



**Capital Asset Realignment
for Enhanced Services
(CARES)**

**Stage II Report
Site: West Los Angeles**

September 2007

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1.0 Executive Summary

CARES is VA's effort to produce a logical, national plan for modernizing healthcare facilities. The objective is to identify the optimal approach to provide current and projected veterans with healthcare equal to or better than is currently provided in terms of access, quality, and cost effectiveness, while maximizing any potential reuse of all or portions of the current real property inventory owned by VA. While most VA Medical Centers (VAMCs) have received approval to proceed with plans consistent with the CARES objectives, the Secretary of Veterans Affairs' May 2004 CARES Decision Document determined that additional study was necessary for the West LA VAMC.

The purpose of this preliminary report is to present the results of Stage II of the CARES study process for West LA. In Stage II, Team PwC conducted a detailed assessment of short-listed Business Plan Options (BPOs) in order to provide VA decision makers with an evaluation of each BPO and its relative strengths and weaknesses. A separate implementation plan featuring risk mitigation strategies was also developed for each BPO.

A number of key drivers were considered in the development and evaluation of BPOs:

- The number of enrolled veterans is expected to decline by 23% over the next 20 years (2003–2023).
- Overall, utilization for inpatient services declines a small amount (5%) over the projected study period. Demand for outpatient services increases 28% over the same period.
- 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.
- Need to maximize the reuse potential of surplus buildings and land at West LA, while fulfilling the mission of the West LA facility and complying with federal/local regulations and VA policy.
- Existence of opportunities to further One VA integration with co-location of Veterans Benefits Administration (VBA) and National Cemetery Administration (NCA) columbarium on the West LA campus.

The Secretary of VA approved the following short-listed BPOs for detailed study in Stage II:

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

The BPOs were compared against the Baseline option using four categories of evaluation criteria: Capital Planning, Use of VA Resources, Ease of Implementation and Ability to Support Other VA Programs. Stage II did not evaluate reuse criteria or additional stakeholder input. However, in its trade-off analysis, Team PwC did consider input gathered in Stage I from a Local Advisory Panel and other interested stakeholders.

Each of these options has relative strengths and weaknesses across the evaluation criteria. The Baseline option (BPO 1) accommodates the projected healthcare demand by renovating existing buildings to meet modern, safe and secure standards, where conditions allow. The renovations in the Baseline achieve a more modern, safe and secure healthcare environment than is currently provided. However, this option does not take advantage of the numerous benefits to patients and staff of new, state-of-the-art clinical facilities and the renovations do not achieve most modern healthcare space planning and utilization. Additionally, it has the highest operating cost as well as the longest construction duration, and results in the most underutilized and vacant space. The Baseline option has the highest degree of complexity due to renovation and construction phases and relocation of services and patients, and provides the least enhancement to One VA Integration as it does not accommodate a NCA columbarium or a VBA facility.

BPOs 2, 3 and 5 share several advantages. These options have shorter overall durations than the Baseline BPO (11 months shorter) because they involve some element of new construction that allows for faster less complex phased construction as opposed to longer, more complex phased renovations associated with the Baseline. BPOs 2, 3 and 5 provide some services (such as nursing home) significantly sooner than the Baseline BPO for this reason. These BPOs also achieve a greater reduction in underutilized and vacant space than the Baseline option, and provide enhancement to One VA Integration as they accommodate a NCA columbarium and VBA facility. Because BPOs 2, 3 and 5 do involve some element of new construction, they require higher capital investment costs than the Baseline BPO. However, these BPOs achieve greater operating efficiencies over the projection period which results in their net present costs being only slightly higher than the Baseline BPO.

Within BPOs 2, 3 and 5, the main difference is the nature of the renovation associated with Building 500, as well as the construction of a new acute bed tower. BPO 2 renovates Building 500 for clinical services and has limited new clinical construction, and therefore involves more lengthy, multiphased renovations than BPOs 3 and 5. Additionally, BPO 2 does not take advantage of the numerous benefits to patients and staff of new, state-of-the-art clinical facilities as in BPOs 3 and 5. BPOs 3 and 5 construct a new acute bed tower and involve the same amount of clinical new construction. However, BPO 5 involves a lengthy three phased VBA move into clinical space in Building 500 that extends the renovation duration beyond that of BPO 3.

Stakeholders expressed the least concern about BPO 1 however; the LAP did not prefer BPO 1 as it does not provide new facilities. The LAP voted unanimously that BPO 3 is their preferred option. The LAP expressed that BPO 3 is preferred because it separates the VBA facility from Building 500 and provides the most new facilities.

2.0 Introduction and Background

Purpose of Report

The Capital Asset Realignment for Enhanced Services (CARES) study process consists of a planning phase and two study phases, Stage I and Stage II. In Stage I, Team PricewaterhouseCoopers (Team PwC) developed and assessed a broad range of potentially viable business plan options (BPOs) that met the forecast healthcare needs for the study sites. Several of the studies involved a reuse analysis prepared by Team PwC or an independent Other Government Contractor (OGC). Based upon an initial assessment of these BPOs, Team PwC recommended up to six BPOs to be taken forward for further development and assessment in Stage II. The Department of Veterans Affairs (VA) selected the specific BPOs to be studied further. In Stage II, Team PwC conducted a more detailed assessment of the short-listed BPOs in order to provide VA decision makers with an evaluation of each BPO and its relative strengths and weaknesses. This report summarizes the work done by Team PwC in Stage II. A separate implementation plan featuring risk mitigation strategies has been developed for each BPO.

Project Overview

CARES is VA's effort to produce a logical, national plan for modernizing healthcare facilities. The objective is to identify the optimal approach to provide current and projected veterans with healthcare equal to or better than is currently provided in terms of access, quality, and cost effectiveness, while maximizing any potential reuse of all or portions of the current real property inventory owned by VA. While most VA Medical Centers (VAMCs) have received approval to proceed with plans consistent with the CARES objectives, the Secretary of Veterans Affairs' May 2004 CARES Decision Document determined that additional study was necessary for West LA.

The 2004 Secretary's Decision Document determined that:

- Spread across 387 acres in an urban neighborhood, the West LA campus is a unique resource and it is important that VA preserve the integrity of the land originally granted for use as an Old Soldiers home. VA is committed to maintaining the property for uses that serve to enhance the Department's mission.
- To ensure that VA has a clear framework for managing the vacant and underused property at the West LA campus, 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.
- VA will develop a nursing home strategic plan based on well-articulated policies. Until VA completes a nursing home strategic plan, it will only proceed with maintenance and life

safety projects at existing nursing home facilities that are necessary to ensure the quality and safety of patient care.

- VA will improve patient and employee safety by correcting seismic and life safety deficiencies at the West LA facility.
- 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. This collaboration will not only improve access to services, but will redirect savings from rental costs into claims processing, vocational rehabilitation and employment, education, loan guaranty, and other VBA priorities.
- 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.

Following a period of data gathering and analysis conducted under VA-approved guidelines, Team PwC presented its Stage I report to VA. The report describes options consistent with the mandates of the Secretary's May 2004 decision for the West LA study site. After examining the BPOs presented in the Stage I report, the Secretary directed that BPOs 1 (Baseline), 2, 3 and 5 be further analyzed in Stage II of the study process.

In Stage II, the BPOs were compared against the Baseline option using a set of agreed-upon evaluation criteria: Capital Planning, Use of VA Resources, Ease of Implementation and Ability to Support Other VA Programs. Stage II did not evaluate reuse criteria or additional stakeholder input. The evaluation criteria are described in the following methodology summary section as well as in the detailed Stage II methodology (Appendix B).

The Baseline is the BPO under which there would not be significant change in either the location or type of services provided in the study site. In the Baseline BPO, the Secretary's Decision and forecasted healthcare demand and trends from the demand forecast for 2023 are applied to the current healthcare provision solution for the study site. Additionally, capital improvements required to meet modern, safe, and secure standards, where existing conditions permit, are factored into the current state assessment.

Team PwC conducted a preliminary evaluation of each BPO. In order to obtain further input into the tradeoff evaluation of the options, Team PwC convened an Independent Review Panel (IRP) to provide an in-process review of the Stage II analysis, which included a balanced review of the tradeoffs considered in developing the evaluation of each BPO. The IRP challenged and validated the assessment findings and evaluation of each BPO, with consideration to stakeholder input. The BPOs were first assessed against the evaluation criteria using a quantitative scale in order to numerically discriminate between each BPO. The evaluation results were then used by site teams and the IRP to discuss the relative strengths and weaknesses of each BPO and in turn to develop the implementation plans. This report contains the evaluation results for each BPO and a tradeoff discussion of their relative merits. The Stage II results will be presented to the Secretary to make a final decision on a set of capital proposals for West LA.

Study Drivers

Over the course of Stage I, six major drivers affecting the planning of the West LA study site were identified. These drivers represent factors particularly noticeable at the West LA campus that must be balanced in the development and evaluation of business plan options. They are:

- The number of enrolled veterans is expected to decline by 23% over the next 20 years (2003–2023).
- Overall, utilization for inpatient services declines a small amount (5%) over the projected study period. Demand for outpatient services increases 28% over the same period.
- 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.
- Need to maximize the reuse potential of surplus buildings and land at West LA, while fulfilling the mission of the West LA facility and complying with federal/local regulations and VA policy.
- Existence of opportunities to further One VA integration with co-location of VBA and NCA columbarium on the West LA campus.

These six drivers are described further below.

Healthcare Demand - Veteran enrollment and utilization for healthcare services was projected for 20 years. The projections show a 12% decrease in enrollment of priority groups 1-6 through 2023. Total inpatient demand decreases by 5 percent, with the exception of nursing home, inpatient residential and domiciliary beds, which are held constant per a VA strategic planning decision. Total outpatient demand increases by 28%, with utilization of outpatient mental health services projected to increase by 39 percent.

Capital Investment to Achieve Modern, Safe and Secure Standards - Renovations to existing patient care buildings will require substantial capital investment to modernize these buildings and render them safe, secure, and compliant with applicable building codes. Seismic retrofits for many older buildings will increase this cost. Additionally, some campus infrastructure systems are near the end of their useful life; others will require upgrades or replacement during the projection period. VA has identified \$260 million to correct building deficiencies at the West LA campus. Notwithstanding the substantial capital investment, the majority of campus buildings will remain considerably smaller than building types for modern healthcare delivery and will not be as cost effective to operate as newly constructed buildings.

Effective Use of VA Resources - The West LA campus is a large, 387-acre site with many (predominantly smaller and older) buildings distributed throughout the campus. Currently, West LA has 21 partially or wholly vacated buildings, which corresponds to 335,000 square feet of vacant space and 526,000 square feet of underutilized space. Future patient workload for the site, combined with building modernization and life safety needs, will create a 5% shortage in building space in 2023. This future deficit in building space results from the difficulty in using small, sub-standard buildings to meet future workload in a modern healthcare setting. Business

plan option development must consider alternate approaches (e.g., new construction) to provide a modern healthcare delivery environment, consolidate the campus footprint, and reduce the costs of renovating and maintaining many smaller and older buildings that will continue to be inefficient to operate.

Reuse Potential - Analysis of the reuse potential for the West LA campus indicates that it is well located for a variety of reuse plans. The campus is located in a highly urbanized setting where market demand is strong. Determining the most appropriate approach to reuse and redevelopment of surplus land and buildings at this site poses considerable challenges. The combination of intensive Congressional oversight, interests of local civic organizations, and approval of the Cranston Act authorizing only development and uses consistent with the needs of aging or homeless veterans has substantially affected the potential reuse value of this site. Although these constraints create uncertainties for the reuse value of the site it is likely that reuse proceeds will provide a substantial offset to the significant capital investments required to render facilities modern, safe, and secure. It is prudent to maximize the potential value of vacant buildings and underutilized land to increase resources available to meet future veterans healthcare needs. Compatible development options that reduce underutilized portions of the campus have the potential to generate resources to provide additional services and/or pay for improvements to VA owned facilities.

Opportunities to Further One-VA Integration - The Secretary's CARES Decision document of May 2004 directs VA to consider opportunities to develop new research facilities at West LA, and explore the feasibility of collocating the VBA and an NCA columbarium on-site. Business plan option development must be responsive to these directives.

Summary of Stage I BPOs

BPOs Recommended by Team PwC for Further Study

The BPOs recommended for further study share some key similarities. All of them would provide an attractive solution to upgrading the campus to a modern, safe, and secure standards, promote One-VA integration, and right-size the campus for future demand.

Table 1: BPOs Recommended by Team PwC for Further Study

BPO 1 (Baseline): No significant changes in either the location or type of services provided in the study site. Capital improvements to meet modern, safe and secure standards; where existing conditions allow. There is no reuse available under this BPO.
BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities.
BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities
BPO 4: Construct New Acute Care Tower and Ambulatory Care Facilities; Renovate Building 500 for Research; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities.
BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care and VBA; Renovate Existing Nursing Home/Mental Health/Domiciliary Facilities.

BPO Not Recommended for Further Study

The BPO which Team PwC eliminated from further consideration was BPO 6. BPO 6 would construct a new Acute Bed Tower, Ambulatory Care, Research and VBA facilities, and renovate the existing Nursing Home/Mental Health/Domiciliary facilities. BPO 6 was proposed by the LAP and involved the highest construction cost and highest implementation risk of all BPOs. In addition, it appeared to be an ineffective use of VA assets (Building 500).

Secretary's Stage I Decision

The Secretary reviewed the Team PwC Stage I report and the recommendations of the LAP, instructing Team PwC to proceed into Stage II of the analysis. The Secretary instructed Team PwC to perform additional study of BPOs 1, 2, 3 and 5. The Stage II capital planning for BPOs 2, 3, and 5 should evaluate not only renovation but new construction of the domiciliary and nursing home facilities. BPO 4 should not be further, since it not an efficient use of Building 500 (Wadsworth Hospital) as this building has more available space than required by research.

Note: The OGC was not directed to proceed with additional analysis of reuse criteria in Stage II.

Full Description of Stage II BPOs

Following the Secretary’s Stage I decision announcement, Team PwC met with local VA representatives to review each BPO selected by the Secretary for further study. The purpose of these meetings was to:

- Understand the Secretary’s recent decisions
- Clarify the Secretary’s decision regarding changes to healthcare service delivery and facilities
- Refine the BPO descriptions and site maps to take into account any information concerning the facility or the application of Stage II study assumptions
- Clarify the BPO descriptions for ease of understanding and consistency

The refined BPO descriptions being considered in Stage II are the following:

Table 2: Stage II Study BPOs

BPO 1 – Baseline
<p>Under the baseline option, current state patient care utilization is 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.</p> <p>All planning will accommodate specifications of the California State Veterans Home on the Brentwood (North) campus and Fisher House on the Wadsworth (South) campus.</p> <p>While there may be reuse potential of underutilized land and vacant buildings, reuse was not studied under this BPO.</p> <p>Note: As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.</p>

BPO 2 - Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities.

BPO 2 maintains acute inpatient services and consolidates ambulatory care services in renovated hospital building and facilities on the Wadsworth (South) campus (Building 500) to meet 2023 utilization projections. 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. 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. 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

Parcels available for reuse include Parcels A1, A2, C, H3, K2, B3, H2 and J.

Note:

As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

BPO 3 - Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities

BPO 3 consolidates 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) to meet 2023 utilization projections. 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. 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. 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

Parcels available for reuse include Parcels A1, A2, C, H3, K2, B3, H2 and J.

Note:

As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

BPO 5 - Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care and VBA; Renovate Existing Nursing Home/Mental Health/Domiciliary Facilities

Under BPO 5, 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. The VBA will relocate into the renovated Building 500. 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. 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. 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.

Parcels available for reuse include Parcels A1, A2, C, H3, K2, B3, H2 and J.

Note:

As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

The physical requirements for each of these BPOs are intended to provide an acceptable level of quality consistent with established VA standards, together with consolidation of functions through renovation and/or through construction of new freestanding buildings. Renovations to existing buildings will take several phases spread over several years since many of the existing buildings are occupied (fully or partially) and occupants will have to be relocated during renovation.

3.0 Summary of Stage II Methodology

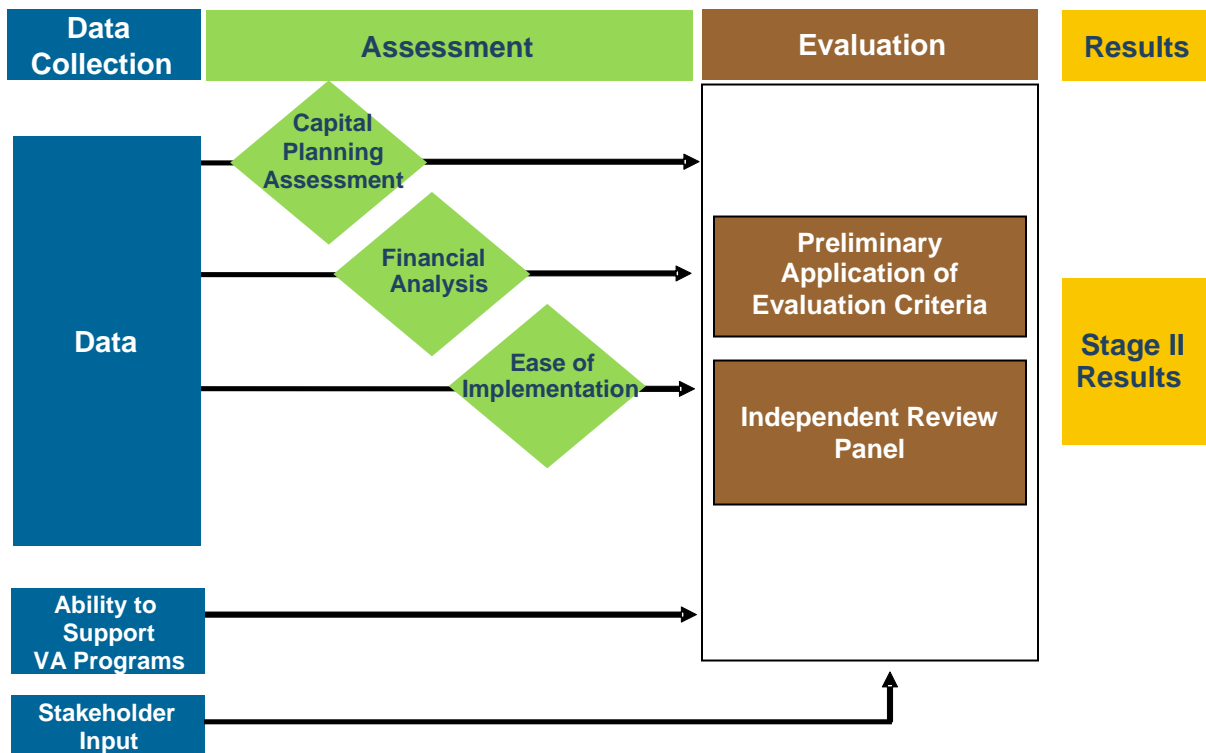
Overview

This section provides an overview of the methodology employed by Team PwC in Stage II of the CARES study. The detailed Stage II Study Methodology is included in Appendix B of the report. In Stage II, Team PwC conducted a more detailed assessment of the BPOs selected by the Secretary for further study. Team PwC collected additional data on a set of evaluation criteria and conducted additional capital planning, financial analysis and ease of implementation for each BPO. The results were used to assess each BPO and to evaluate the relative strengths and weaknesses of each BPO.

