
- There is substantial vacant and underutilized space that can be more effectively used.
- Existence of opportunities to further One VA integration with co-location of VBA and NCA columbarium on the West LA campus.

Current State West LA Site Map



BPOs Selected by the Secretary for Further Study in Stage II

BPO 1	Baseline
BPO 2	Construct New VA Research and VBA Facilities: New Nursing Home and NCA Columbarium; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Facilities for Mental Healthcare and Domiciliary
BPO 3	Construct New Acute Bed Tower, Research and VBA Facilities; New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and Domiciliary Facilities
BPO 5	Construct New Acute Bed Tower, Research Facilities and New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA Use and Renovate Domiciliary Facilities

BPO Key Facilities Summary Comparison

	BPO 1	BPO 2	BPO 3	BPO 5
Hospital	Safe, modern, and secure	Renovate	Construct new acute bed tower	Construct new acute bed tower
Research		Construct new	Construct new	Construct new
Ambulatory Care		Renovate (incl. outpatient mental health)	Renovate (incl. outpatient mental health)	Renovate (incl. outpatient mental health with VBA)
Mental Health Care		Renovate	Renovate	Renovate
Nursing Home		Construct new	Construct new	Construct new
Domiciliary Facilities		Renovate	Renovate	Renovate
Veterans Benefit Administration	Not on West LA campus	Construct new	Construct new	Renovate Bldg 500 to accommodate
National Cemetery Administration	Not on West LA campus	New columbarium	New columbarium	New columbarium

Stage II Evaluation Criteria

Evaluation Criteria

Capital Planning

- Timeliness of completion
- Timeliness of urgent corrections
- Consolidation of underutilized space
- Consolidation of vacant space

Use of VA Resources

- Total capital investment costs
- Total operating costs
- Net present cost
- Total annual savings

Quality

- Current quality levels are maintained across all BPOs

Ease of Implementation

- Capital planning considerations

Ability to Support Other VA Programs

- One VA Integration
- Enhancement of services to veterans

BPO 1: *Baseline*

- Current state patient care utilization projected out to 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment.
- Vacant buildings are to be maintained with no additional renovation, yet are to be secured to ensure that they pose no danger to veterans, patients, employees and visitors.
- All planning will accommodate specifications of the California State Veterans Home on the Brentwood (North) campus and Fisher House on the Wadsworth (South) campus.

Note – NCA and VBA are not included on the West LA campus in the Baseline BPO

BPO 1 Site Plan



BPO 1

- | | | |
|--|---|--|
| Non-Building Zones | Building Zones | Other |
| <ul style="list-style-type: none"> Parking Recreation Fields | <ul style="list-style-type: none"> Inpatient / Domiciliary / Nursing Home Outpatient / Rehabilitation Mental Health Outpatient Research / Education Administration / Logistics Outlease Re-use / Demolition | <ul style="list-style-type: none"> Cranston Act Parcel Boundary K2 Parcel Designation |



BPO 2: *Construct New VA Research and VBA Facilities: New Nursing Home and NCA Columbarium; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Facilities for Mental Healthcare and Domiciliary*

- Maintain acute inpatient services and consolidate ambulatory care services in renovated hospital building and facilities on the Wadsworth (South) campus (Building 500). Assume interim peak demand will be met through other VA facilities and community providers.
- Replace nursing home in a modern state-of-the-art facility on the Brentwood (North) campus and consolidate outpatient psychiatry care programs in renovated facilities on the Wadsworth campus. Domiciliary services will be located in renovated facilities on the Brentwood campus. Administrative and logistical support functions will be on the Wadsworth and Brentwood campuses.
- Vacate existing research facilities on the Brentwood campus and construct new VA Research facility on the Wadsworth campus, convenient to patient care facilities.