Note: The OGC was not directed to proceed with additional analysis of reuse criteria in Stage II.

The Stage II study process consists of four primary steps, Data Collection, Assessment, Evaluation, and Stage II Results, as depicted in the figure below.

Figure 1: A diagram of the Overview of Stage II Methodology



The data collection process was used to augment study data gathered in Stage I. This data provided the inputs to the BPO assessment. Parallel to the data gathering activities, Team PwC solicited input from stakeholders on their comments and concerns for each BPO.

The Assessment step involved conducting more detailed analyses of the short-listed BPOs across each evaluation category.

During the Evaluation step the BPOs were compared against the Baseline option using five categories of evaluation criteria:

- Capital Planning
- Use of VA Resources
- Ease of Implementation
- Ability to Support Other VA Programs
- Stakeholder Input

The following table lists the criteria used to measure each evaluation criteria together with the indicators.

Table 3: Stage II Evaluation Criteria and Indicators

Evaluation Criteria	Indicator
Capital Planning	
Timeliness of completion	Total duration (Years to complete)
Timeliness of urgent corrections	Duration (Years to correct code deficiencies, focusing on seismic deficiencies as identified in the CAI)
Consolidation of underutilized space	% Underutilized space
Consolidation of vacant space	% Vacant space
Use of VA Resources	
Total operating costs	Total operating costs (\$)
Total capital investment costs	Total capital investment costs (\$)
Net present cost	Net present cost (\$)
Total considerations	Total considerations (reuse revenues, in-kind, etc.) (\$)
Total annual savings	Total annual savings (\$)
Ease of Implementation	
Capital planning considerations	Size and complexity of capital plan
	Number and frequency of patient moves (quantity of clinical buildings altered)
	Number of historic buildings altered (total historic buildings altered)
Ability to Support Other VA Programs	
DoD sharing	MOUs impacted by BPO
One VA integration	VBA and NCA impacted by BPO
Specialized VA programs	Specialized Care/COE impacted by BPO
Enhancement of services to veterans	Services in kind

Team PwC conducted a preliminary evaluation of each BPO. To obtain greater input into the tradeoff evaluation of the options, Team PwC convened an independent review panel (IRP) to provide an in-process review of the Stage II analysis, including a review of the strengths and weaknesses that were identified for each business plan option. The IRP challenged and validated the assessment findings and evaluation of each BPO. The BPOs were evaluated against the evaluation criteria using a quantitative scale in order to discriminate between the BPOs. The evaluation results were used by site teams to discuss the relative strengths and weaknesses of each BPO.

Implementation plans were developed for all Stage II BPOs and are documented in a separate report. The purpose of each plan is to provide a roadmap for the local site teams for implementing the BPO, noting critical transition and implementation activities. The plans highlight key milestones associated with implementation functions such as budgeting and funding, procurement, contracting for care, construction, human resource transition, as well as building activation and occupancy. The plans will help to appropriately sequence the implementation activities accounting for dependencies among the various functions.

This report contains the evaluation results for each BPO and a tradeoff discussion of the strengths and weaknesses of each BPO. The Stage II results will be presented to the Secretary to make a final decision on a capital master plan for the West LA campus. A detailed analysis of the reuse options for West LA is beyond the scope of this Stage II report.

4.0 Capital Planning Analysis

Location

The West Los Angeles Veteran Affairs Medical Center (VAMC) is located in the highly urbanized portion of Los Angeles. The West Los Angeles facility is a tertiary care facility, providing highly specialized medical services, within the VA Greater Los Angeles Healthcare System (GLA). GLA is among the largest integrated healthcare organizations in the VA. GLA comprises 945 operating and authorized beds, 3,500 employees, and an operating budget approaching \$500 million. GLA and the West Los Angeles VAMC serve the California market of Veterans Integrated Services Network (VISN) 22. The California market contains approximately 332,000 enrolled veterans.

Current State at West Los Angeles

Size

The West Los Angeles Campus is located at the intersection of the San Diego Freeway (Interstate 405) and Wilshire Boulevard in West Los Angeles, Southern California. The buildings on the campus vary in age, but most of the buildings on the campus were built in the 1930s and 1940s and sit on approximately 373 acres which does not include the 14 acres subsequently deeded to the State Veterans Home since the writing of the Stage I Report. There are 91 buildings on the campus totaling approximately 2,807,000 building gross square feet (BGSF) including outlease and vacant space located on the campus.

Age

Construction of the oldest buildings on the campus dates from the late 1800s, with approximately half of all buildings on campus constructed between 1930 and 1959. The most significant expansion was the 900,000 square foot Main Hospital (Building 500) constructed in 1976. While continued construction has occurred since 1976, no significant clinical buildings have been built.

Construction Type

The site of the West Los Angeles VAMC campus has over 90 buildings that were built over 100 years of development. There is a great variety of both architectural styles and construction methods. The majority of the clinical buildings constructed between the 1930s and 1950s are reinforced concrete or masonry structures. Buildings constructed after about 1960 are mainly steel frame structures.

Original Use

The current West Los Angeles VAMC was originally a much larger, 500 acre, site for the Pacific Branch of the National Homes for Disabled Volunteer Soldiers that was established in 1888. In the 1960s, the VA began reexaminations of the mission of the Old Soldiers Home and began plans for the redevelopment into modern healthcare facilities. The shift in mission rendered the former domiciliary buildings functionally obsolete. They were subsequently vacated, and have remained so until the present.

Current Configuration, Use and Capacity

West Los Angeles is a teaching hospital, providing a full range of patient care services, state-of-the-art technology, education and research. Compressive healthcare is provided through primary care, tertiary care and nursing home care in the areas of: medicine, surgery, psychiatry, physical medicine and rehabilitation, neurology, oncology, dentistry, geriatrics and extended care. West Los Angeles currently operates 740 beds, including 261 acute beds, 158 nursing home beds and 321 inpatient residential and domiciliary beds. The campus is bisected by Wilshire Boulevard. The campus north of Wilshire is referred to as the Brentwood campus. South of Wilshire is referred to as the Wadsworth campus.

Associated Land Use Agreements are as follows:

- The West Los Angeles VAMC has entered into a 20 year agreement with the Brentwood School for a land use agreement. The sharing agreement lasts until June 2020.
- The West Los Angeles VAMC has entered into a 50 year agreement with the American Red Cross. The revocable license agreement expires April 2039.
- The West Los Angeles VAMC has entered into an agreement with Breitburn Energy. The land use agreement is for the oil drilling site. The Department of Interior controls the mineral rights agreement.
- The West Los Angeles VAMC has entered into a 20 year enhanced sharing agreement with the Wadsworth Theater Management for Building 226 (Wadsworth Theater) and Building 211 (Brentwood Theater). The agreement expires December 2025.
- The West Los Angeles VAMC has entered into a 10 year enhanced sharing agreement with the Salvation Army for Building 212. The agreement expires July 2014.
- The West Los Angeles VAMC has entered into a 10 year enhanced sharing agreement with the Salvation Army for Building 207. The agreement expires April 2015.
- The West Los Angeles VAMC has entered into a 50 year federal lease agreement with New Directions for Building 116. The agreement expires August 2045.
- The West Los Angeles VAMC has entered into a 5 year memorandum of agreement with a 5 year option with New Directions for Building 257. The memorandum of agreement expires February 2012.

- The West Los Angeles VAMC has entered into a 10 year enhanced sharing agreement with Sodexo Marriot for Building 224 for laundry services. The agreement expires in March 2010.
- The West Los Angeles VAMC has entered into a 10 year enhanced sharing agreement with UCLA for the Jackie Robinson Stadium for baseball games. The agreement expires April 2011.
- The West Los Angeles VAMC has entered into a memorandum of understanding with the Veterans Park Conservatory for the Veterans Park.
- The West Los Angeles VAMC has entered into a 20 year enhanced sharing agreement with Westside Services for parking services which includes Brentwood Village Parking Lot. The agreement expires in 2020.

Future Use

The Secretary's May 2004 decision specified that:

- Spread across 387 acres in an urban neighborhood, the West LA campus is a unique resource and it is important that VA preserve the integrity of the land originally granted for use as an Old Soldiers home. VA is committed to maintaining the property for uses that serve to enhance the Department's mission.
- To ensure that VA has a clear framework for managing the vacant and underused property at the West LA campus, 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.
- VA will develop a nursing home strategic plan based on well-articulated policies. Until VA completes a nursing home strategic plan, it will only proceed with maintenance and life safety projects at existing nursing home facilities that are necessary to ensure the quality and safety of patient care.
- VA will improve patient and employee safety by correcting seismic and life safety deficiencies at the West LA facility.
- 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 Benefits Administration (VBA) Regional Office at the West LA VAMC. This collaboration will not only improve access to services, but will redirect savings from rental costs into claims processing, vocational rehabilitation and employment, education, loan guaranty, and other VBA priorities.
- VA will collocate a National Cemetery Administration (NCA) columbarium on 14.5 acres of available land at the West LA campus and is not pursuing additional opportunities for expanding the NCA presence on the West LA campus.

While all occupied buildings on campus are well maintained, the useful life of these buildings for providing clinical services has been, or soon will, be exceeded. Relatively low floor-to-floor heights, narrow and inflexible floor plates, narrow buildings, and aging mechanical/electrical and primary campus utility systems severely restrict the possibility of renovating these buildings to achieve the modern, safe, and secure definitions as defined in this study. This is a significant element in the analysis of all BPOs considering renovations to existing buildings.

Clinical Facilities:

The future design of clinical facilities compliant with VA standard of care has multiple benefits to patients. These include individual private bedrooms and bathrooms for many levels of inpatient care (see Figure 2), increased area for support facilities for supplies and equipment, comfortable and attractive private inpatient rooms (see Figure 3), convenient physical access to amenities and custom variations of plans to accommodate special needs. The specific future design of the Nursing Home is for a 158 bed facility, all on a single level.

Figure 2: A Diagram of the Sample Nursing Unit Private Bedroom/Bathroom Floor Plan

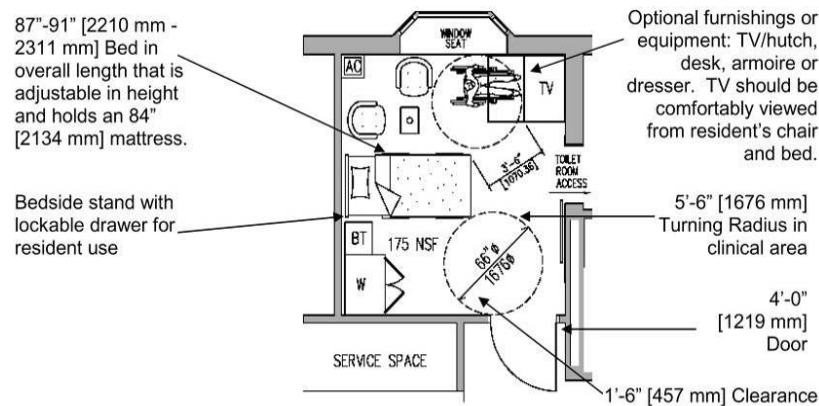


Figure 3: Example Private Nursing Unit Bedroom



Facility Condition Assessment

Based on a review of available documents provided by the West Los Angeles VAMC and from the other government contractor, a site history and environmental analysis for the West Los Angeles VAMC site was compiled.

Buildings range in size from a 144 square foot Gatehouse to the 900,000 square foot Wadsworth Hospital (Building 500, built in 1976). Nearly one-half of the West Los Angeles buildings are under 10,000 square foot and one-quarter are between 45,000 and 65,000 square feet. Sixty-two buildings are single story. Only one building exceeds four stories. Twelve buildings are listed as Vacant and 14 are used as Staff Housing or Garage. Many buildings are considerably smaller than modern construction for the same building type. These older buildings may have limited

opportunities for VA reuse based on the inefficiency of the small footprint, overall volume and current configuration.

Upgrades to comply with current VA standards and applicable building codes will be necessary even on the buildings that rate relatively high since issues such as single bed rooms, private bathrooms accessible from within a patient room, and other quality of healthcare environmental issues are not addressed in the rating for “life safety”. In addition, most mechanical systems are at the end of their useful life and will require replacement or major overhaul. This is a significant element in the BPO 1 Baseline analysis.

VA's Capital Asset Inventory (CAI) database provides an assessment of many buildings on the site. This evaluation data for existing conditions at the time of the survey was provided for use in this project. There were 5 components of the functional evaluation: Layout, Adjacencies, Code Compliance, Accessibility and Privacy. Evaluations for each component were performed by floor on a 1-5 basis, with 5 being the optimum score and gradations in tenths, as determined by the evaluation team. Assessment data as provided by the VA was compiled and averaged for each building as a measure to evaluate the complexity of renovation required for a particular building. A building “de-optimization value” is then assigned to the building based on the average score as identified in the De-Optimization Table in the approved assumptions. From this measure, 29 of the buildings received average functionality ratings above "3", 26 of the buildings received average ratings below "3", while the remainder of the buildings have not been rated by VA.

West Los Angeles Data on Size and Dates of Construction and Renovation

Table 4 shows date of construction, renovation, number of floors, major functions on each floor of Building 500, historic designation (if any), seismic designation (if any) and total gross area (gross square feet or GSF) of each building on the site as exported from the CAI database:

Table 4: West Los Angeles Existing Departmental Distribution by Building¹

Bldg No.	Building Name/Function	Floor/Function	Year Built	Year Renov-ated	Total Floors	Historic (H) or Historic Eligible (E)	Seismic	Building Total GSF
0	Baseball Lot Club		n/a		1	n/a	n/a	300
12	Emergency Generator		1989		1		X	1,075
13	Storage		1929		1	E	X	52,604
14	Single Garage		1900			E		
20	Chapel		1900		1	H	X	8,758
23	Quarters		1900		1	E	E0	3,448
33	Quarters		1893	1995	1	E	X	1,200

¹ Source: VA Capital Asset Inventory (CAI) Database

Bldg No.	Building Name/Function	Floor/Function	Year Built	Year Renovated	Total Floors	Historic (H) or Historic Eligible (E)	Seismic	Building Total GSF
44	Engineering Shop		1897		1	E	X	12,909
46	Engineering Shop		1922		1	E	X	11,034
63	Engineering M&O		1959		1		E0	720
66	Trolley House				1	H	X	600
90	Duplex Quarters		1927	1995	1	E	E0	4,752
91	Duplex Quarters		1927	1995	1	E	E0	4,752
104	Garage 2-Car		1928		1	E	X	500
105	Garage 3-Car		1928		1	E	X	600
111	Gate House				1	E		144
113	Animal Research		1930		4	E	X	60,000
114	Research Lab		1930		4	E	EHR	69,921
115	Research Lab		1930		3	E	EHR	60,314
116	Outleased - New Directions		1930	1997	3	E	X	60,309
117	Research Lab		1930		2	E	EHR	20,873
156	Vacant		1921		3	E	X	60,000
157	Vacant		1928		3	E	X	45,000
158	Vacant		1921		3	E	X	47,134
199	Vacant		1932		1	E	X	3,600
205	Mental Outpatient Psychiatry		1937		3	E	EHR	53,047
206	Mental Health Homeless		1940		3	E	EHR	47,099
207	Outleased - Salvation Army		1940		3	E	EHR	47,015
208	Mental Health/Voc Rehab Medicine		1945		3	E	EHR	47,265
209	Vacant		1945		3	E	X	46,708
210	Research/MIREC		1945		3	E	E0	39,677
211	Theater (Brentwood)		1946		1	E	E0	11,490
212	Salvation Army /Prosthetics		1938		4	E	EHR	62,560
213	NHCU Pod & Dialysis		1938	1989	4	E	X	62,560
214	Domiciliary		1938	1990	4	E	X	53,000
215	NHCU		1938	1985	4	E	X	53,000
217	Domiciliary		1941	1990	4	E	X	58,000
218	Administration Building		1941		4	E	E0	75,121
220	Dental/Research		1939		4	E	E0	29,876
222	Mail Out Pharmacy		1938		3	E	EHR	26,565
224	Outleased Laundry		1946		1	E	E0	29,257

Bldg No.	Building Name/Function	Floor/Function	Year Built	Year Renov-ated	Total Floors	Historic (H) or Historic Eligible (E)	Seismic	Building Total GSF
226	Outleased Wadsworth Theater		1940		1	E	E0	20,875
233	HAZMAT Building				1		X	840
236	Police HQ		1945		1	E	HR	7,108
249	Greenhouse				1		X	2,800
250	Lath House Rehab Medicine				1		X	1,200
256	Day Treatment Center Mental Health		1946		3	E	EHR	47,675
257	Mental Health / New Directions / Methadone		1946	1997	3	E	EHR	57,386
258	Administration /Mental Health		1946		4	E	EHR	65,575
259	Com Work Therapy		1945		1	E	HR	8,685
264	FBI (Annex Theater)		1944		2	E	X	10,080
265	Vacant		1944		1	E	X	2,400
266	Vacant		1945		1	E	X	3,234
267	Vacant		1945		1	E	X	6,648
278	Vacant		1943		1	E	E0	3,000
292	Water Treatment Plant		1946		1	E	HR	864
295	Steam Plant		1947		1	E	HR	5,720
296	Chemical Storage House		1949			E		219
297	Supply Warehouse		1948		1	E	X	32,700
299	Switchgear				1		E0	550
300	Dietetics		1952		3	E	EHR	68,824
301	AFGE Union		1951		1	E	X	2,643
304	Research		1957		3	E	X	89,267
305	Transportation		1955		1	E	X	1,920
306	Cafeteria/Post Office		1957		2	E	E0	14,281
307	Single Quarters		1955		1	E	X	1,200
308	Single Quarters		1955		1	E	X	1,728
309	Garage		1955		1	E		400
310	Garage		1955		1	E		400
311	Mobile House		1994		1		X	1,400
312	Mobile House		1994		1		X	1,400
315	GSA Motor Pool		1948		1	E	X	3,600
318	Mobile House		1994		1		X	1,400
319	Supply Storage		1956		1	E	X	800
320	Supply Storage		1951		1	E	X	1,200

Bldg No.	Building Name/Function	Floor/Function	Year Built	Year Renovated	Total Floors	Historic (H) or Historic Eligible (E)	Seismic	Building Total GSF
329	Golf Club House							265
330	Nursery Garden		1955		1	E	X	1,500
337	Research Animal Hs		1962		1		HR	6,772
339	Bandstand		1960				X	530
345	Radiation Therapy		1982		2		X	15,620
500	Main Hospital		1976		7		EHR	900,000
500	Main Hospital – Ground Floor	SPD, Dental, ACS-Specialty Care, Env. Manage., Medical Admin., Nuclear Medicine, Radiation Therapy, Radiology						
500	Main Hospital – First Floor	ACS-Primary Care, Canteen, Pathology and Rehab. Medicine						
500	Main Hospital – Second Floor	Nursing Units: 22-Bed Intermediate; 15-Bed Neur-Rehab; 57-Bed Behav. Med; 30-Bed Behav. Med						
500	Main Hospital – Third Floor	Nursing Units: 8-Bed MICU; 63-Bed Neur-Rehab Clinical Svc Admin, EEG/Neurology, Medical Research, Mental Health Clinic.						
500	Main Hospital – Fourth Floor	Nursing Units: 7-Bed CCU; 12-Bed Neur-Rehab; 28-Bed Neur-Rehab Cardiology, Clinical Svc Admin, Endo.						
500	Main Hospital – Fifth Floor	Surgical Suite. Nursing Units: 17-Bed 23Hr Observation; 12-Bed SICU; 30-Bed Surgical						
500	Main Hospital – Sixth Floor	Chaplain, Clinical Svs Admin, Dialysis, Director's Suite, Nursing Svs Admin, and Social Work						
501	B500 Chiller Plant		1976		1		X	30,000
505	Paint Shop		1986		1		X	5,000
506	VA District Council		1992		1		X	9,320

Bldg No.	Building Name/Function	Floor/Function	Year Built	Year Renovated	Total Floors	Historic (H) or Historic Eligible (E)	Seismic	Building Total GSF
507	MRI Facility		1991		1		X	6,000
508	Laundry		1998		1			45,000
509	Recycling Center		1999		1			3,750
510	Transportation		2002		1			4,782
511	Storage		2003		1			9,638
T79	Plant Nursery				1		X	1,550
T83	Welding shop		1958		1		X	1,300
T84	Laundry Annex		1967		1		X	1,580

Table 4 Definitions

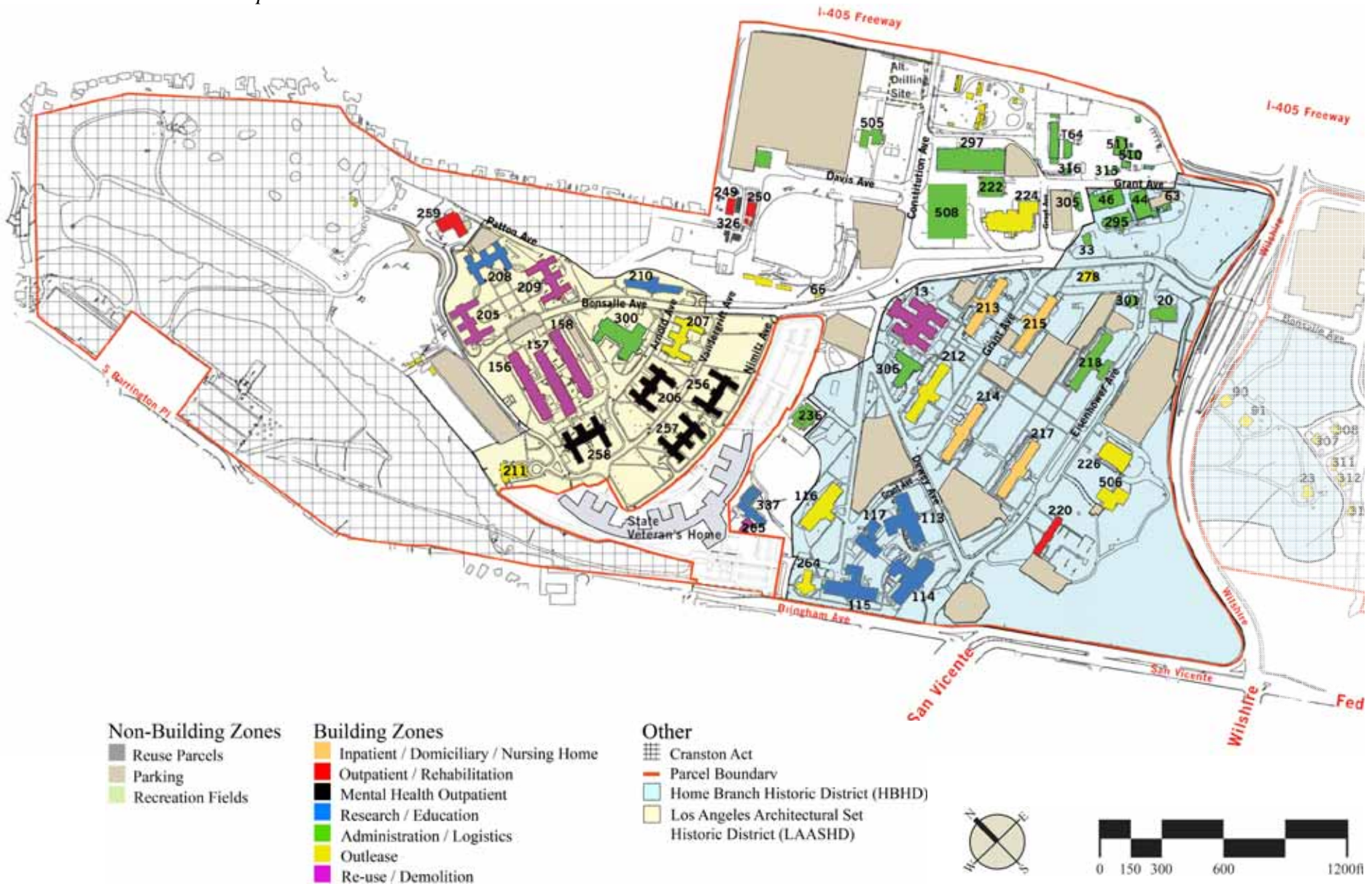
Seismic		Historic	
<i>(Refer to section below titled Historic Buildings for definitions)</i>		<i>(Refer to section below titled Historic Buildings for definitions)</i>	
EHR	Exceptionally High Risk	H	Historic
HR	High Risk	E	Historically Eligible
EO	Non-Exempt		
X	Exempt		

West Los Angeles Site Plan

The current site plan (Figures 4a & b) shows the present campus configuration and locations of buildings. The building color indicates the departmental group (zone) of the primary occupants of each building based on descriptions provided in the CAI per and as assigned to departmental groups (Building Zones) from the “Department to Zones Table” in the assumptions and as indicated by the color key.

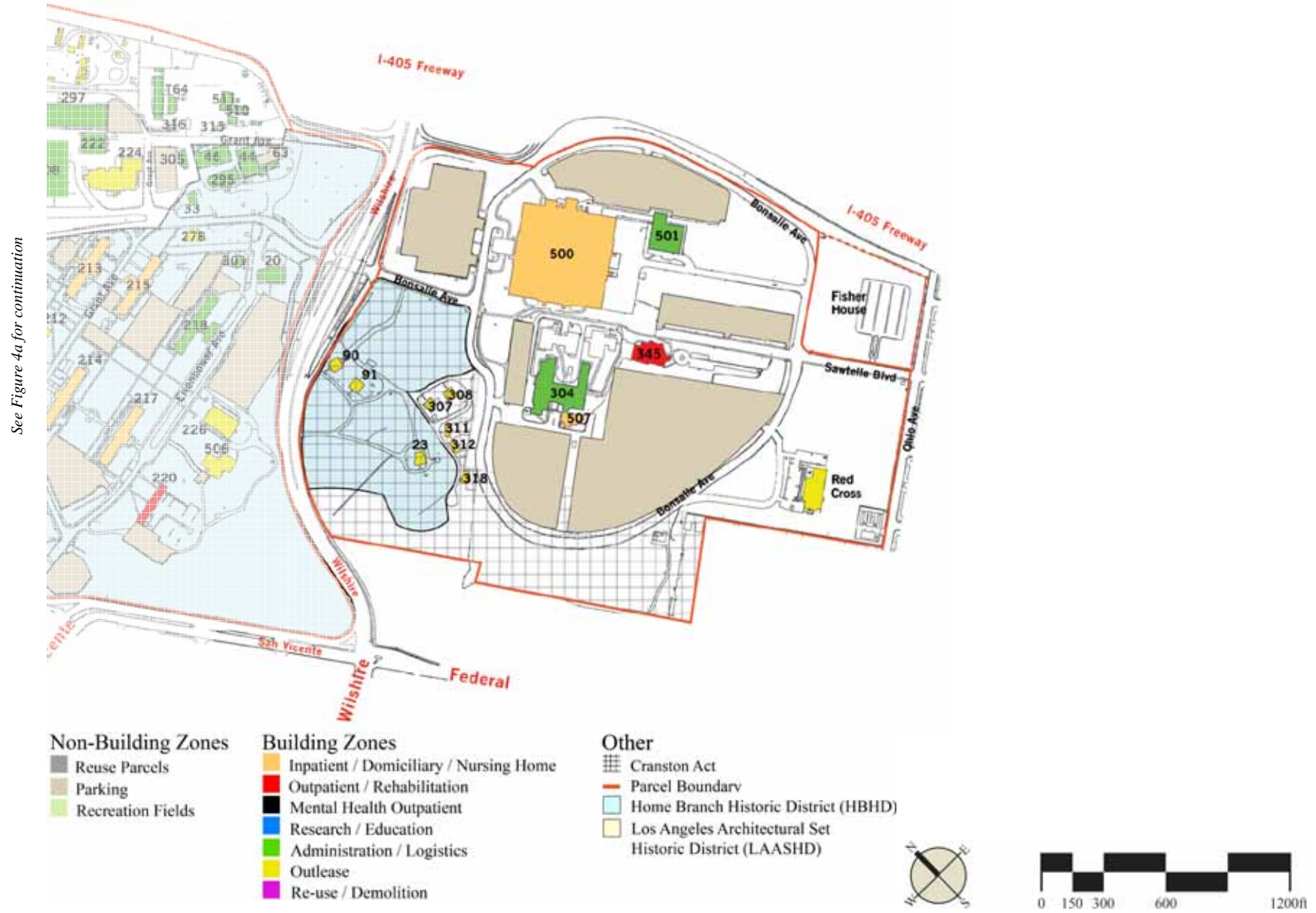
- Functional Distribution on the Site:** Based on the VA's Capital Asset Inventory (CAI) database, the majority of Acute Care functions are located on the Wadsworth campus in Building 500. The majority of Nursing Home and Domiciliary functions are located in the southern part of the Brentwood campus in Buildings 213, 214, 215 and 217. The majority of Outpatient Behavioral Health functions are located in the northern part of the Brentwood campus in Buildings 206, 256, 257 and 258. Ambulatory functions are located throughout the campus, with the majority on the Wadsworth campus in Building 500. The majority of Research is located on the southwestern portion of the Brentwood campus in Buildings 113, 114, 115, and 117. Administration is located throughout the campus with concentration on the Brentwood campus in Buildings 218, 300 and 506; and on the Wadsworth campus in Building 500. Lastly, Logistics is dispersed throughout the entire campus with a large concentration on the East side of the Brentwood campus, in and around Buildings 44, 46, 297 and 508. Some buildings on the northern Brentwood campus are currently vacant.

Figure 4a: Existing Building Distribution – West Los Angeles
Brentwood Campus



See Figure 4b for continuation

Figure 4b: Existing Building Distribution – West Los Angeles Wadsworth Campus



- Topography and Landscaping: Much of the West Los Angeles campus is landscaped and forms an attractive park-like setting. The campus incorporates mature trees, established shrub plantings, and well maintained turf areas which includes a Golf Course. Much of the site is either nearly level or gently rolling except at the northern portion of the site adjacent to the Brentwood School where there are some steep slopes. There are 4 general clusters of buildings on the two campuses:
 - The main clinical campus is on the south, Wadsworth campus. It is composed of buildings serving Acute Care, Ambulatory Care, and Administration and associated support services which are predominately housed in the 500 Building.
 - The main domiciliary and nursing home campus is on the north, Brentwood campus. It is composed of several older buildings around a quadrangle.
 - The main research campus is just to the west on the Brentwood campus. It is a collection of several research buildings.
 - The last campus is to the north on the Brentwood campus. It is a collection of older buildings.
- Circulation: Vehicular circulation is accessed from the rest of West Los Angeles by one major entrance to the site off of Wilshire Boulevard that also connects the north and south campus. There are a few secondary entrances to the north campus off of Federal Avenue. Once on the campus, the circulation is provided by a series of several major paved roadways that connect a network of smaller local streets. On the south campus, the site is organized by a major loop roadway, Dowlen Drive. On the north campus the site is organized by Bonsall Avenue that runs north and south. Bonsall is bisected by Pershing to the west and Constitution Avenue that connects to the National Cemetery to the east.
- Parking: The parking is provided by numerous surface lots that are scattered throughout the site. This existing parking is generally adequate, dispersed around the campus, and next to each building which makes it convenient for patients, family and employees. New surface parking was recently built at the South campus to provide additional parking near the main hospital (Building 500).
- Historic Districts: The West Los Angeles campus contains two designated historic districts, the Home Branch Historic District (HBHD) and the Los Angeles Architectural Set Historic District, (LAASHD). Together these districts contain an eclectic collection of buildings dating from the 1890's through the 1940's. As an example of the use of Spanish Colonial Revival and Mission Revival architectural styles, the districts are an expression of regional tradition for the VA "set" hospital concept. The HBHD is roughly bound by the Bonsall Avenue and the 405 Freeway on the east, Dowlen Drive on the south, San Vicente Boulevard on the west and Pershing Avenue on the north. Wilshire Boulevard runs through the southern portion of the district. The LAASHD is generally located on both sides of Bonsall Avenue north of Nimitz Avenue.

The older of the two historic districts is the HBHD. This district contains structures from two distinct time periods. The 1860's through the 1920's, is referred to as the Pacific Branch

National Home for Disabled Volunteers period and the 1930's is referred to as the Home Branch period. The early buildings reflected barracks style architecture, but later growth prompted innovative design in the Queen Anne, Colonial, Victorian Romanesque and Spanish Colonial styles. All that is remaining on the southern parcel are four residential quarters buildings, some Queen Anne and some Colonial. Further south, there had been Home Branch barracks and the Wadsworth Hospital set among tree-lined streets. These were subsequently demolished. The northern parcel retains many of the old Home Branch structures including the Double Chapel, Building 20, and the Street Car Depot, Building 66, which are both listed on the National Register. These remaining buildings from this period comprise an eclectic historic district, unencumbered by the modern intrusions.

The second and newer of the two districts is the Los Angeles Architectural Set Historic District (LAASHD). This district consists of fourteen buildings clustered in a campus setting with roadways, courtyards, walkways and trees on a flat site. The style of Spanish Colonial blended with Mission Revival with a variety of detailing appears on each building. To the north of the district, three H-shaped 1940 buildings form a quadrangle. The fourth side is bounded by the ends of three long buildings constructed in 1921-23. At the other ends of three long buildings is the tallest of the set buildings. To the east are four 1945 H shaped set buildings along with two other similarly styled buildings. To the east is a Spanish Colonial style theater with an ornate entrance. The wing-end porches are characterized by screened arches. The entranceways are emphasized by enriched door surrounds and pilasters in a Churrigueresque style.

- Historic Buildings: There are 66 existing buildings designated in the CAI as historic structures or are considered historically eligible by the VA. The majority are historically eligible buildings, and by definition were built more than 50 years ago. Though most are not considered structurally or historically significant, they are eligible for historic designation due to their age. Two of the 66 buildings are designed as historic, and by definition are listed on the National Register of Historic Places.

Given the age of the campus (only 15 buildings on the campus are less than 50 years old) many buildings may be subject to the National Historic Preservation Act, (NHPA). Section 106 of the NHPA requires that the federal government consider the effects of its undertakings on historic properties, defined as districts, sites, buildings (more than 50 years old), structures and objects included in or eligible for inclusion in the National Register of Historic Places. There are two buildings (the Trolley Station and Chapel) on the Office of Facilities Management's National Register. A further 39 buildings in the Brentwood and Wadsworth Campuses are considered historically significant.

- Reuse of Historic Buildings: Except for BPO 1 (Baseline) many of the existing buildings and eligible historic buildings are designated for reuse or demolition. Where a BPO calls for renovation of an existing building, Historically Eligible buildings may require a four-year process for approval to demolish or substantially alter their structural character.

- Vacant Space: There is currently approximately 335,000 BGSF of vacant building space on the campus that is distributed in 21 either partially or wholly vacant buildings. In addition to vacant space, the CAI indicates approximately 526,000 department gross square feet (DGSF) of underutilized space.

CAI Scores and optimal use of the buildings

- Existing average building scores: According to VA's Capital Asset Inventory (CAI) database, the average condition assessment scores of existing buildings are 3.0. In general the lower the average building score, the greater the amount of area required for renovation. Floor plates that are too narrow and floor to floor heights that are too compressed demand more area to achieve the desired outcomes. Moreover, as the average score reduces, the likelihood of achieving the modern, safe and secure environment is diminished.
- Low scores require more space: The majority of buildings that are proposed for renovation will require a high level of renovation to achieve the modern, safe and secure status as defined for this project. The extent of proposed renovation for an existing building is based on the average condition assessment scores and other factors as described in the Stage II Assumptions. As a result, new construction will be more likely to achieve optimal projected areas because the floor width, structural enclosure, engineering systems and egress paths may be designed to the present standard of care rather than to a previous delivery model (that required less area). Clinical areas have the greatest demands for control of the environment, therefore, new construction or existing buildings with scores greater than 3.0 are recommended for these types of spaces. Administrative and support functions are a less demanding environment and as such existing buildings with average scores greater than 2.8 are targeted for these functions.
- Scores address life safety, ADA and basic functional relationships: Several upgrades to existing buildings are required to comply with current VA standards and applicable building codes. This is due to the fact that the rating does not address all aspects of modern care delivery practice such as modifications to accommodate single bed rooms, private bathrooms accessible from within a patient room and other quality of health care environment issues.
- Specific additional issues at West Los Angeles: Due to the age of most existing buildings, structural bay size, small and narrow floor plates, low floor to floor heights and lack of single bedrooms, require more area for renovation of projected functions than the same functions in a new facility where these conditions can be designed to meet current standards of care.
- Asbestos: Various test reports for this campus were provided by the VA. Asbestos containing material (ACM) types and quantities vary by building. Many of the site buildings, as well as underground steam piping, have been subject to testing for ACM's. In the majority of buildings tested, ACM's were found in some form. These buildings

will require abatement and disposal during major renovations, but the quantities are relatively small. Where buildings containing hazardous materials are identified for demolition, similar appropriate abatement and disposal practices are required. The asbestos containing materials in these buildings are being managed by the facility, and consequently do not pose a hazard unless disturbed. Where these building are projected for renovation or demolition, costs are included for correction.

- Seismic: There are 13 buildings on the West Los Angeles campus identified as having seismic “non-exempt” status that should be evaluated prior to renovation or reuse. There are 5 buildings that are designated as “high risk” and an additional 14 are designated as “exceptionally high risk”. It is significant to note that of the total amount of building area in the exceptionally high risk category, the majority of that area, approximately 900,000 square feet, is in Building 500. Where these buildings are identified for renovation, seismic deficiencies that require correction are included as part of the high renovation factor and associated construction duration to correct. Seismic corrections are incorporated into the renovations and will not additionally impact patient disruption.
- Complexity of Renovations: In BPOs 2, 3 and 5, there are extensive renovations for the limited number of existing buildings that are reused, out of the entire existing building inventory at West Los Angeles. In BPO 1 (Baseline), there are extensive renovations of existing buildings. However, in this BPO, the renovations are for almost the entire building inventory at West Los Angeles. Renovations of these existing buildings will be complex due to the extent of upgrades required and the age of the buildings. Additionally, those buildings that will require seismic retrofitting will also have extensive work associated with the structural up grades. Where there are renovations as well as seismic retrofitting, the construction schedule will be affected by the need to couple these efforts so that no area of a building is required to be disrupted more than once.