BPO 2 Cont.: *Construct New VA Research and VBA Facilities: New Nursing Home and NCA Columbarium; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Facilities for Mental Healthcare and Domiciliary*

- Construct new VBA facility on the Wadsworth campus and construct new columbarium for NCA on the Brentwood campus (Parcel B1). Based on projected workload, there is need to accommodate some VHA Administration in new facilities and the new VBA structure will be sized to accommodate this requirement in distinct space.
- VA Quarters (located in Parcels H2 and J) are critical to continued VHA operations and will be maintained under this BPO.
- Parking will need to be reconfigured but will provide essentially the same amount of current parking spaces. Expected parking at the Brentwood campus will be contiguous to the new or renovated buildings. A portion of the expected parking at the Wadsworth campus will need to be in a multi-story parking structure adjacent to Building 500.

BPO 2 Site Plan



BPO 3: *Construct New Acute Bed Tower, Research and VBA Facilities; New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and Domiciliary Facilities*

- Consolidate projected inpatient acute care services in a new bed tower on the Wadsworth (South) campus. Consolidate projected ambulatory and outpatient Mental Health workload in renovated ambulatory care facilities on the Wadsworth campus (Building 500). Assume interim peak demand will be met through other VA facilities and community providers.
- Replace nursing home in a modern state-of-the-art facility on the Brentwood (North) campus. Domiciliary services will be located in renovated facilities on the Brentwood campus. Administrative and logistical support functions will be on the Brentwood and Wadsworth campuses.
- Vacate existing research facilities on the Brentwood campus and construct new VA Research facility on the Wadsworth campus, convenient to core patient care activities.

BPO 3 Cont.: *Construct New Acute Bed Tower, Research and VBA Facilities; New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and Domiciliary Facilities*

- Construct new VBA facility on the Wadsworth campus and construct new columbarium for NCA on the Brentwood campus (Parcel B1).
- VA Quarters (located in Parcels H2 and J) are critical to continued VHA operations and will be maintained under this BPO.
- Parking will need to be reconfigured but will provide essentially the same amount of current parking spaces. Expected parking at the Brentwood campus will be contiguous to the new or renovated buildings. A portion of the expected parking at the Wadsworth campus will need to be in a multi-story parking structure adjacent to Building 500.

BPO 3 Site Plan



BPO 3

Non-Building Zones	Building Zones	Other
Parking	Inpatient / Domiciliary / Nursing Home	Cranston Act
Recreation Fields	Outpatient / Rehabilitation	Parcel Boundary
	Mental Health Outpatient	Parcel Designation
	Research / Education	
	Administration / Logistics	
	Outlease	
	Re-use / Demolition	

0 150 300 600 1200ft

BPO 5: *Construct New Acute Bed Tower, Research Facilities and New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA Use and Renovate Domiciliary Facilities*

- Acute inpatient services will be located in a new acute bed tower on the Wadsworth (South) campus. Ambulatory care and Outpatient Mental Health will be located in the renovated hospital building (Building 500) to meet 2023 utilization projections. Assume interim peak demand will be met through other VA facilities and community providers.
- Replace nursing home with a modern state-of-the-art facility on the Brentwood (North) campus. Domiciliary services will be located in renovated facilities on the Brentwood campus.
- Vacate existing research facilities on the Brentwood campus and construct new VA Research facility on the Wadsworth campus, convenient to core patient care activities. Administrative and logistical support functions will be on the Brentwood and Wadsworth campuses.

BPO 5 Cont.: *Construct New Acute Bed Tower, Research Facilities and New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA Use and Renovate Domiciliary Facilities*

- The VBA will relocate into renovated Building 500. In addition, a columbarium is to be constructed for the NCA on the Brentwood campus (Parcel B1).
- VA Quarters (located in Parcels H2 and J) are critical to continued VHA operations and will be maintained under this BPO.
- Parking will need to be reconfigured but will provide essentially the same amount of current parking spaces. Expected parking at the Brentwood campus will be contiguous to the new or renovated buildings. A portion of the expected parking at the Wadsworth campus will need to be in a multi-story parking structure adjacent to Building 500.