It will be faster and less disruptive if an entire building can be renovated at once. This is most possible where one function is vacated from an entire building prior to its renovation and subsequent re-occupation by a new function. This is not usually the case, but it does occur for buildings 213, 215, 220, 222, 337, and 63. Where an entire building cannot be renovated at one time, it still may be possible to renovate a significant portion of that building in a single phase. While this may be possible in some of the smaller buildings to a limited extent, it is a significant factor in the renovation of Building 500 in BPOs 3, 5 and to a greater extent BPO 2.

In BPO 3 and 5, there is a New Inpatient Building constructed adjacent to Building 500. This new building will house all the inpatient beds as well as some diagnostic and treatment functions. All inpatient beds, surgery, imaging and portions of the administration functions will vacate Building 500 when they are relocated into the new building. This will leave vacated both significant portions and entire large floor plates. These areas can in turn be renovated in a single phase.

In BPO 2, there is a new VBA and Administration building constructed. This new building will house much of the administrative functions. Most of the administration departments will vacate Building 500 when it is relocated into this new building. This will leave vacated significant portions of floor plates, which can be renovated in a single phase. However, unlike the case in BPOs 3 and 5, two very difficult departments, Surgery and Imaging, will require very complex phased renovations in place. That will make BPO 2 far more complex than either BPOs 3 or 5.

This sequence to construct new space, relocate all or portions of existing buildings and initiate renovations requires the design phase of the process to coordinate renovation start and occupancy dates for several buildings over the course of the construction period. This will extend the construction schedule for all affected areas. This is especially true for BPO 5, where the VBA function is located into Building 500. This condition creates a scenario where a three part move is required.

Prior to the first move, the New Inpatient Building is completed with a new imaging department. In the first move the Imaging department vacates the Ground Level of Building 500 and relocates into the new building. Following this, the new Pathology department is constructed in area of the vacated imaging department. In the second move, Pathology and other departments vacate the First Level and relocate to the new area on the Ground Level. Next, the new VBA is constructed in the area of the vacated Pathology department. In the last move, the VBA relocates to the new area on the First Level. This three part move extends the construction schedule for this BPO to a total of 102 months.

Due to the extensive phasing required for renovations, demolition and relocations, Building 500 in BPO 5 has a construction schedule that extends beyond that of the other BPOs. These delays will result in increased maintenance costs and the potential for additional renovations to consolidate services or maintain utility and services routes through other buildings available for reuse or demolition.

There are a number of vacant buildings that could be used for staging of non-clinical functions to minimize both disruptions and the duration of the construction schedule. This is not an assumption that was used for the development of the construction schedule. However it is something that could be considered in later more detailed studies.

Most of the rest of the reused building will require phased renovations, as only a limited number of the existing buildings can be renovated in a single phase. Detailed phasing schedules are beyond the scope of this study. However, every effort has been made to reduce disruption to patient and staff functions where possible. This is especially true for Building 500, where more detailed scheduling was developed.

Major Infrastructure Issues: Several site utility issues were identified for the West LA campus and are detailed as follows for each BPO. Site preparation for the water and steam utility replacement projects in all BPOs will require substantial site and roadway

demolition to accommodate the new construction. This will also add to the overall construction duration and associated costs.

The existing campus water distribution system requires replacement. An overview of the proposed replacement parameters of the existing water plant buildings, valves and associated water mains is provided in Tables 5a & b. Any required replacement of the water distribution system within the buildings is covered separately under the costs associated with the building renovation.

Table 5a: West Los Angeles Water System, BPO 1

Description				
Total buildings:		0	Buildings	
Total building area:		0	BGSF	
Total land area impacted:		483,200	GSF	
Total length of pipe:		4,832	Linear Feet	
Special construction:				
<ul style="list-style-type: none"> ▪ Verify connection to water source. ▪ No special construction identified. 				
Comments				
<ul style="list-style-type: none"> ▪ Scope includes the replacement of Water Distribution Systems to meet proposed VA capacity. This assumes site work for 50 feet on both sides of the below surface water lines. ▪ Renovate all listed associated buildings. ▪ Renovate 500,000 & 300,000 gal. water tanks. ▪ Renovate booster pumps, valves & associated tanks in 500 building. ▪ Design and detailed transitional phasing are beyond the scope of this project. 				
No.	Building Name	Area	Comments	
n/a	n/a	0	BGSF	
	Total:	0	BGSF	

Table 5b: West Los Angeles Water System, BPO 2, 3 & 5

Description				
Total buildings:		0	Buildings	
Total building area:		0	BGSF	
Total land area impacted:		315,600	GSF	
Total length of pipe:		3,156	Linear Feet	
Special construction:				
<ul style="list-style-type: none"> ▪ Verify connection to water source. ▪ No special construction identified. 				
Comments				
<ul style="list-style-type: none"> ▪ Scope includes the replacement of Water Distribution Systems to meet proposed VA capacity. This assumes site work for 50 feet on both sides of the below surface water lines. ▪ Renovate all listed associated buildings. ▪ Renovate 500,000 & 300,000 gal. water tanks. ▪ Renovate booster pumps, valves & associated tanks in 500 building. ▪ Design and detailed transitional phasing are beyond the scope of this project. 				
No.	Building Name	Area	Comments	
n/a	n/a	0	BGSF	
	Total:	0	BGSF	

Steam is generated in Building 295 and distributed throughout the site via piping located in concrete trenches with concrete service access plates. Both the steam and condensate distribution systems are in poor condition and have experienced leaks on numerous occasions. In addition, the pipe guides that support valves and piping insulation are in very poor condition. An overview of the proposed replacement parameters of the existing boiler plant building, valves traps and associated steam lines is provided in Tables 6a & b. Any required replacement of the steam distribution system within the buildings is covered separately under the costs associated with the building renovation

Table 6a: West Los Angeles Steam System, BPO 1

Description				
Total buildings:		1	Buildings	
Total building area:		3,000	BGSF	
Total land area impacted:		347,600	GSF	
Total length of pipe:		6,952	Linear Feet	
Special construction:				
<ul style="list-style-type: none"> ▪ Verify connections to outflow sources. ▪ No special construction identified. 				
Comments				
<ul style="list-style-type: none"> ▪ Scope includes the replacement of both the Steam Distribution as well as the Condensate Return Systems to meet proposed VA capacity. This assumes site work for 25 feet on both sides of the existing concrete trench. ▪ Renovate all listed associated buildings. ▪ The abatement of any discovered Asbestos is beyond the scope of this report. ▪ Design and detailed transitional phasing are beyond the scope of this project. 				
No.	Building Name	Area	Comments	
295	Steam Generator	3,000	BGSF	No site work.
Total:		3,000	BGSF	

Table 6b: West Los Angeles Steam System, BPO 2, 3 & 5

Description				
Total buildings:		1	Buildings	
Total building area:		3,000	BGSF	
Total land area impacted:		234,350	GSF	
Total length of pipe:		4,687	Linear Feet	
Special construction:				
<ul style="list-style-type: none"> ▪ Verify connections to outflow sources. ▪ No special construction identified. 				
Comments				
<ul style="list-style-type: none"> ▪ Scope includes the replacement of both the Steam Distribution as well as the Condensate Return Systems to meet proposed VA capacity. This assumes site work for 25 feet on both sides of the existing concrete trench. ▪ Renovate all listed associated buildings. ▪ Scope does not include any proposed work in the Reuse Parcels for these BPOs. ▪ The abatement of any discovered Asbestos is beyond the scope of this report. ▪ Design and detailed transitional phasing are beyond the scope of this project. 				
No.	Building Name	Area	Comments	
295	Steam Generator	3,000	BGSF	No site work.
Total:		3,000	BGSF	

The underground storm drainage system, in general, is undersized and does not provide adequate site coverage. During heavy rain, run-off becomes surface flow, causing flooding of the site and in selected buildings' basements.

Emergency power is provided to West LA facilities through a decentralized system.

On the Wadsworth campus, primary systems consist of two 2,000 KVA generators in Building 501. These feed emergency power to Building 500 and ancillary buildings. The Building 500 system is not installed per industry standards with separate Life Safety, Critical and Emergency Equipment branches of the “essential electrical systems.”

Projected space requirements

- Space requirements derived from projected workload: The VA's workload values projected to 2023 form the basis for the projected space requirements. The Projected Departmental Area Need in Department Gross Square Footage (DGSF) indicates existing departmental area, projected workload volumes and associated projected area need for the campus. Factors used in generating the projected area need are indicated in the Stage II Assumptions. Department Gross Square Footage (DGSF) includes all area within a department or service area. Mechanical shafts, building structure, corridors, stairs, exterior walls, etc., that are not within the confines of the department are excluded from DGSF. Projected area totals less than 1,000 BGSF are not considered significant.
- Projected areas organized by Departmental Group: Projected areas are distributed to building Departmental Groups (Zone) and converted to BGSF as indicated in The Area Distribution by Departmental Group (Zone). The Outlease values were removed from the projected need yields for all BPOs. No Rehabilitation values were projected for any of the BPOs. The original area projections were modified at the request of the local VA. Specifically, the areas for Behavioral, Administration, Research and Logistics.

BPO 1 - Baseline

BPO Description:

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.

While there may be reuse potential of underutilized land and vacant buildings, reuse was not studied under this BPO.

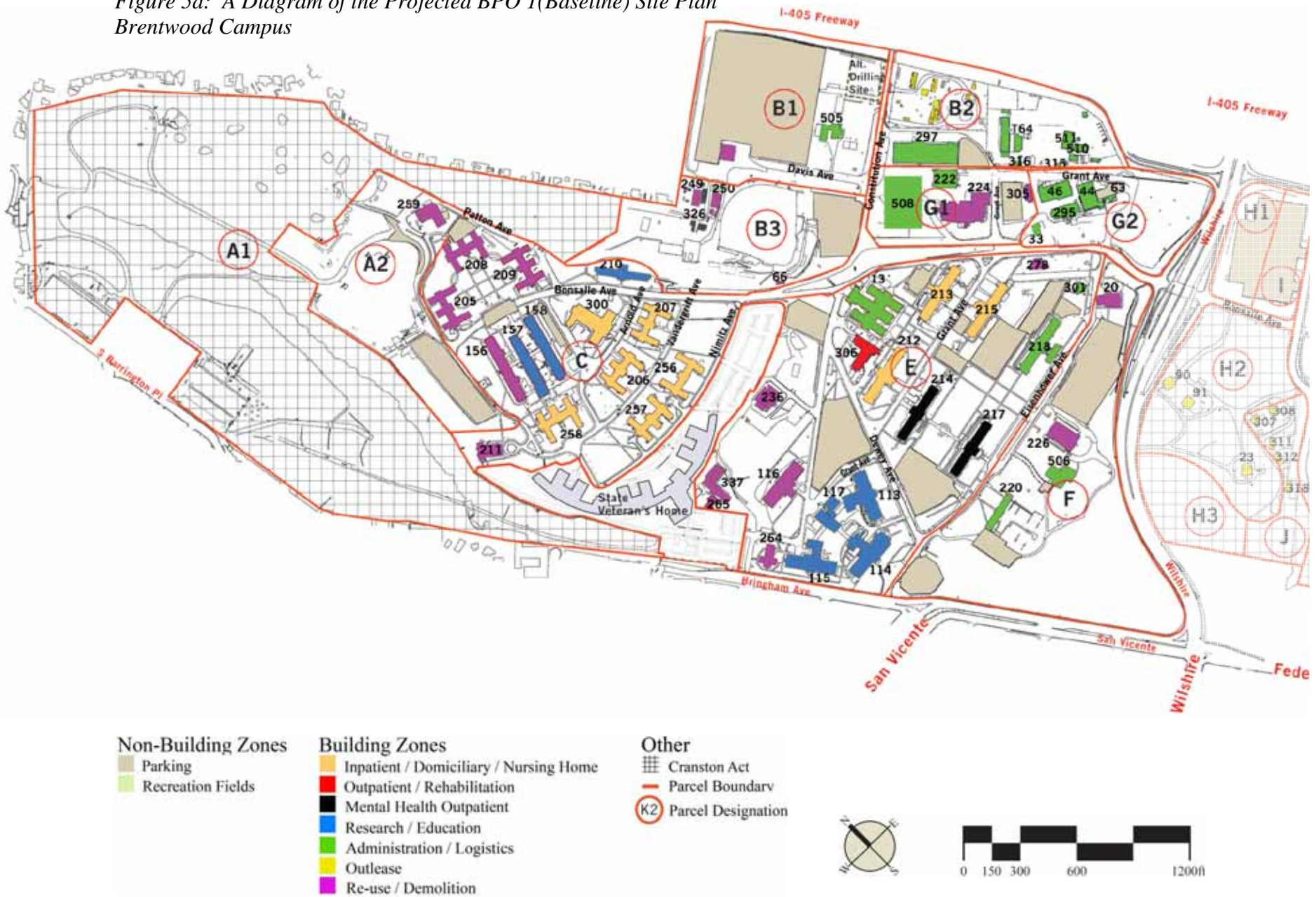
Note:

As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

Analysis of Capital Planning Outputs

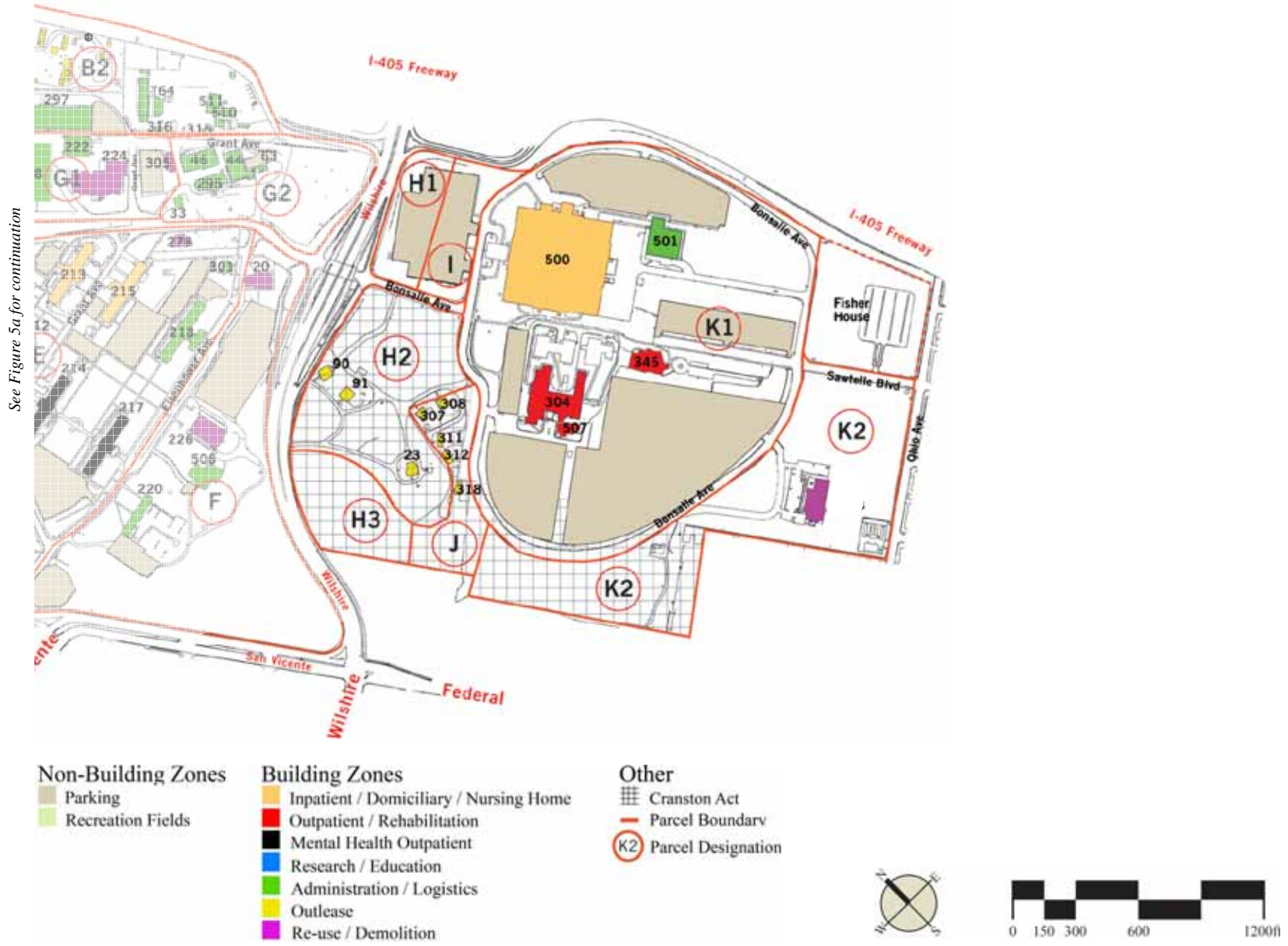
- **Site Plan:** The Projected BPO 1 (Baseline) Site Plan (Figures 5a & b) illustrates the proposed campus configuration and locations of buildings.
- **Building Color Code:** Similar to the Existing Current Stage Site Plan, the building color indicates the Departmental Group (Zone) of the primary occupants for each building. Matching the building color key used for the Existing Current State Site Plan, the proposed building color indicates the predominant occupancy of the building. Refer to the Legend regarding the Departmental Groups (Zone) contained therein.
- **Site Impact during Construction:** Site area calculations for cost estimating purposes are based on land area assigned to specific functions (such as for replacement piping in the utility replacement), new or replaced recreation areas (although none are identified for this site), new or repaved parking areas as determined by projected need and adjacency to new or renovated buildings as defined by the BPO site plan. Where existing parking areas are not needed, the calculation provides for their demolition and replacement with turf. Restoration of existing or installation of new walkways and internal campus vehicular circulation paths are also included in the calculation. Where existing buildings are scheduled for demolition, the calculation provides for their demolition and replacement of the former site with turf. As opposed to all of the other BPOs, this one has no new construction and consequently, no site impact associated with new construction. For this BPO the total site impact area total for cost calculations is approximately 81 acres excluding affected parking and building footprints.

Figure 5a: A Diagram of the Projected BPO 1(Baseline) Site Plan Brentwood Campus



See Figure 5b for continuation

Figure 5b: A Diagram of the Projected BPO 1(Baseline) Site Plan Wadsworth Campus



- Campus Area and Uses: The BPO 1 (Baseline) campus configuration as indicated on the site plan is summarized in Table 7. There is no dedicated exterior recreation area defined. However, there is sufficient land available for recreational activities such as Golf Courses. The area totals for primary activities on the portions of the site to be retained exclusively for VA-related functions are indicated in the Campus Area Total below.

Table 7: Campus Area Total Acreage - BPO 1 (Baseline)

Campus Area	Acres
Recreation	0
Parking	~ 43
Building & Landscape	~ 330
BPO Total (total of above)	~ 373
Existing Campus Total	~ 373

- Land Parcels Available for Re-Use: BPO 1 (Baseline) assumptions do not allow land parcels to be designated for reuse.
- Buildings Available for Re-Use: The Baseline does not identify specific buildings for reuse. All other buildings that are not required for VA functions are designated for reuse / demolition and demolitions costs are associated with each.