BPO 5 Site Plan



Project Duration Comparison

BPO	Total Duration
BPO 1: Baseline	13 years and 11 months
BPO 2: Construct New VA Research and VBA Facilities: New Nursing Home and NCA Columbarium; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Facilities for Mental Healthcare and Domiciliary	13 years
BPO 3: Construct New Acute Bed Tower, Research and VBA Facilities; New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and Domiciliary Facilities	13 years
BPO 5: Construct New Acute Bed Tower, Research Facilities and New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA Use and Renovate Domiciliary Facilities	13 years

BPO Comparison of Quality

◆ **BPO 1 involves renovations of facilities:**

Capital improvements made to meet modern, safe, and secure standards, where existing conditions allow.

- Investment is made for current facilities only to rectify material deficiencies (e.g., in safety or security) such that they would provide a safe healthcare delivery environment.

◆ **BPOs 2, 3 and 5 involve more significant renovations / total renovations and provide new facilities:**

- Renovation and new construction exceeds modern, safe and secure standards
- New single story nursing home facility with private patient rooms
- New clinical care facilities will have several benefits for patients and staff:
 - Larger patient rooms
 - More private rooms
 - Private bathrooms in all patient rooms
 - Additional treatment and therapy spaces
 - Larger support functions
 - Wider hallways
 - Improved patient entries and walkways
 - Support functions located in closer proximity to nursing space

BPO Comparison

<p>BPO 1: Baseline</p>	<ul style="list-style-type: none"> ▪ Most complex phasing of renovations potentially impacting patients, schedule and cost ▪ Most complex Building 500 renovations ▪ Longest duration
<p>BPO 2: Construct New VA Research and VBA Facilities; New Nursing Home and NCA Columbarium; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Facilities for Mental Healthcare and Domiciliary</p>	<ul style="list-style-type: none"> ▪ More complex phasing of renovations and new construction than BPOs 3 and 5 potentially impacting patients, schedule and cost. ▪ More complex Building 500 renovations compared to BPOs 3 and 5
<p>BPO 3: Construct New Acute Bed Tower, Research and VBA Facilities; New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and Domiciliary Facilities</p>	<ul style="list-style-type: none"> ▪ Least complex based on construction of new acute facilities and new VBA facility (along with BPO 5) ▪ Least impact to patients, family and staff (along with BPO 5) due to lowest number of patient and service moves ▪ Least complex Building 500 renovations (along with BPO 5)
<p>BPO 5: Construct New Acute Bed Tower, Research Facilities and New Nursing Home and NCA Columbarium; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA Use and Renovate Domiciliary Facilities</p>	<ul style="list-style-type: none"> ▪ Least complex based on construction of new acute facilities (along with BPO 3) ▪ Least impact to patients, family and staff (along with BPO 3) due to least patient and service moves ▪ Least complex Building 500 renovations (along with BPO 3)

Financial Analysis (Use of VA Resources)

BPO Comparison Assessment

BPO Comparison				
2003 Net Present Dollars (\$ in millions)				
Reflects 30 year period 2003- 2033				
	BPO 1	BPO 2	BPO 3	BPO 5
Recurring Operating Cost	\$ 8,550	\$ 8,488	\$8,492	\$8,536
Non-recurring Capital Investment	\$1,351	\$ 1,573	\$ 1,587	\$1,578
<i>VBA Capital Investment*</i>	-	\$ 39	\$ 39	\$ 30
<i>NCA Capital Investment*</i>	-	\$148	\$ 148	\$148
Non-recurring Periodic Maintenance	\$ 64	\$ 59	\$ 60	\$ 60
Total Net Present Cost**	\$ 9,965	\$ 10,120	\$ 10,139	\$10,173
Additional Non-recurring Capital Investment Costs Compared to BPO 1	-	\$ 222	\$ 236	\$ 227
Additional Net Present Costs As Compared to BPO 1	-	\$ 155	\$ 174	\$ 208

*VBA and NCA Capital Investment costs are included in the total Non-Recurring Capital Investment number shown for BPOs 2, 3 and 5.

****The Net Present Cost (NPC)** is the sum of the annual discounted expense for each BPO over the 30 year study period. Discounting allows the NPC for each BPO to be compared to the other BPOs for the study site. The NPC is the sum of the operating costs and the capital costs (both capital investments and periodic maintenance/replacement costs) in discounted dollars.

Next Steps

- Stakeholder input about the BPOs will be collected for 14 days following the LAP meeting – through **September 20**
- The final report will include Stakeholder and LAP input
- After the Secretary makes his decision, VA will begin the capital planning / budgeting process for the modernizing the West LA campus

How Can You Provide Input?

Local Advisory Panel Meeting

- Provide testimony at the meeting
- Fill out a comment form at the meeting

CARES Project Website

www.va.gov/CARES

- An **electronic comments form** is available to share your views and opinions on the BPOs presented – specify ‘West Los Angeles site’ as prompted
- Website provides public meeting information, agendas, meeting summaries, and links to background documents

CARES Central Mailstop

West Los Angeles Study

VA CARES Studies

PO Box 1427

Washington Grove, MD 20880-1427

APPENDIX



BPO Tradeoff Summary

◆ **Basic renovation options (BPO 1):**

- Highest degree of capital planning complexity
- Longest construction duration
- Greatest impact to patients, family and staff
- Greatest number of patient and service moves
- Highest amount of underutilized and vacant space
- Least improvement in providing the most modern space due to renovation constraints

◆ **New construction options and major renovations (BPOs 2, 3, and 5):**

- Provides the most modern health care setting for patients
- Lower degree of capital planning complexity
- Shorter construction duration
- Lower impact to patients, family and staff
- Lower number of patient and service moves
- Lowest amount of underutilized and vacant space

BPO 1

STRENGTHS

- Shortest duration for renovation of Building 500 and shorter duration for urgent seismic corrections (comparable to BPO 2)
- Slightly lower net present cost than BPOs 2, 3, and 5
- Lowest capital investment cost

WEAKNESSES

- Highest degree of complexity due to lengthy renovation and construction phases
- Greatest impact to patients, family and staff due to greatest number of patient and service moves
- Longest total construction duration
- Most vacant and underutilized space
- Renovations do not achieve most modern healthcare space planning and utilization

BPO 2

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">■ Shortest duration (comparable to BPOs 3 and 5)■ Shortest duration for renovation of Building 500 and shorter duration for urgent seismic corrections (comparable to BPO 1)■ Achieves least vacant space (comparable to BPOs 3 and 5)■ Lowest operating cost (slightly lower than BPOs 1, 3, and 5)■ Slightly lower net present costs than BPOs 3 and 5■ New construction achieves most modern healthcare space planning and utilization	<ul style="list-style-type: none">■ Higher degree of complexity than BPOs 3 and 5 due to lengthy renovation and construction phases■ Greater impact to patients, family and staff than BPOs 3 and 5 due to greatest number of patient and service moves■ Higher net present cost than BPO 1