There are some buildings that are specifically designated by the local VA as not to be demolished even though there are no assigned VA functions as defined in the CAI database proposed for the buildings. Consequently there are no associated demolition costs. These buildings are: 116, 20, 211, 226, 23, 264, 307, 308, 311, 312, 318, 90 and 91.

- Relocation of Functions: In BPO 1 all projected area requirements will be accommodated through the renovation of existing buildings and reducing vacant space therein.

The Acute Zone is almost all located on the Wadsworth Campus in renovated Building 500. Parking will surround the buildings with surface lots. Additionally, there is also renovated Building 300 on the Brentwood Campus that houses a small amount of Acute.

The Nursing Home Zone, located on the Brentwood Campus, and consists of renovated buildings 212, 213, and 215 near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions.

The Domiciliary Zone, located on the North end of the Brentwood Campus, consists of renovated buildings 206, 207, 256, 257 and 258. Surface parking will surround the building with multiple designated entries assigned to specific functions.

The Behavioral Zone, located on the Brentwood Campus, consists of renovated buildings 214, 217 and 220 near the center of the campus. Parking will surround the buildings with both surface lots as well as structured parking.

The Ambulatory Zone, located on the Wadsworth Campus, consists of renovated buildings 304, 345, 507 and 500. Parking will surround the buildings with surface lots.

The Research Zone, located on the Brentwood Campus, consists of renovated buildings 113, 114, 115, and 117 near Federal Avenue and renovated buildings 157 and 158 to the North. Parking will surround the buildings with surface lots.

The Administrative Zone, located on the Brentwood Campus, consists of renovated buildings 218, 505 and 506, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions. The Administrative Zone on the Wadsworth Campus consists of renovated Building 500. Parking will surround the buildings with surface lots.

The Logistical Zone is located in several buildings throughout both campuses.

The remaining existing buildings located on the campus will be vacated and designated for demolition or reuse.

Table 8, below, indicates the projected area need as assigned to each building on the campus. Departmental Group area totals are provided for each building.

Table 8: Functional Distribution - BPO 1 (Baseline)

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
0	Baseball Lot (UCLA) Clubhouse	Administration	300	0
0	Baseball Lot (UCLA) Clubhouse	Ambulatory Services	300	0
0	Baseball Lot (UCLA) Clubhouse	Outlease	300	0
104	Garage 2-Car	Unassigned	500	500
105	Garage 3-Car	Unassigned	600	600
111	Gate House	Unassigned	144	144
113	Animal Research	Research	60,000	60,000
114	Research Lab	Administration	971	0
114	Research Lab	Ambulatory Services	971	0
114	Research Lab	Outlease	971	0
114	Research Lab	Research	67,006	69,921
115	Research Lab	Research	60,314	60,314
116	Outlease New Directions Homeless Vets	Unassigned	0	60,309
116	Outlease New Directions Homeless Vets	Administration	20,103	0
116	Outlease New Directions Homeless Vets	Ambulatory Services	20,103	0
116	Outlease New Directions Homeless Vets	Outlease	20,103	0
117	Research Lab (former Mortuary)	Research	20,873	20,873

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
12	Emergency Generator	Unassigned	1,075	1,075
13	Storage	Unassigned	0	5,961
13	Storage	Logistics	0	39,472
13	Storage	Nursing Home	0	7,171
13	Storage	Outlease	52,604	0
14	Single Garage	Unassigned	n/a	n/a
156	Vacant	Unassigned	0	60,000
156	Vacant	Outlease	60,000	0
157	Vacant	Unassigned	0	7,423
157	Vacant	Outlease	45,000	0
157	Vacant	Research	0	37,577
158	Mental Health Clinic	Outlease	47,134	0
158	Mental Health Clinic	Research	0	47,134
199	Vacant (Hoover Barracks)	Unassigned	0	3,600
199	Vacant (Hoover Barracks)	Outlease	3,600	0
20	Chapel	Unassigned	0	8,758
20	Chapel	Outlease	8,758	0
205	Mental Outpatient Psychiatry (Brentwood)	Unassigned	0	53,048
205	Mental Outpatient Psychiatry (Brentwood)	Administration	5,500	0
205	Mental Outpatient Psychiatry (Brentwood)	Ambulatory Services	2,769	0
205	Mental Outpatient Psychiatry (Brentwood)	Behavioral Health	10,612	0
205	Mental Outpatient Psychiatry (Brentwood)	Outlease	34,166	0
206	Mental Heath Homeless (Brentwood)	Ambulatory Services	23,547	0
206	Mental Heath Homeless (Brentwood)	Behavioral Health	23,548	0
206	Mental Heath Homeless (Brentwood)	Domiciliary	0	47,099
207	Outleased Salvation Army (Brentwood)	Administration	5,223	0
207	Outleased Salvation Army (Brentwood)	Ambulatory Services	5,223	0
207	Outleased Salvation Army (Brentwood)	Domiciliary	31,343	47,014
207	Outleased Salvation Army (Brentwood)	Outlease	5,223	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Unassigned	0	47,264
208	Mental Health/Voc Rehab Medicine (Brentwood)	Ambulatory Services	14,704	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Behavioral Health	1,404	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Outlease	14,456	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Research	16,697	0
209	Vacant	Unassigned	0	46,708
209	Vacant	Acute Care	15,571	0
209	Vacant	Ambulatory Services	15,571	0
209	Vacant	Outlease	15,565	0

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
210	Research/MIREC (Brentwood)	Behavioral Health	2,271	0
210	Research/MIREC (Brentwood)	Nursing Home	4,541	0
210	Research/MIREC (Brentwood)	Research	32,865	39,677
211	Theater (Brentwood)	Unassigned	0	11,490
211	Theater (Brentwood)	Administration	3,829	0
211	Theater (Brentwood)	Ambulatory Services	3,829	0
211	Theater (Brentwood)	Outlease	3,829	0
212	Salvation Army/Prosthetics	Domiciliary	49,551	0
212	Salvation Army/Prosthetics	Nursing Home	0	62,560
212	Salvation Army/Prosthetics	Outlease	0	0
212	Salvation Army/Prosthetics	Research	13,009	0
213	NHCU Pod & Dialysis	Ambulatory Services	15,973	0
213	NHCU Pod & Dialysis	Nursing Home	46,584	62,560
214	Domiciliary	Administration	0	15,697
214	Domiciliary	Behavioral Health	0	37,303
214	Domiciliary	Domiciliary	53,000	0
215	NHCU	Nursing Home	53,000	53,000
217	Domiciliary	Behavioral Health	0	58,000
217	Domiciliary	Domiciliary	58,000	0
218	Administration Building	Administration	48,617	75,121
218	Administration Building	Ambulatory Services	1,087	0
218	Administration Building	Logistics	17,309	0
218	Administration Building	Outlease	8,107	0
220	Dental/Research	Administration	2,241	0
220	Dental/Research	Ambulatory Services	8,967	0
220	Dental/Research	Behavioral Health	0	29,876
220	Dental/Research	Domiciliary	3,187	0
220	Dental/Research	Outlease	8,759	0
220	Dental/Research	Research	6,722	0
222	Mail Out Pharmacy	Administration	8,855	0
222	Mail Out Pharmacy	Ambulatory Services	8,855	0
222	Mail Out Pharmacy	Logistics	0	26,565
222	Mail Out Pharmacy	Outlease	8,855	0
224	Outleased Laundry	Unassigned	0	29,256
224	Outleased Laundry	Administration	9,752	0
224	Outleased Laundry	Ambulatory Services	9,752	0
224	Outleased Laundry	Outlease	9,752	0
226	Outleased Wadsworth Theater	Unassigned	0	20,875
226	Outleased Wadsworth Theater	Administration	6,958	0
226	Outleased Wadsworth Theater	Ambulatory Services	6,958	0
226	Outleased Wadsworth Theater	Outlease	6,958	0
23	Quarters	Unassigned	0	3,448
23	Quarters	Administration	3,448	0
233	HAZMAT Building	Unassigned	0	840
233	HAZMAT Building	Outlease	840	0
236	Police HQ	Unassigned	0	7,108

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
236	Police HQ	Administration	1,422	0
236	Police HQ	Ambulatory Services	5,686	0
236	Police HQ	Logistics	0	0
249	Greenhouse	Unassigned	0	2,800
249	Greenhouse	Ambulatory Services	2,800	0
250	Lath House Rehab Medicine	Unassigned	0	1,200
256	Day Treatment Center Mental Health	Acute Care	48	0
256	Day Treatment Center Mental Health	Administration	48	0
256	Day Treatment Center Mental Health	Ambulatory Services	8,534	0
256	Day Treatment Center Mental Health	Behavioral Health	21,673	0
256	Day Treatment Center Mental Health	Domiciliary	48	47,675
256	Day Treatment Center Mental Health	Logistics	1,549	0
256	Day Treatment Center Mental Health	Nursing Home	48	0
256	Day Treatment Center Mental Health	Outlease	48	0
256	Day Treatment Center Mental Health	Research	15,672	0
257	Mental Health/New Directions/Methadone (Brentwood)	Behavioral Health	36,075	0
257	Mental Health/New Directions/Methadone (Brentwood)	Domiciliary	21,311	57,387
258	Administration/Mental Health (Brentwood)	Administration	12,325	1,896
258	Administration/Mental Health (Brentwood)	Ambulatory Services	7,104	0
258	Administration/Mental Health (Brentwood)	Behavioral Health	12,969	0
258	Administration/Mental Health (Brentwood)	Domiciliary	0	63,679
258	Administration/Mental Health (Brentwood)	Outlease	24,055	0
258	Administration/Mental Health (Brentwood)	Research	9,120	0
259	Com Work Therapy	Unassigned	0	8,685
259	Com Work Therapy	Ambulatory Services	8,685	0
264	FBI (Annex Theater)	Unassigned	0	10,080
264	FBI (Annex Theater)	Administration	3,360	0
264	FBI (Annex Theater)	Ambulatory Services	3,360	0
264	FBI (Annex Theater)	Logistics	0	0
264	FBI (Annex Theater)	Outlease	3,360	0
265	Vacant (To Be Demolished)	Unassigned	0	2,400
265	Vacant (To Be Demolished)	Outlease	2,400	0
266	Vacant (To Be Demolished)	Unassigned	0	3,234
266	Vacant (To Be Demolished)	Outlease	3,234	0
267	Vacant (To Be Demolished)	Unassigned	0	6,648
267	Vacant (To Be Demolished)	Outlease	6,648	0
278	Vacant (To Be Demolished)	Unassigned	0	3,000
278	Vacant (To Be Demolished)	Outlease	3,000	0
292	Water Treatment Plant	Unassigned	864	864

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
295	Steam Plant	Unassigned	5,720	5,720
296	Chemical Storage House	Unassigned	219	219
297	Supply Warehouse	Logistics	32,700	32,700
299	Switchgear	Unassigned	550	550
300	Dietetics	Acute Care	55,059	68,824
300	Dietetics	Nursing Home	13,765	0
301	AFGE Union	Administration	2,643	0
301	AFGE Union	Logistics	0	2,643
304	Research Med. Sup.	Acute Care	4,174	0
304	Research Med. Sup.	Administration	4,174	0
304	Research Med. Sup.	Ambulatory Services	30,674	89,268
304	Research Med. Sup.	Research	50,245	0
305	Transportation Offices	Unassigned	0	1,920
305	Transportation Offices	Logistics	1,920	0
306	Cafeteria/Post Office	Acute Care	107	0
306	Cafeteria/Post Office	Administration	346	0
306	Cafeteria/Post Office	Ambulatory Services	13,159	14,282
306	Cafeteria/Post Office	Behavioral Health	107	0
306	Cafeteria/Post Office	Domiciliary	107	0
306	Cafeteria/Post Office	Nursing Home	107	0
306	Cafeteria/Post Office	Outlease	346	0
307	Single Quarters	Unassigned	0	1,200
307	Single Quarters	Administration	1,200	0
308	Single Quarters	Unassigned	0	1,728
308	Single Quarters	Administration	1,728	0
309	Garage	Unassigned	400	400
310	Garage	Unassigned	400	400
311	Mobile House	Unassigned	0	1,400
311	Mobile House	Outlease	1,400	0
312	Mobile House	Unassigned	0	1,400
312	Mobile House	Outlease	1,400	0
315	GSA Motor Pool	Logistics	3,600	3,600
318	Mobile House	Unassigned	0	1,400
318	Mobile House	Outlease	1,400	0
319	Supply Storage	Unassigned	0	800
319	Supply Storage	Administration	800	0
320	Supply Storage	Unassigned	0	1,200
320	Supply Storage	Logistics	1,200	0
329	Golf Club House	Unassigned	265	265
33	Quarters	Unassigned	0	1,200
33	Quarters	Administration	1,200	0
330	Nursery Garden	Unassigned	0	1,500
330	Nursery Garden	Ambulatory Services	1,500	0
337	Research Animal House	Unassigned	0	6,772
337	Research Animal House	Research	6,772	0
345	Radiation Therapy	Ambulatory Services	15,620	15,620

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
44	Engineering Shop	Logistics	12,909	12,909
46	Engineering Shop	Logistics	11,034	11,034
500	Main Hospital	Acute Care	263,755	295,836
500	Main Hospital	Administration	129,224	196,539
500	Main Hospital	Ambulatory Services	392,127	342,086
500	Main Hospital	Behavioral Health	24,903	0
500	Main Hospital	Domiciliary	1,724	0
500	Main Hospital	Logistics	45,916	65,539
500	Main Hospital	Nursing Home	5,433	0
500	Main Hospital	Outlease	15,108	0
500	Main Hospital	Research	12,197	0
501	Chiller	Logistics	30,000	30,000
505	Paint Shop	Administration	0	5,000
505	Paint Shop	Logistics	5,000	0
506	VA District Council	Administration	3,106	9,320
506	VA District Council	Ambulatory Services	3,106	0
506	VA District Council	Outlease	3,106	0
507	MRI Facility	Ambulatory Services	6,000	6,000
508	Laundry	Acute Care	11,250	0
508	Laundry	Logistics	22,500	45,000
508	Laundry	Nursing Home	11,250	0
509	Recycling Center	Unassigned	0	3,749
509	Recycling Center	Acute Care	94	0
509	Recycling Center	Administration	94	0
509	Recycling Center	Ambulatory Services	94	0
509	Recycling Center	Behavioral Health	94	0
509	Recycling Center	Domiciliary	94	0
509	Recycling Center	Logistics	3,000	0
509	Recycling Center	Nursing Home	94	0
509	Recycling Center	Outlease	94	0
509	Recycling Center	Research	94	0
510	Transportation	Logistics	4,782	4,782
511	Storage	Logistics	9,638	9,638
63	Vacant Engineering M&O	Unassigned	0	720
63	Vacant Engineering M&O	Outlease	720	0
66	Trolley House	Unassigned	0	600
66	Trolley House	Ambulatory Services	600	0
90	Duplex Quarters	Unassigned	0	4,752
90	Duplex Quarters	Administration	4,752	0
91	Duplex Quarters	Unassigned	0	4,752
91	Duplex Quarters	Administration	4,752	0
T79	Plant Nursery	Unassigned	0	1,550
T79	Plant Nursery	Ambulatory Services	1,550	0
T83	Welding shop	Unassigned	0	1,300
T83	Welding shop	Logistics	1,300	0
T84	Laundry Annex	Unassigned	0	1,580

Number	Building Name	Building Group	Existing BGSF	Proposed BGSF
T84	Laundry Annex	Acute Care	395	0
T84	Laundry Annex	Logistics	790	0
T84	Laundry Annex	Nursing Home	395	0

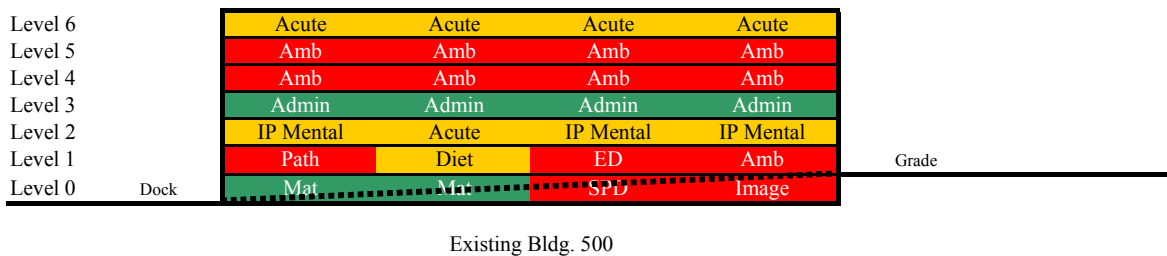
Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- The plan recognizes that outleased space currently has existing relationships which will be considered in reuse planning.

- **Conceptual Building Section** The following Figure 6 illustrates the proposed stacking for the existing Building 500. Either entire zones or at least similar zones are co-located on the same floors to minimize function conflicts. Where a department was not relocated to another building or to make way for a different department, it was left in the existing location. Support loading dock and outpatient functions are located on the Ground Level. Other outpatient functions were located to the First Level with direct access to parking and the rest of the campus. The Second Level is renovated Behavioral Health that is renovated in-place. Levels three through six are as indicated below. All other buildings on the site are a single Zone and therefore do not require a building section.

Figure 6: Conceptual section of the Functional Distributions

BPO 1



- **Optimal Use of Existing Buildings:** The majority of existing buildings on the campus are not compatible with modern standards of design for clinical functions. To accommodate projected delivery of care standards, the floor plates are too small (resulting in compromised functional adjacencies); the floor to floor heights are too low (resulting in mechanical systems with insufficient air volume) and with a few exceptions, the resident rooms do not have bathrooms accessible from within the rooms. As a result, proposed renovations to address the projected workload will require additional area to achieve the same goal. Since BPO 1 seeks to optimize use of existing buildings without new construction, the area totals for this BPO are larger than those BPOs that include new construction.

- Projected Workload Volumes for 2023:** The projected areas are derived from workload volumes that are detailed in the Stage II Assumptions, not included or attached to this report. These projected areas indicate that the desired functions can be accommodated in approximately the same area that is currently used on the campus for most of the zones. This is largely due to the fact that there is no new construction in this BPO, and all the zones will need to be relocated back into the same inefficient renovated buildings that they originated in. The two notable exceptions are Nursing Home and Domiciliary Zones that will be required to meet higher area standards than are currently in use while still being housed in renovated, inefficient buildings. The convergence of the two resulted in the requirement for significantly more area than is currently in use for these zones.
- Parking:** Portions of the existing surface parking areas will be repaved and expanded to provide parking in the most convenient locations adjacent to building entries. Where existing parking is not required, it will be removed and new landscape will be provided. Distribution of parking by departmental group is indicated in Table 9. There is sufficient land available to meet the parking need. Therefore structured parking is not required for this campus, in this BPO.

Table 9: Parking Distribution – BPO 1 (Baseline)

Parking Area	Total Surface Spaces	Total Structured Spaces	Surface Area (SF)	Structured Area (SF)	Location
Acute Care	564	0	282,000	0	Adjacent to Building 500.
Nursing Home	160	0	80,000	0	Adjacent to Bldgs. 212, 213, 215.
Domiciliary	230	0	115,000	0	Adjacent to Bldgs 206, 207, 256, 257.
Rehabilitation	0	0	0	0	n/a
Behavioral Health	111	0	55,500	0	Adjacent to Bldgs. 214, 217, 220.
Ambulatory Services	1,792	0	896,000	0	Adjacent to Bldgs. 304, 345, 507.
Research	278	0	139,000	0	Adjacent to Bldgs. 113, 114, 115, 117.
Administration	376	0	188,000	0	Adjacent to Bldgs. 218, 505, 506.
Logistics	202	0	101,000	0	Throughout the site.
Total	3,713	0	1,856,500	0	

Note: There is no rehabilitation or outlease space provided on the campus. However, the projected parking area resulting from mathematical rounding of projected areas has been included in the logistics parking area on the site plan.

- Conclusion from the Space Analysis:** The projected area need for the campus is approximately 2,642,000 BGSF (not including outlease space). Because BPO 1 (Baseline) involves extensive renovation of existing space exclusively, the space required is approximately 2,307,000 Building Gross Square Feet (BGSF). This projected area provides a reduction to the existing campus area of only approximately 12%. This small

percentage reduction is largely due to the fact that there is no new construction in this BPO. Consequently, all the zones will need to be relocated back into the same inefficient renovated buildings that they originated in. If the campus were to be re-built in entirely new, efficient construction, the percentage reduction would be much higher. It is also significant to note that the above percentage reduction for this BPO would have been even smaller were it not for the fact that the de-optimization factors, that dictated the buildings' efficiencies, for many of the existing buildings were significantly elevated over what was used in all the other BPOs in order to provide enough area to meet the requirements in this BPO. Consequently, all other BPOs were handicapped in comparison to this BPO. In the final analysis, this BPO will appear more efficient and consequently less expensive than it would otherwise when compared to the other BPOs.

Construction Phasing: Phasing is addressed via two different approaches for each zone, or program element, on the West Los Angeles campus. One approach is sequential projects; with relocation of departments into renovated space as projects are completed. This includes renovated Nursing Home Care Buildings, Domiciliary Buildings, etc. After a department is relocated, the newly vacated space is then available for renovation and further relocations. This approach results in fairly simple single-phase projects, without minimal impact to operation of the departments prior to the time of move in.

Another approach is required for functions that are not relocated and require renovation-in-place while continuing to operate. This type of renovation for departments that remain in place dictates complex, multi-phase construction in order to maintain patient services in the effected department. Proposed sub-phasing and duration of renovation projects is based on the assumption that excess capacity exists or can be created in each department. This assumption is based on in-patient bed unit and diagnostic services capacity of the main Hospital Building, as originally designed, which is in excess of that being used today. However, in order to utilize any excess capacity to allow in-place renovations careful planning during the implementation phase will be required. Excess capacity within each department may be created by extending hours of operation, space reallocation or a combination of both. Each department has unique minimal spatial requirements and operational considerations which impact the number of sub-phases as well as the boundary and square footage of each sub-project. Departments that are expected to require this approach include those with fixed equipment, extensive infrastructure and highly specialized services including Surgery, Imaging, Pharmacy, Clinical Laboratory and Dietetic. These departments may require 3-4 phases of renovation with only 20-35% of each department being impacted by construction at any one time, over a long duration. This issue will require extensive study during the implementation phase of the selected BPO and may change significantly as the each project element is further planned and executed. The intent is for each department to remain operational with a reasonable utilization rate while being renovated in-place, without the need to temporally relocate or outsource the function.

A general overview of the phasing sequence is provided as follows:

- Replace campus water and steam site distribution systems.
 - Renovate in multiple phases Building 500 for Acute, Ambulatory and Administration Zones.
 - Renovate buildings 212, 213 and 215 for Nursing Home Zone
 - Vacate existing Nursing Home patients in buildings 213 and 215 and relocate to renovated buildings 212, 213 and 215.
 - Renovate buildings 206, 207, 256, 257 and 258 for Domiciliary Zone.
 - Vacate existing Domiciliary patients in buildings 214 and 217 and relocate to renovated buildings 206, 207, 256, 257 and 258.
 - Renovate buildings 214, 217 and 220 for Behavioral Zone.
 - Renovate buildings 304, 345 and 507 for Ambulatory Zone.
 - Renovate in multiple phase buildings 113, 114, 115 and 117 for Research Zone.
 - Renovate buildings 157 and 158 for Research Zone
 - Renovate buildings 218, 505 and 506 for Administration Zone.
 - Renovate Logistics Buildings for Logistics Zone.
- Construction Schedule: Schedules for construction activities are intended to identify relative duration of new construction or renovated work in order to calculate occupancy dates for utilization of space and escalation costs. These schedules provide a base on which the implementation plan activities will be incorporated. The schedule indicates a brief description of the individual building construction projects and indicates the construction sequence and duration for this option. Commissioning of engineering systems should occur in the last 20% of each project's duration.
 - Existing Building Maintenance Costs: Existing unaltered buildings retained on the campus for the Baseline require ongoing and periodic maintenance costs, including buildings which are scheduled for demolition, up to the point where demolition begins.
 - Capital Cost Estimate: An estimate of projected new construction and renovation costs is indicated in the BPO Capital Cost Estimate. The capital costs are based on campus-wide area projections by Departmental Group (Zone) as indicated in the Projected BPO areas by Departmental Group (Zone).
 - Construction Cost depends on Function: Construction costs are derived from projected area requirements by Building and non-Building Departmental Groups (Zones).
 - Soft Costs Standardized: Approved factors as stated in the assumptions for soft costs (such as professional fees, furnishings and equipment) are based on consultant experience and VA standards.

Evaluation of BPO 1 (Baseline) using Capital Criteria:

- Consolidation of Vacated Space: The vacant square footage area totals for BPO 1 (Baseline) indicate a 97% decrease in vacant space across the campus (See Table 10). The approximately 335,000 SF includes that space in vacant buildings that will be demolished. This BPO relies on existing buildings exclusively to meet the area

requirements. Also, the inefficiencies of these existing buildings require significantly more area to meet the requirements than new construction would. Consequently, almost all of the existing buildings are utilized, leaving very little vacant space.

Table 10: Percentage of Vacant Space – BPO 1 (Baseline)

Title	Vacant BGSF
Existing Vacant	344,821
Vacant BPO	9,667
Difference	-335,154
Percent Difference	-97.2

- **Consolidation of Underutilized Space:** Underutilized space is space not used to its full potential because of physical constraints. Because there is a substantial amount of renovation required for this BPO, additional area is required to achieve a modern, safe and secure environment, resulting in an increase of underutilized space. Comparing the ideal space requirements for the workload to the square footage need for this option results in an 11% overall increase in area need. (See Table 11)

Table 11: Percentage of Underutilized Space – BPO 1 (Baseline)

Title	Total
Projected Ideal BGSF Based on In-House Workload	2,155,778
Proposed BPO BGSF	2,392,237
Underutilized Space	236,459
Variance by Percentage	11%

- **Timeliness of Completion:** This BPO requires a 13.9 year (167 month) multi-phased period of construction from initiation in January 2009 with completion to implement improvements to the physical environment starting in January 2010 and completion in November 2023 (See Table 12). Key assumptions include:
 - The historic building process begins January 2007 and ends January 2011.
 - Project funding is approved January 2009.
 - The first phase of the construction sequence is replacement of the existing campus water and steam site distribution systems. Design and subsequent work for this project is projected to begin January 2010 and takes 48 months to complete.
 - Planning and design for the first series of new construction and renovation projects begins January 2010 and takes 18 months.
 - Renovation of Building 500 for Acute, Ambulatory and Administration Zones begins January 2010 and the last phase of construction is occupied January 2018.
 - Renovation of buildings 212, 213 and 215 for Nursing Home Zone begins at various dates and are occupied at various dates.

- Renovation of buildings 206, 207, 256, 257 and 258 for Domiciliary Zone begins at various dates and are occupied at various dates.
- Renovation of buildings 214, 217 and 220 for Behavioral Zone begins at various dates and are occupied at various dates.
- Renovation of buildings 304, 345 and 507 for Behavioral Zone begins at various dates and are occupied at various dates.
- Renovation of buildings 113, 114, 115, 117, 157 and 158 for Research Zone begins at various dates and are occupied at various dates.
- Renovation of buildings 218, 505 and 506 for Administration Zone begins at various dates and are occupied at various dates.
- Renovation of Logistics Buildings for Logistics Zone begins at various dates and are occupied at various dates.

Table 12: Total Construction Duration – BPO 1(Baseline)

	Start Date	Completion Date	Duration
Total Construction Activity	01/01/10	11/23/23	167 Months

- Timeliness of Urgent Seismic Corrections: There are 32 buildings on the West Los Angeles campus identified in the CAI with seismic non-exempt, medium risk, or higher status. The priority is for the correction of these buildings to be accommodated as early as possible. However, the sequence of construction required to achieve proposed plan indicates full occupancy of the last building with seismic corrections, Building 500, in January 2018. This building will require the most involved and complex phasing to accomplish the required seismic corrections. Buildings with seismic deficient status that are not projected for VA occupancy will be reused or demolished as they become eligible, based on the implementation schedule.
- Size and Complexity of Capital Plan: Projected areas (BGSF) based on 2023 workload volumes indicate changes to the West Los Angeles campus as indicated in Table 13. It is significant to note that with projected increases of area for renovations of existing buildings the overall campus area need for most departmental groups increases. The exception is a notable decrease in Behavioral Health, Ambulatory and Research.

Table 13: Campus Area Change – BPO 1 (Baseline)

Distributions	Acute Care	Nursing Home	Dom	Rehab.	Behav Health	Amb Services	Research	Admin	Logistics	Outlease
Existing	350,458	135,222	218,369	0	133,660	552,821	371,591	286,977	170,730	421,310
Proposed BPO	364,661	185,291	262,855	0	125,179	467,727	335,501	303,576	262,847	0
Variance By BGSF	14,203	50,069	44,486	0	-8,481	-86,894	-36,090	16,599	92,117	-421,310

Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.

- Patient Moves: Of the existing 91 buildings on the campus (as identified in the CAI), in this BPO, many buildings with clinical or clinical-related functions will be renovated or identified as available for reuse/demolition. A detailed construction schedule is beyond the scope of this study. However, there are some portions of Building 500 where renovations will be complex and that patients may be inconvenienced but care may continue in the buildings during renovations. Furthermore, relocations activities may be accommodated in a simple manner without disruption to care delivery. An overview of patient moves follows. Further detail will be provided in the implementation plan.
 - The Acute and Ambulatory Zones will be predominantly located in renovated Building 500. In this BPO, the construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time patient and function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated acute care, ambulatory and support functions relocate to the appropriate renovated areas.
 - The Nursing Home Zone will be located in renovated buildings 212, 213 and 215. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new nursing home facilities all designated nursing home and support functions relocate to the renovated buildings.
 - The Domiciliary Zone will be located in renovated buildings 206, 207, 256, 257, and 258. The construction is accomplished through the renovation of one or two of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new domiciliary buildings all designated domiciliary and support functions relocate to the renovated buildings.
 - The Behavioral Zone will be located in renovated buildings 214, 217, and 220. The construction is accomplished through the renovation of one building at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new behavioral buildings all designated behavioral and support functions relocate to the appropriate renovated areas.
 - The Ambulatory Zone, in addition to Building 500, will be located in renovated buildings 304, 345 and 507. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new ambulatory buildings, all designated ambulatory and support functions relocate to the renovated buildings.
 - The Research Zone will be located in renovated buildings 113, 114, 115, 117, 157 and 158. The construction is accomplished through the renovation of one

building at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new research buildings, all designated research and support functions relocate to the renovated Buildings.

- The Administrative Zone will be predominantly located in renovated Building 500. The construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated administrative and support functions relocate to the appropriate renovated areas. In addition to Building 500, administration will be located in renovated buildings 218, 505 and 506. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new administration buildings, all designated administration and support functions relocate to the renovated buildings.

- Historic Buildings Altered: There are 2 buildings identified as historic in the CAI. However, based on building age, there are 66 buildings designated as historically eligible. For this BPO, 37 will be renovated, considered available for reuse or demolished (See Table 14). The National Historic Preservation Act requires that a federal agency must assume responsibility for historic properties and Section 106 requires federal agencies to consider historic properties as it plans a project and to consult with the Advisory Council on Historic Preservation. The approval process for renovation can take more than a year and will need to be considered in the implementation planning efforts.

Table 14: Historic Buildings Altered – BPO 1 (Baseline)

Title	Bldg Count
Total Historic or Historically Eligible	66
Altered Historic Projects	37

Note: Values indicate quantity of Historically Eligible buildings as altered by this BPO

BPO 2

BPO Description:

BPO 2: Construct New VA Research and VBA Facilities; Construct New Nursing Home; Construct New Columbarium for NCA; 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) to meet 2023 utilization projections. 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. 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. 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

Parcels available for reuse include Parcels A1, A2, C, H3, K2, B3, H2 and J.

Note:

As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

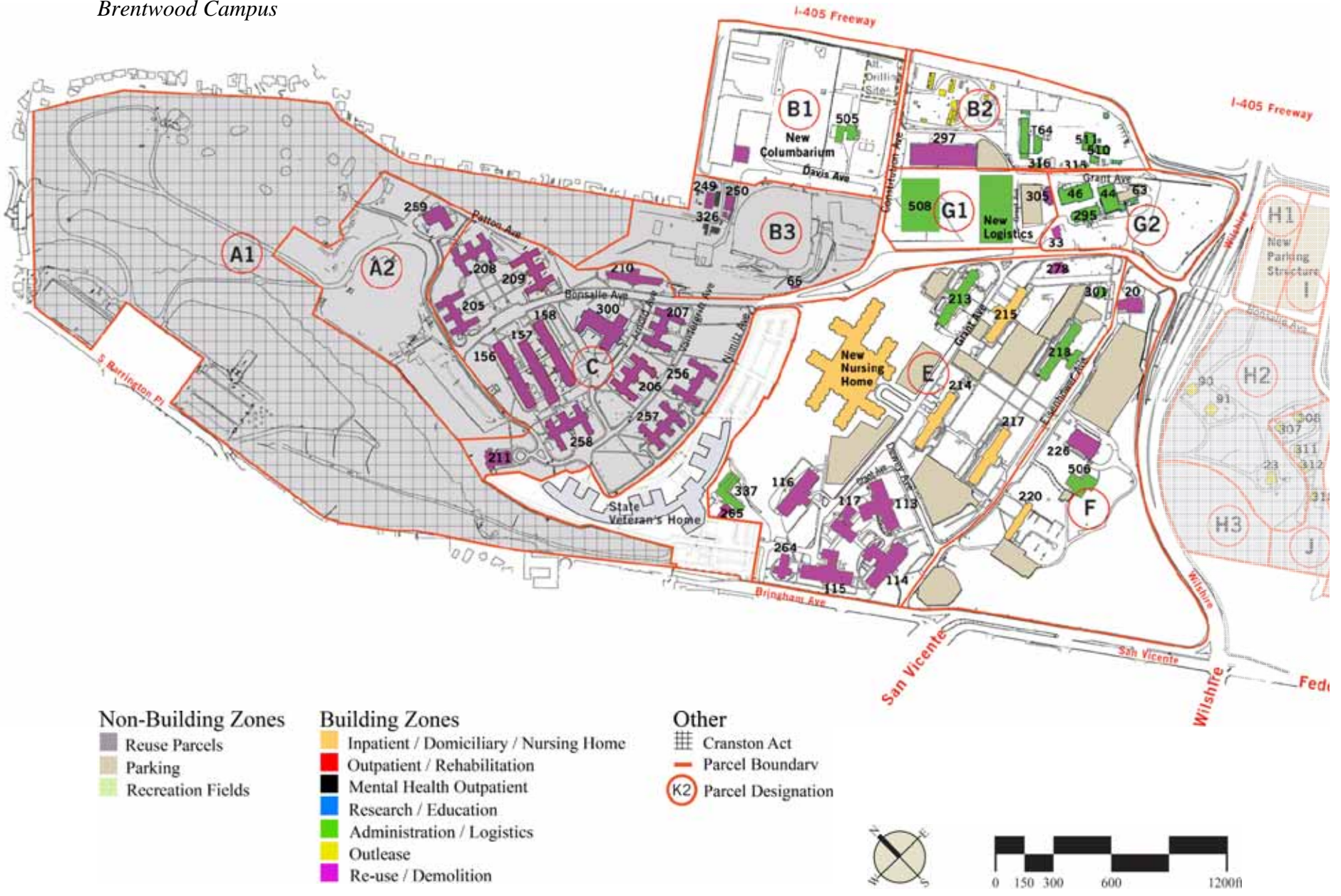
Analysis of Capital Planning Outputs

- Site Plan: The Projected BPO 2 Site Plan (Figures 7a & b) illustrates the proposed campus configuration and locations of buildings.
- Building Color Code: Similar to the Existing Current Stage Site Plan, the building color indicates the Departmental Group (Zone) of the primary occupants for each building. Matching the building color key used for the Existing Current State Site Plan, the

proposed building color indicates the predominant occupancy of the building. Refer to the Legend regarding the Departmental Groups (Zone) contained therein.

- Site Impact during Construction: Site area calculations for cost estimating purposes are based on land area assigned to specific functions (such as for replacement piping in the utility replacement), new or replaced recreation areas (although none are identified for this site), new or repaved parking areas as determined by projected need and adjacency to new or renovated buildings as defined by the BPO site plan. Where existing parking areas are not needed, the calculation provides for their demolition and replacement with turf. Restoration of existing or installation of new walkways and internal campus vehicular circulation paths are also included in the calculation. Where existing buildings are scheduled for demolition without subsequent new construction, the calculation provides for their demolition and replacement of the former site with turf. In this BPO, there are several buildings that are demolished to allow for new construction and some new construction that is not associated with any building demolition. In these cases, the calculations provide for the re-landscaping of the construction area around the new buildings. For this BPO the total site impact area total for cost calculations is approximately 65 acres excluding affected parking and building footprints.