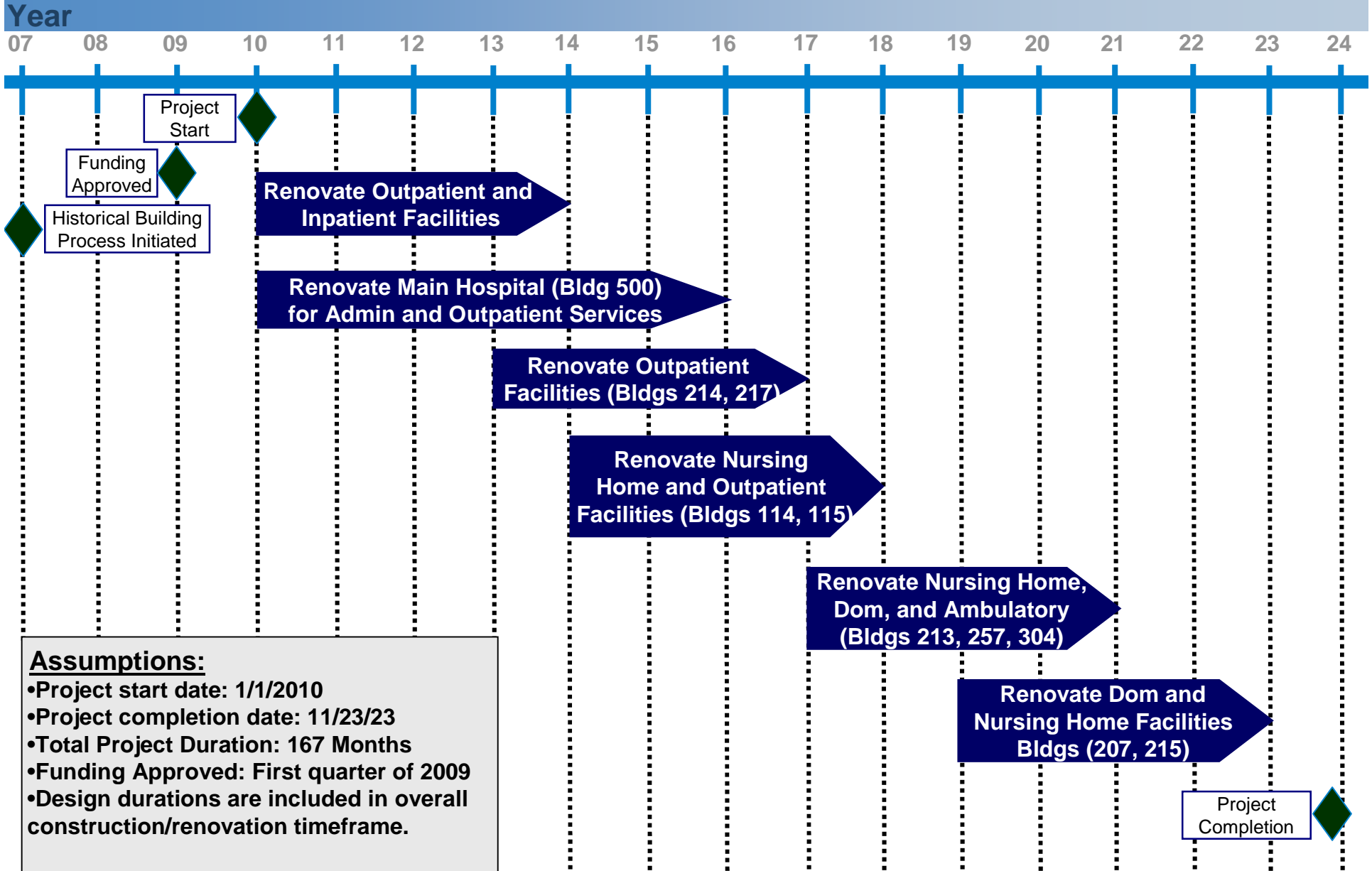
BPO 3

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">■ Lowest degree of complexity based on construction of new acute facilities and new VBA facility■ Least impact to patients, family and staff (comparable to BPO 5) due to lowest number of patient and service moves■ Shortest duration (comparable to BPOs 2 and 5)■ Achieves least vacant space (comparable to BPOs 2 and 5)■ Achieves least underutilized space (comparable to BPO 5)■ Slightly lower operating cost than BPOs 1 and 5■ New construction achieves most modern healthcare space planning and utilization	<ul style="list-style-type: none">■ Longest duration for renovation of Building 500 and longest duration for urgent seismic corrections (comparable to BPO 5)■ Highest capital investment cost

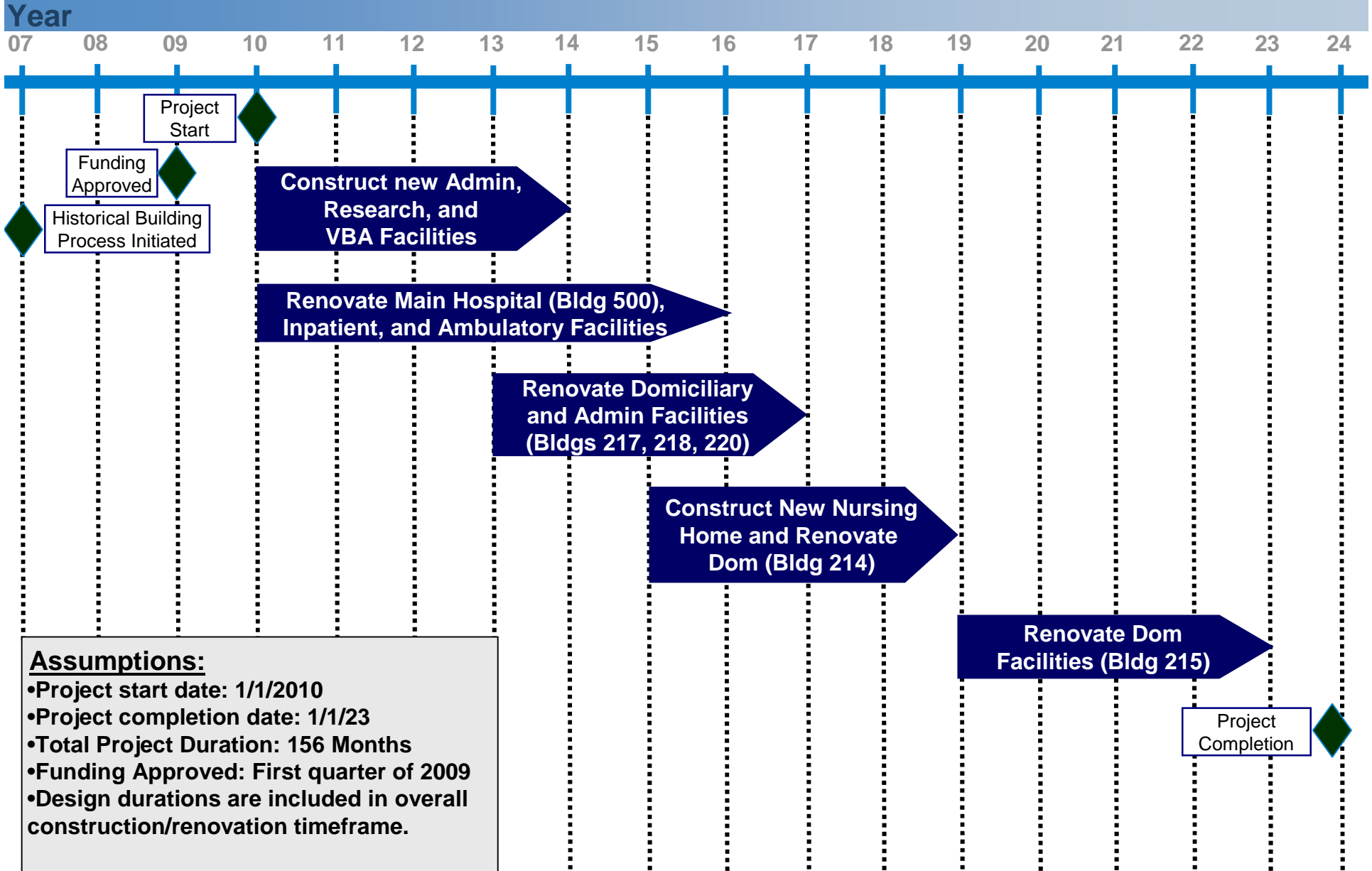
BPO 5

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">■ Lower degree of complexity than BPOs 1 and 2 based on construction of new acute facilities■ Least impact to patients, family and staff (comparable to BPO 3) due to lowest number of patient and service moves■ Shortest duration (comparable to BPOs 2 and 3)■ Achieves least vacant space (comparable to BPOs 2 and 3)■ Achieves least underutilized space (comparable to BPO 3)■ Slightly lower net present cost than BPO■ New construction achieves most modern healthcare space planning and utilization	<ul style="list-style-type: none">■ Longest duration for renovation of Building 500 and longest duration for urgent seismic corrections (comparable to BPO 3)■ Highest net present cost