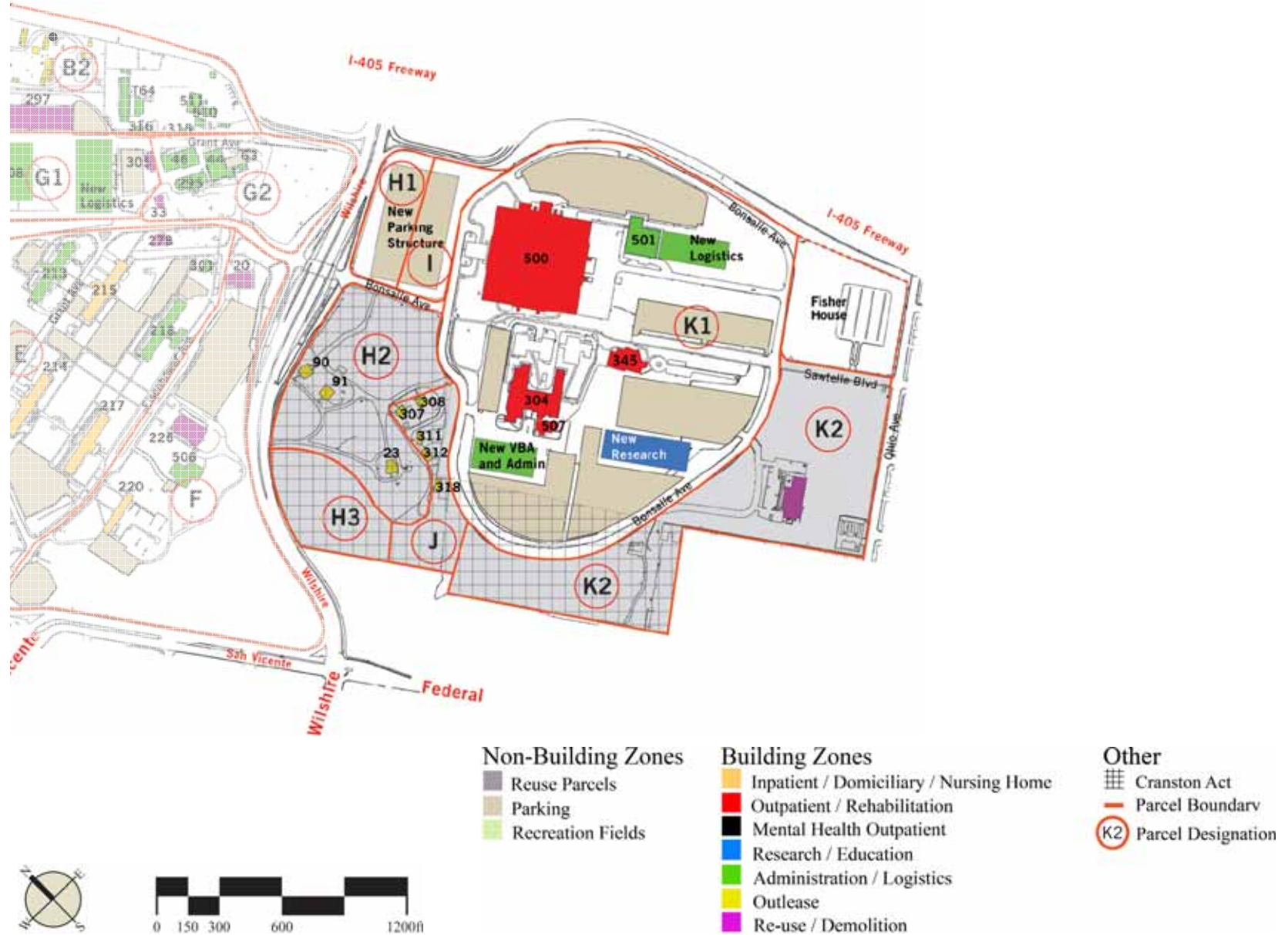
Figure 7a: A Diagram of the Projected BPO 2 Site Plan
Brentwood Campus



See Figure 7b for continuation

Figure 7b: A Diagram of the Projected BPO 2 Site Plan Wadsworth Campus

See Figure 7a, for continuation



- Campus Area and Uses:** The BPO 2 campus configuration as indicated on the site plan is summarized in Table 15. There is no dedicated exterior recreation area defined. However, there is sufficient land available for recreational activities such as Golf Courses. The area totals for primary activities on the portions of the site to be retained exclusively for VA-related functions are indicated in the Campus Area Total below.

Table 15: Campus Area Total Acreage - BPO 2

Campus Area	Acres
Recreation	0
Parking	~ 22
Building & Landscape	~ 193
BPO Total (total of above)	~ 215
Existing Campus Total	~ 373

- Land Parcels Available for Re-Use:** BPO 2 designates approximately 222 acres (or 60% of the present site) on either side of Wilshire Boulevard as required for projected VA functions and approximately 151 acres (or 40% of the site) as available for reuse as shown in Table 16. Buildings and structures associated with replacement of the campus water and steam system are included as part of the area available for reuse. It should be noted that the Parcel B-1 is assigned to become the New Columbarium, and as such is not available for reuse. Also in Parcel B-1 is the Veteran’s Garden that is also not available for reuse.

Table 16: Land Parcels Available for Reuse

Re-Use Parcels	Acres	Comment
Parcel A1	75.25	Brentwood Campus
Parcel A2	15.32	Brentwood Campus
Parcel B3	10.11	Brentwood Campus
Parcel C	9.11	Brentwood Campus
Parcel H2	12.92	Wadsworth Campus
Parcel H3	3.88	Wadsworth Campus
Parcel J	4.13	Wadsworth Campus
Parcel K2	20.77	Wadsworth Campus

- Buildings Available for Re-Use:** This BPO identifies buildings 13, 212, 236 and 306 specifically as demolished to allow for the new construction on the campus for the New Nursing Home. All other existing buildings within VA-use parcels that are not required for VA functions are designated as reuse / demolition and demolitions costs are associated with each.

There are some buildings in both reuse and VA-use parcels that are specifically designated by the local VA as not to be demolished even though there are no assigned VA functions, as defined in the CAI database, proposed for the buildings, and consequently there are no associated demolition costs. These buildings are: 116, 20, 211, 226, 23, 264, 307, 308, 311, 312, 318, 90 and 91.

All existing buildings within the reuse parcels are designated as available for reuse / demolition. These buildings are generally in Parcel C, but are located on other reuse parcels as well. No demolition costs were associated with these buildings due to being in reuse parcels.

- **Relocation of Functions:** In BPO 2 all projected area requirements will be accommodated through either the renovation of existing buildings and reducing vacant space therein or through the construction of the New Nursing Home on the Brentwood Campus and VBA / Administration Building on the Wadsworth Campus.

The Acute Zone, located on the Wadsworth Campus, consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Nursing Home Zone, located on the Brentwood Campus, consists of a New Nursing Home Building near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions.

The Domiciliary Zone, located on the Brentwood Campus, consists of renovated buildings 213 214, 215 and 217, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions. The Domiciliary Zone on the Wadsworth Campus consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Behavioral Zone, located on the Wadsworth Campus, consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Ambulatory Zone, located on the Wadsworth Campus, consists of renovated buildings 304, 345, 507 and 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Research Zone, located on the Wadsworth Campus, consists of the New Research building. Parking will surround the buildings with surface lots.

The Administrative Zone, located on the Brentwood Campus, consists of renovated buildings 213, 218, 220, 505 and 506, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions. The Administrative Zone on the Wadsworth Campus consists of renovated Building 500

and the New VBA / Administration building. Parking will surround the buildings with both surface lots as well as structured parking.

The Logistical Zone is located in several buildings throughout both campuses.

The remaining existing buildings located on the campus will be vacated and designated for demolition or reuse.

Table 17, below, indicates the projected area need as assigned to each building on the campus. Departmental Group area totals are provided for each building.

Table 17: Functional Distribution - BPO 2

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
0	Baseball Lot (UCLA) Clubhouse	Administration	300	0
0	Baseball Lot (UCLA) Clubhouse	Ambulatory Services	300	0
0	Baseball Lot (UCLA) Clubhouse	Outlease	300	0
104	Garage 2-Car	Unassigned	500	500
105	Garage 3-Car	Unassigned	600	600
111	Gate House	Unassigned	144	144
113	Animal Research	Unassigned	0	60,000
113	Animal Research	Research	60,000	0
114	Research Lab	Unassigned	0	69,921
114	Research Lab	Administration	971	0
114	Research Lab	Ambulatory Services	971	0
114	Research Lab	Outlease	971	0
114	Research Lab	Research	67,006	0
115	Research Lab	Unassigned	0	60,314
115	Research Lab	Research	60,314	0
116	Outlease New Directions Homeless Vets	Unassigned	0	60,309
116	Outlease New Directions Homeless Vets	Administration	20,103	0
116	Outlease New Directions Homeless Vets	Ambulatory Services	20,103	0
116	Outlease New Directions Homeless Vets	Outlease	20,103	0
117	Research Lab (former Mortuary)	Unassigned	0	20,873
117	Research Lab (former Mortuary)	Research	20,873	0
12	Emergency Generator	Unassigned	1,075	1,075
13	Storage	Unassigned	0	52,604
13	Storage	Outlease	52,604	0
14	Single Garage	Unassigned	n/a	n/a
156	Vacant	Unassigned	0	60,000
156	Vacant	Outlease	60,000	0
157	Vacant	Unassigned	0	45,000
157	Vacant	Outlease	45,000	0
158	Mental Health Clinic	Unassigned	0	47,134
158	Mental Health Clinic	Outlease	47,134	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
199	Vacant (Hoover Barracks)	Unassigned	0	3,600
199	Vacant (Hoover Barracks)	Outlease	3,600	0
20	Chapel	Unassigned	0	8,758
20	Chapel	Outlease	8,758	0
205	Mental Outpatient Psychiatry (Brentwood)	Unassigned	0	53,048
205	Mental Outpatient Psychiatry (Brentwood)	Administration	5,500	0
205	Mental Outpatient Psychiatry (Brentwood)	Ambulatory Services	2,769	0
205	Mental Outpatient Psychiatry (Brentwood)	Behavioral Health	10,612	0
205	Mental Outpatient Psychiatry (Brentwood)	Outlease	34,166	0
206	Mental Heath Homeless (Brentwood)	Unassigned	0	47,099
206	Mental Heath Homeless (Brentwood)	Ambulatory Services	23,547	0
206	Mental Heath Homeless (Brentwood)	Behavioral Health	23,548	0
207	Outleased Salvation Army (Brentwood)	Unassigned	0	47,016
207	Outleased Salvation Army (Brentwood)	Administration	5,223	0
207	Outleased Salvation Army (Brentwood)	Ambulatory Services	5,223	0
207	Outleased Salvation Army (Brentwood)	Domiciliary	31,343	0
207	Outleased Salvation Army (Brentwood)	Outlease	5,223	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Unassigned	0	47,264
208	Mental Health/Voc Rehab Medicine (Brentwood)	Ambulatory Services	14,704	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Behavioral Health	1,404	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Outlease	14,456	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Research	16,697	0
209	Vacant	Unassigned	0	46,708
209	Vacant	Acute Care	15,571	0
209	Vacant	Ambulatory Services	15,571	0
209	Vacant	Outlease	15,565	0
210	Research/MIREC (Brentwood)	Unassigned	0	39,676
210	Research/MIREC (Brentwood)	Behavioral Health	2,271	0
210	Research/MIREC (Brentwood)	Nursing Home	4,541	0
210	Research/MIREC (Brentwood)	Research	32,865	0
211	Theater (Brentwood)	Unassigned	0	11,490
211	Theater (Brentwood)	Administration	3,829	0
211	Theater (Brentwood)	Ambulatory Services	3,829	0
211	Theater (Brentwood)	Outlease	3,829	0
212	Salvation Army/Prosthetics	Unassigned	0	62,560
212	Salvation Army/Prosthetics	Domiciliary	49,551	0
212	Salvation Army/Prosthetics	Outlease	0	0
212	Salvation Army/Prosthetics	Research	13,009	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
213	NHCU Pod & Dialysis	Administration	0	62,560
213	NHCU Pod & Dialysis	Ambulatory Services	15,973	0
213	NHCU Pod & Dialysis	Nursing Home	46,584	0
214	Domiciliary	Domiciliary	53,000	53,000
215	NHCU	Domiciliary	0	53,000
215	NHCU	Nursing Home	53,000	0
217	Domiciliary	Domiciliary	58,000	58,000
218	Administration Building	Administration	48,617	75,121
218	Administration Building	Ambulatory Services	1,087	0
218	Administration Building	Logistics	17,309	0
218	Administration Building	Outlease	8,107	0
220	Dental/Research	Administration	2,241	0
220	Dental/Research	Ambulatory Services	8,967	0
220	Dental/Research	Domiciliary	3,187	29,876
220	Dental/Research	Outlease	8,759	0
220	Dental/Research	Research	6,722	0
222	Mail Out Pharmacy	Administration	8,855	0
222	Mail Out Pharmacy	Ambulatory Services	8,855	0
222	Mail Out Pharmacy	Logistics	0	26,565
222	Mail Out Pharmacy	Outlease	8,855	0
224	Outleased Laundry	Unassigned	0	29,256
224	Outleased Laundry	Administration	9,752	0
224	Outleased Laundry	Ambulatory Services	9,752	0
224	Outleased Laundry	Outlease	9,752	0
226	Outleased Wadsworth Theater	Unassigned	0	20,875
226	Outleased Wadsworth Theater	Administration	6,958	0
226	Outleased Wadsworth Theater	Ambulatory Services	6,958	0
226	Outleased Wadsworth Theater	Outlease	6,958	0
23	Quarters	Unassigned	0	3,448
23	Quarters	Administration	3,448	0
233	HAZMAT Building	Unassigned	0	840
233	HAZMAT Building	Outlease	840	0
236	Police HQ	Unassigned	0	7,108
236	Police HQ	Administration	1,422	0
236	Police HQ	Ambulatory Services	5,686	0
249	Greenhouse	Unassigned	0	2,800
249	Greenhouse	Ambulatory Services	2,800	0
250	Lath House Rehab Medicine	Unassigned	0	1,200
256	Day Treatment Center Mental Health	Unassigned	0	47,676
256	Day Treatment Center Mental Health	Acute Care	48	0
256	Day Treatment Center Mental Health	Administration	48	0
256	Day Treatment Center Mental Health	Ambulatory Services	8,534	0
256	Day Treatment Center Mental Health	Behavioral Health	21,673	0
256	Day Treatment Center Mental Health	Domiciliary	48	0
256	Day Treatment Center Mental Health	Logistics	1,549	0
256	Day Treatment Center Mental Health	Nursing Home	48	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
256	Day Treatment Center Mental Health	Outlease	48	0
256	Day Treatment Center Mental Health	Research	15,672	0
257	Mental Health/New Directions/Methadone (Brentwood)	Unassigned	0	57,386
257	Mental Health/New Directions/Methadone (Brentwood)	Behavioral Health	36,075	0
257	Mental Health/New Directions/Methadone (Brentwood)	Domiciliary	21,311	0
258	Administration/Mental Health (Brentwood)	Unassigned	0	65,576
258	Administration/Mental Health (Brentwood)	Administration	12,325	0
258	Administration/Mental Health (Brentwood)	Ambulatory Services	7,104	0
258	Administration/Mental Health (Brentwood)	Behavioral Health	12,969	0
258	Administration/Mental Health (Brentwood)	Outlease	24,055	0
258	Administration/Mental Health (Brentwood)	Research	9,120	0
259	Com Work Therapy	Unassigned	0	8,685
259	Com Work Therapy	Ambulatory Services	8,685	0
264	FBI (Annex Theater)	Unassigned	0	10,080
264	FBI (Annex Theater)	Administration	3,360	0
264	FBI (Annex Theater)	Ambulatory Services	3,360	0
264	FBI (Annex Theater)	Outlease	3,360	0
265	Vacant (To Be Demolished)	Unassigned	0	2,400
265	Vacant (To Be Demolished)	Outlease	2,400	0
266	Vacant (To Be Demolished)	Unassigned	0	3,234
266	Vacant (To Be Demolished)	Outlease	3,234	0
267	Vacant (To Be Demolished)	Unassigned	0	6,648
267	Vacant (To Be Demolished)	Outlease	6,648	0
278	Vacant (To Be Demolished)	Unassigned	0	3,000
278	Vacant (To Be Demolished)	Outlease	3,000	0
292	Water Treatment Plant	Unassigned	864	864
295	Steam Plant	Unassigned	5,720	5,720
296	Chemical Storage House	Unassigned	219	219
297	Supply Warehouse	Unassigned	0	32,700
297	Supply Warehouse	Logistics	32,700	0
299	Switchgear	Unassigned	550	550
300	Dietetics	Unassigned	0	68,824
300	Dietetics	Acute Care	55,059	0
300	Dietetics	Nursing Home	13,765	0
301	AFGE Union	Administration	2,643	0
301	AFGE Union	Logistics	0	2,643
304	Research Med. Sup.	Acute Care	4,174	0
304	Research Med. Sup.	Administration	4,174	0
304	Research Med. Sup.	Ambulatory Services	30,674	89,268

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
304	Research Med. Sup.	Research	50,245	0
305	Transportation Offices	Unassigned	0	1,920
305	Transportation Offices	Logistics	1,920	0
306	Cafeteria/Post Office	Unassigned	0	14,280
306	Cafeteria/Post Office	Acute Care	107	0
306	Cafeteria/Post Office	Administration	346	0
306	Cafeteria/Post Office	Ambulatory Services	13,159	0
306	Cafeteria/Post Office	Behavioral Health	107	0
306	Cafeteria/Post Office	Domiciliary	107	0
306	Cafeteria/Post Office	Nursing Home	107	0
306	Cafeteria/Post Office	Outlease	346	0
307	Single Quarters	Unassigned	0	1,200
307	Single Quarters	Administration	1,200	0
308	Single Quarters	Unassigned	0	1,728
308	Single Quarters	Administration	1,728	0
309	Garage	Unassigned	400	400
310	Garage	Unassigned	400	400
311	Mobile House	Unassigned	0	1,400
311	Mobile House	Outlease	1,400	0
312	Mobile House	Unassigned	0	1,400
312	Mobile House	Outlease	1,400	0
315	GSA Motor Pool	Logistics	3,600	3,600
318	Mobile House	Unassigned	0	1,400
318	Mobile House	Outlease	1,400	0
319	Supply Storage	Unassigned	0	800
319	Supply Storage	Administration	800	0
320	Supply Storage	Unassigned	0	1,200
320	Supply Storage	Logistics	1,200	0
329	Golf Club House	Unassigned	265	265
33	Quarters	Unassigned	0	1,200
33	Quarters	Administration	1,200	0
330	Nursery Garden	Unassigned	0	1,500
330	Nursery Garden	Ambulatory Services	1,500	0
337	Research Animal House	Logistics	0	6,772
337	Research Animal House	Research	6,772	0
345	Radiation Therapy	Ambulatory Services	15,620	15,620
44	Engineering Shop	Logistics	12,909	12,909
46	Engineering Shop	Logistics	11,034	11,034
500	Main Hospital	Acute Care	263,755	360,396
500	Main Hospital	Administration	129,224	5,151
500	Main Hospital	Ambulatory Services	392,127	352,188
500	Main Hospital	Behavioral Health	24,903	117,373
500	Main Hospital	Domiciliary	1,724	64,893
500	Main Hospital	Logistics	45,916	0
500	Main Hospital	Nursing Home	5,433	0
500	Main Hospital	Outlease	15,108	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
500	Main Hospital	Research	12,197	0
501	Chiller	Logistics	30,000	30,000
505	Paint Shop	Administration	0	5,000
505	Paint Shop	Logistics	5,000	0
506	VA District Council	Administration	3,106	9,320
506	VA District Council	Ambulatory Services	3,106	0
506	VA District Council	Outlease	3,106	0
507	MRI Facility	Ambulatory Services	6,000	6,000
508	Laundry	Acute Care	11,250	0
508	Laundry	Logistics	22,500	45,000
508	Laundry	Nursing Home	11,250	0
509	Recycling Center	Unassigned	0	3,749
509	Recycling Center	Acute Care	94	0
509	Recycling Center	Administration	94	0
509	Recycling Center	Ambulatory Services	94	0
509	Recycling Center	Behavioral Health	94	0
509	Recycling Center	Domiciliary	94	0
509	Recycling Center	Logistics	3,000	0
509	Recycling Center	Nursing Home	94	0
509	Recycling Center	Outlease	94	0
509	Recycling Center	Research	94	0
510	Transportation	Logistics	4,782	4,782
511	Storage	Logistics	9,638	9,638
63	Vacant Engineering M&O	Logistics	0	720
63	Vacant Engineering M&O	Outlease	720	0
66	Trolley House	Unassigned	0	600
66	Trolley House	Ambulatory Services	600	0
90	Duplex Quarters	Unassigned	0	4,752
90	Duplex Quarters	Administration	4,752	0
91	Duplex Quarters	Unassigned	0	4,752
91	Duplex Quarters	Administration	4,752	0
T79	Plant Nursery	Unassigned	0	1,550
T79	Plant Nursery	Ambulatory Services	1,550	0
T83	Welding shop	Unassigned	0	1,300
T83	Welding shop	Logistics	1,300	0
T84	Laundry Annex	Unassigned	0	1,580
T84	Laundry Annex	Acute Care	395	0
T84	Laundry Annex	Logistics	790	0
T84	Laundry Annex	Nursing Home	395	0
Z-10	New Logistics Buildings	Logistics	0	162,454
Z-3	New Nursing Home Building	Nursing Home	0	135,856
Z-7	New Ambulatory Services Building	Ambulatory Services	0	86,400
Z-8	New Research Building	Research	0	236,936
Z-9	New Administration Building	Administration	0	120,890

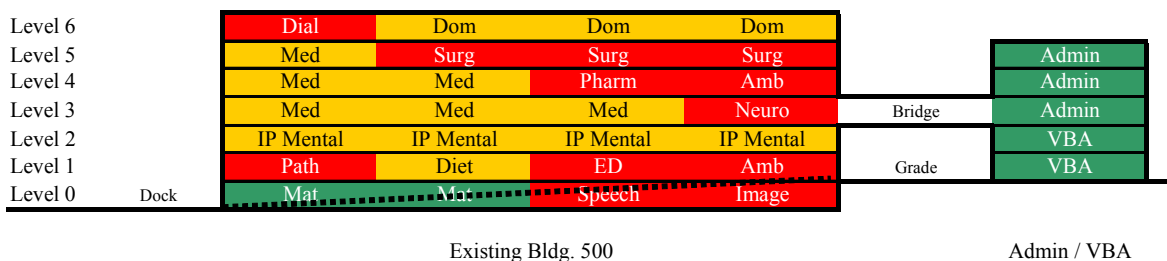
Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- The plan recognizes that outleased space currently has existing relationships which will be considered in reuse planning.
- There is 86,400 BGSF allocated for the VBA functions combined with the “New Ambulatory Services Zone” area in the “Proposed BGSF” column of the above table.