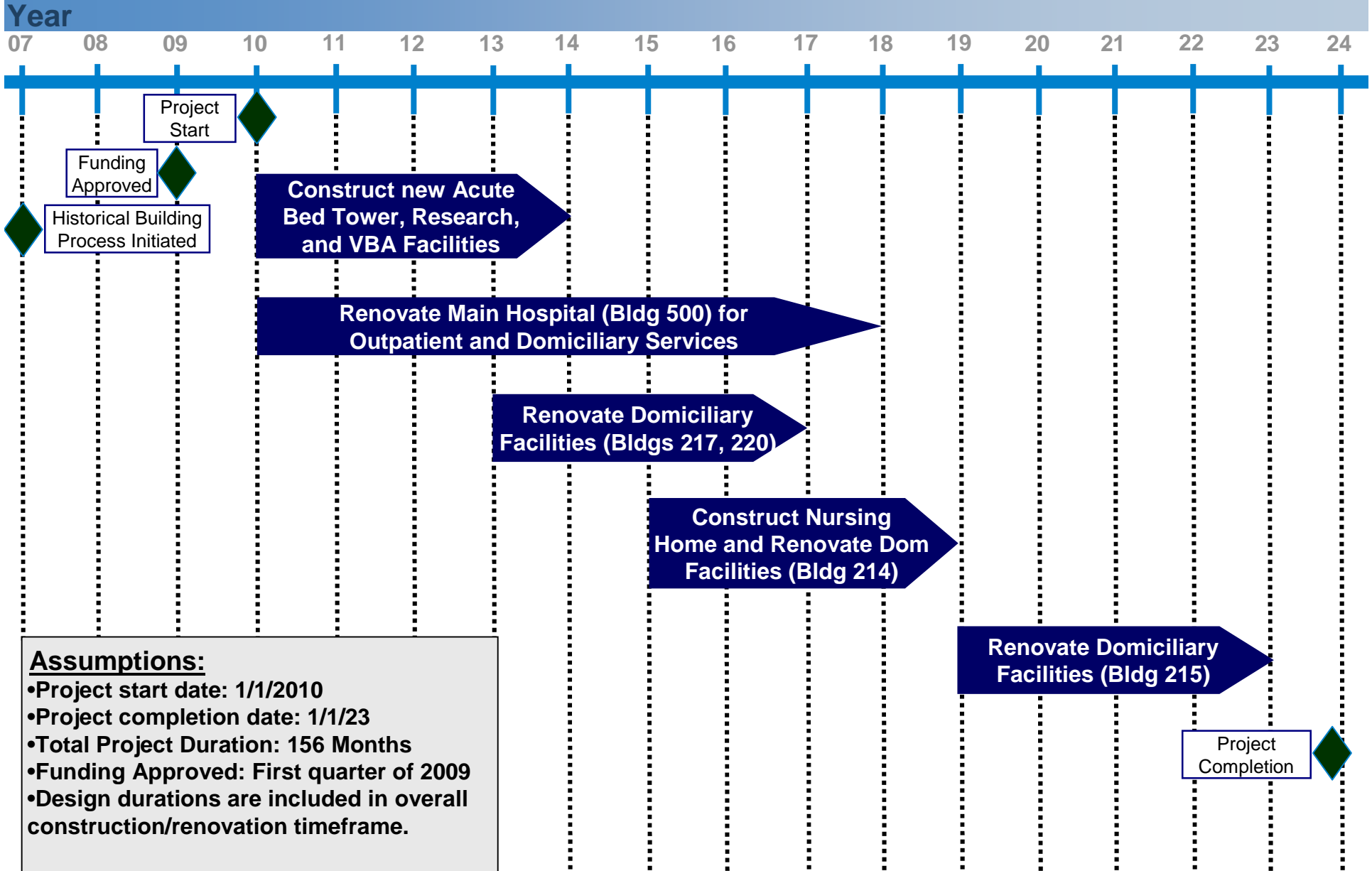
West LA BPO 1 Project Timeline



West LA BPO 2 Project Timeline



West LA BPO 3 Project Timeline



West LA BPO 5 Project Timeline