- **Conceptual Building Section** The following Figure 8 illustrates the proposed stacking for the existing Building 500 and proposed Administration / VBA Building. Either entire zones or at least similar zones are co-located on the same floors to minimize function conflicts. Where a department was not relocated to another building or to make way for a different department, it was left in the existing location. Support loading dock and outpatient functions are located on the Ground Level. Other outpatient functions were located to the First Level with direct access to parking and the rest of the campus. The Second Level is renovated Behavioral Health that is renovated in-place. Levels three through six are as indicated below. In the Administration / VBA Building, the VBA functions are located on the lower levels while the Administration functions are located on the upper levels. All other buildings on the site are a single Zone and therefore do not require a building section.

Figure 8: Conceptual section of the Functional Distributions

BPO 2



- **Optimal Use of Existing Buildings:** The majority of existing buildings on the campus are not compatible with modern standards of design for clinical functions. To accommodate projected delivery of care standards, the floor plates are too small (resulting in compromised functional adjacencies); the floor to floor heights are too low (resulting in mechanical systems with insufficient air volume) and with a few exceptions, the resident rooms do not have bathrooms accessible from within the rooms. As a result, proposed renovations to address the projected workload will require additional area to achieve the same goal. Since this BPO seeks to optimize use of a significant amount of existing buildings supplemented with new construction, the area totals for this BPO are larger than would be the case for entirely new construction.

- Projected Workload Volumes for 2023:** The projected areas are derived from workload volumes that are detailed in the Stage II Assumptions, not included or attached to this report. These projected areas indicate that the desired functions can be accommodated in approximately the same area that is currently used on the campus for many of the zones. This is largely due to the fact that there is little new construction in this BPO, and many of the zones will need to be relocated back into the same inefficient renovated buildings that they originated in. This is also true, for different reasons, of the Nursing Home Zone that will be required to meet higher area standards than are currently in use while being housed in new state of the art construction. Consequently, the higher area standards cancel out the efficiency of the new construction for a required area that is approximately the same as is currently used. A notable exception is the Domiciliary Zones that will be required to meet higher area standards than are currently in use while still being housed in renovated, inefficient buildings. The convergence of the two resulted in the requirement for significantly more area than is currently in use for this zone. The other exception is the Research Zone that will be relocated from inefficient buildings to efficient, new construction that consequently will require significantly less area than is currently used.
- Parking:** Portions of the existing surface parking areas will be repaved and expanded to provide parking in the most convenient locations adjacent to building entries. Where existing parking is not required, it will be removed and new landscape will be provided. Distribution of parking by departmental group is indicated in Table 18. There is sufficient land available to meet the parking need. However, due to the concentration of functions on the Wadsworth campus at Building 500, structured parking is required to accommodate sufficient parking adjacent to the entrance of the building. Without this proposed Parking Structure, all the parcels on the Wadsworth Campus that are currently proposed as available for reuse will be required for surface parking to serve VA Functions. This will result in a loss of both the reuse parcels as well as convenient parking located near the buildings served.

Table 18: Parking Distribution – BPO 2

Parking Area	Total Surface Spaces	Total Structured Spaces	Surface Area (SF)	Structured Area (SF)	Location
Acute Care	564	0	282,000	0	Adjacent to Building 500.
Nursing Home	160	0	80,000	0	Adjacent to New Nursing Home.
Domiciliary	230	0	115,000	0	Adjacent to Bldgs 214, 215, 217 and 500.
Rehabilitation	0	0	0	0	n/a
Behavioral Health	111	0	55,500	0	Adjacent to Building 500.
Ambulatory Services	0	1,792	0	716,800	Adjacent to Building 500, 304.
Research	278	0	139,000	0	Adjacent to New Research Bldg.
Administration	376	0	188,000	0	Adjacent to Bldg 213, 218, 506, 500 and New Admin Bldg.
Logistics	202	0	101,000	0	Throughout the site.
Total	1,921	1,792	960,500	716,800	

Note: There is no rehabilitation or outlease space provided on the campus. However, the projected parking area resulting from mathematical rounding of projected areas has been included in the logistics parking area on the site plan.

- Conclusion from the Space Analysis: The projected area need for the campus is approximately 2,727,000 BGSF (not including outlease space). Because this BPO involves both extensive renovation of existing space and some new construction, the space required is approximately 2,208,000 Building Gross Square Feet (BGSF). This projected area provides a reduction to the existing campus area of approximately 19%. This percentage reduction is largely due to the fact that there is minimal new construction in this BPO. Consequently, many of the zones will need to be relocated back into the same inefficient renovated buildings that they originated in, while only a few will be relocated to new, efficient construction. If the campus were to be re-built in entirely new, efficient construction, the percentage reduction would be much higher.

Construction Phasing: Phasing is addressed via two different approaches for each zone, or program element, on the West Los Angeles campus. One approach is sequential projects; with relocation of departments into new or renovated space as projects are completed. This includes the new Nursing Home Care Building, VBA / Administration Building, Research Building, Renovated Domiciliary Buildings, etc. After a department is relocated, the newly vacated space is then available for renovation and further relocations. This approach results in fairly simple single-phase projects, without minimal impact to operation of the departments prior to the time of move in.

Another approach is required for functions that are not relocated and require renovation-in-place while continuing to operate. This type of renovation for departments that remain in place dictates complex, multi-phase construction in order to maintain patient services in the effected department. Proposed sub-phasing and duration of renovation projects is based on the assumption that excess capacity exists or can be created in each department. This assumption is based on in-patient bed unit and diagnostic services capacity of the main Hospital Building, as originally designed, which is in excess of that being used today. However, in order to utilize any excess capacity to allow in-place renovations careful planning during the implementation phase will be required. Excess capacity within each department may be created by extending hours of operation, space reallocation or a combination of both. Each department has unique minimal spatial requirements and operational considerations which impact the number of sub-phases as well as the boundary and square footage of each sub-project. Departments that are expected to require this approach include those with fixed equipment, extensive infrastructure and highly specialized services including Medical, Surgical, Pharmacy, Ambulatory, Emergency Department, Clinical Laboratory, Dietetic, Imaging and Materials Management. These departments may require 3-4 phases of renovation with only 20-35% of each department being impacted by construction at any one time, over a long duration. This issue will require extensive study during the implementation phase of the selected BPO and may change significantly as the each project element is further planned and executed. The intent is for each department to remain operational with a reasonable utilization rate while being renovated in-place, without the need to temporarily relocate or outsource the function.

A general overview of the phasing sequence is provided as follows:

- Replace campus water and steam site distribution systems.
 - Renovate in multiple phases Building 500 for Acute, Ambulatory and Administration Zones.
 - Vacate and demolish buildings 13, 212, 236 and 306 to clear site for New Nursing Home.
 - Construct New Nursing Home for Nursing Home Zone.
 - Vacate existing Nursing Home patients in buildings 213 and 215 and relocate to New Nursing Home.
 - Renovate buildings 213 215 and 500, Sixth Level, for Domiciliary Zone.
 - Vacate existing Domiciliary patients in buildings 214 and 217 and relocate to renovated buildings 213, 215 and 500, Third Level.
 - Renovate buildings 214 and 217 for Domiciliary Zone.
 - Renovate in four phases Building 500, Second Level, for Behavioral Zone.
 - Construct New Research Building for Research Zone.
 - Vacate buildings 113, 114, 115 and 117 to New Research Building.
 - Renovate buildings 213, 218, 220, 505 and 506 for Administration Zone.
 - Construct New VBA / Administration Building for VBA and Administration Zone.
 - Construct New Logistics Building(s) for Logistics Zone.
- Construction Schedule: Schedules for construction activities are intended to identify relative duration of new construction or renovated work in order to calculate occupancy date for utilization of space and escalation costs. These schedules provide a base on which the implementation plan activities will be incorporated. The schedule indicates a brief description of the individual building construction projects and indicates the construction sequence and duration for this option. Commissioning of engineering systems should occur in the last 20% of each project's duration.
 - Existing Building Maintenance Costs: Existing unaltered buildings retained on the campus for this BPO require ongoing and periodic maintenance costs including buildings which are scheduled for either reuse or demolition, up to the point where agreements for reuse are accepted or demolition begins.
 - Capital Cost Estimate: An estimate of projected new construction and renovation costs is indicated in the BPO Capital Cost Estimate. The capital costs are based on campus-wide area projections by Departmental Group (Zone) as indicated in the Projected BPO areas by Departmental Group (Zone).
 - Construction Cost depends on Function: Construction costs are derived from projected area requirements by Building and non-Building Departmental Groups (Zones).

- Soft Costs Standardized: Approved factors as stated in the assumptions for soft costs (such as professional fees, furnishings and equipment) are based on consultant experience and VA standards.

Evaluation of BPO 2 using Capital Criteria:

- Consolidation of Vacated Space: The vacant square footage area totals for BPO 2 indicates there will be no vacant space across the campus (see Table 19.) Existing buildings with vacant space will be demolished or made available for reuse.

Table 19: Percentage of Vacant Space – BPO 2

Title	Vacant BGSF
Existing Vacant	344,821
Vacant BPO	0
Difference	-344,821
Percent Difference	-100

Consolidation of Underutilized Space: Underutilized space is space not used to its full potential because of physical constraints. Because there is an amount of renovation required for this BPO, additional area is required to achieve a modern, safe and secure environment, resulting in an increase of underutilized space. Comparing the ideal space requirements for the workload to the square footage need for this option results in a 2% overall increase in area need. (See Table 20)

Table 20: Percentage of Underutilized Space – BPO 2

Title	Total
Projected Ideal BGSF Based on In-House Workload	2,155,857
Proposed BPO BGSF	2,208,550
Underutilized Space	52,693
Variance by Percentage	2%

- Timeliness of Completion: This BPO requires a 13 year (156 month) phased period of construction from initiation in January 2009 with completion to implement improvements to the physical environment starting in January 2010 and completion in January 2023 (See Table 21.) Key assumptions include:
 - The historic building process begins January 2007 and ends January 2011.
 - Project funding is approved January 2009.
 - The first phase of the construction sequence is replacement of the existing campus water and steam site distribution systems. Design and subsequent work for this project is projected to begin January 2010 and takes 48 months to complete.

- Planning and design for the first series of new construction and renovation projects begins January 2010 and takes 18 months.
- Renovation of Building 500 for Acute, Ambulatory and Administration Zones begins January 2010 and the last phase of construction is occupied January 2018.
- Construction of New Nursing Home for Nursing Home Zone begins January 2011 and is occupied January 2015.
- Renovation of buildings 213 and 215 for Domiciliary Zone begins January 2015 and are occupied January 2018.
- Renovation of Building 500, Sixth Level, for Domiciliary Zone begins January 2014 and is occupied January 2016.
- Renovation of buildings 214 and 217 for Domiciliary Zone begins January 2018 and are occupied January 2021.
- Renovation of Building 500, Second Level, for Behavioral Zone begins January 2010 and the fourth and last phase of construction is occupied January 2016.
- Construction of New Research Building for Research Zone begins January 2010 and is occupied January 2014.
- Renovation of buildings 213, 218, 220, 505 and 506 for Administration Zone begin at various dates and are occupied at various dates.
- Construction of New VBA / Administration Building for VBA and Administration Zone begins January 2010 and is occupied January 2014.

Construction of New Logistics Building(s) for Logistics Zone begin at various dates and are occupied at various dates.

Table 21: Total Construction Duration – BPO 2

	Start Date	Completion Date	Duration
Total Construction Activity	01/01/10	01/01/23	156 Months

- Timeliness of Urgent Seismic Corrections: There are 32 buildings on the West Los Angeles campus identified in the CAI with seismic non-exempt, medium risk or higher status. The priority is for the correction of these buildings to be accommodated as early as possible. However, the sequence of construction required to achieve proposed plan indicates full occupancy of the last building with seismic corrections, Building 500, in January 2018. This building will require the most involved and complex phasing to accomplish the required seismic corrections. Buildings with seismic deficient status that are not projected for VA occupancy will be reused or demolished as they become eligible, based on the implementation schedule.
- Size and Complexity of Capital Plan: Projected areas (BGSF) based on 2023 workload volumes indicate changes to the West Los Angeles campus as indicated in Table 22. It is significant to note that with projected increases of area for renovations of existing buildings the overall campus area need for most departmental groups increases. The exception is a notable decrease in Behavioral Health, Ambulatory, Research and Administration.

Table 22: Campus Area Change – BPO 2

Distributions	Acute Care	Nursing Home	Dom.	Rehab.	Behav Health	Amb Services	Research	Admin.	Logistics	Outlease
Existing	350,458	135,222	218,369	0	133,660	639,221	371,591	286,977	170,730	421,310
Proposed BPO	360,397	135,856	258,769	0	117,373	549,477	236,936	278,044	271,698	0
Variance By BGSF	9,939	634	40,400	0	-16,287	-89,744	-134,655	-8,933	100,968	-421,310

Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- There is 86,400 BGSF allocated for the VBA functions combined with the “Ambulatory Services” area in the “Proposed BPO” row of the above table.

- **Patient Moves:** Of the existing 91 buildings on the campus (as identified in the CAI), in this BPO, many buildings with clinical or clinical-related functions will be renovated or identified as available for reuse/demolition. A detailed construction schedule is beyond the scope of this study. However, there are some portions of Building 500 where renovations will be complex and that patients may be inconvenienced but care may continue in the buildings during renovations. With some new facilities provided in this option, impact to clinical functions and patient inconvenience is minimized. Furthermore, relocations activities may be accommodated in a simple manner without disruption to care delivery. An overview of patient moves follows. Further detail will be provided in the Implementation Plan.

- The Acute and Ambulatory Zones will be predominantly located in renovated Building 500. In this BPO, the construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time patient and function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated acute care, ambulatory and support functions relocate to the appropriate renovated areas.
- The Nursing Home Zone will be entirely located in the New Nursing Home. The construction is accomplished through either one or two large phases. This will require only one or two large, one time patient and function moves as opposed to multiple smaller moves as described above. Upon completion of construction of the New Nursing Home facilities on the Brentwood campus, all designated nursing home and support functions relocate to the New Nursing Home.
- The Domiciliary Zone will be located in a series of renovated buildings. The construction is accomplished through the renovation of one or two of the buildings at a time. This will require only two phases of moves as the buildings are completed. Upon completion of renovation of the new domiciliary buildings at the site of the former Nursing Home, all designated domiciliary and support functions relocate to the renovated buildings.
- The Behavioral Zone will be located in renovated Building 500, Level 2. The construction is accomplished through four in-place, phased renovations. This will

require four, one time patient and function moves, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500, Level 2 all designated behavioral and support functions relocate to the appropriate renovated areas.

- The Ambulatory Zone, in addition to Building 500, will be located in renovated buildings 304, 345 and 507. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new ambulatory buildings, all designated ambulatory and support functions relocate to the renovated buildings.
 - The Research Zone will be entirely located in the New Research Building(s). The construction is accomplished through either one or two large phases. This will require only one or two large, one time function moves as opposed to multiple smaller moves as described above. Upon completion of construction of the New Research facilities on the Wadsworth campus, all designated research and support functions relocate to the New Research Building(s).
 - The Administrative Zone will be predominantly located in renovated Building 500. The construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated administrative and support functions relocate to the appropriate renovated areas. In addition to Building 500, administration will be located in renovated buildings 213, 218, 220, 505 and 506. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new administration buildings, all designated administration and support functions relocate to the renovated buildings.
 - The VBA and some Administration will be located in the New VBA / Administration Building. The construction is accomplished through one large phase. This will require only one large, one time function move as opposed to multiple smaller moves as described above. Upon completion of construction of the New VBA / Administration facilities on the Wadsworth campus, all designated VBA, Administration and support functions relocate to the New VBA / Administration Building.
- Historic Buildings Altered: There are 2 buildings identified as historic in the CAI. However, based on building age, there are 66 buildings designated as historically eligible. For this BPO, 37 will be renovated, considered available for reuse or demolished (See Table 23). The National Historic Preservation Act requires that a federal agency must assume responsibility for historic properties and Section 106 requires federal agencies to consider historic properties as it plans a project and to consult with the Advisory Council on Historic Preservation. The approval process for renovation can take more than a year and will need to be considered in the implementation planning efforts.

Table 23: Historic Buildings Altered – BPO 2

Title	Bldg Count
Total Historic or Historically Eligible	66
Altered Historic Projects	37

Note: Values indicate quantity of Historically Eligible buildings as altered by this BPO

BPO 3

BPO Description:

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

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) to meet 2023 utilization projections. 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. 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. 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

Parcels available for reuse include Parcels A1, A2, C, H3, K2, B3, H2 and J.

Note:

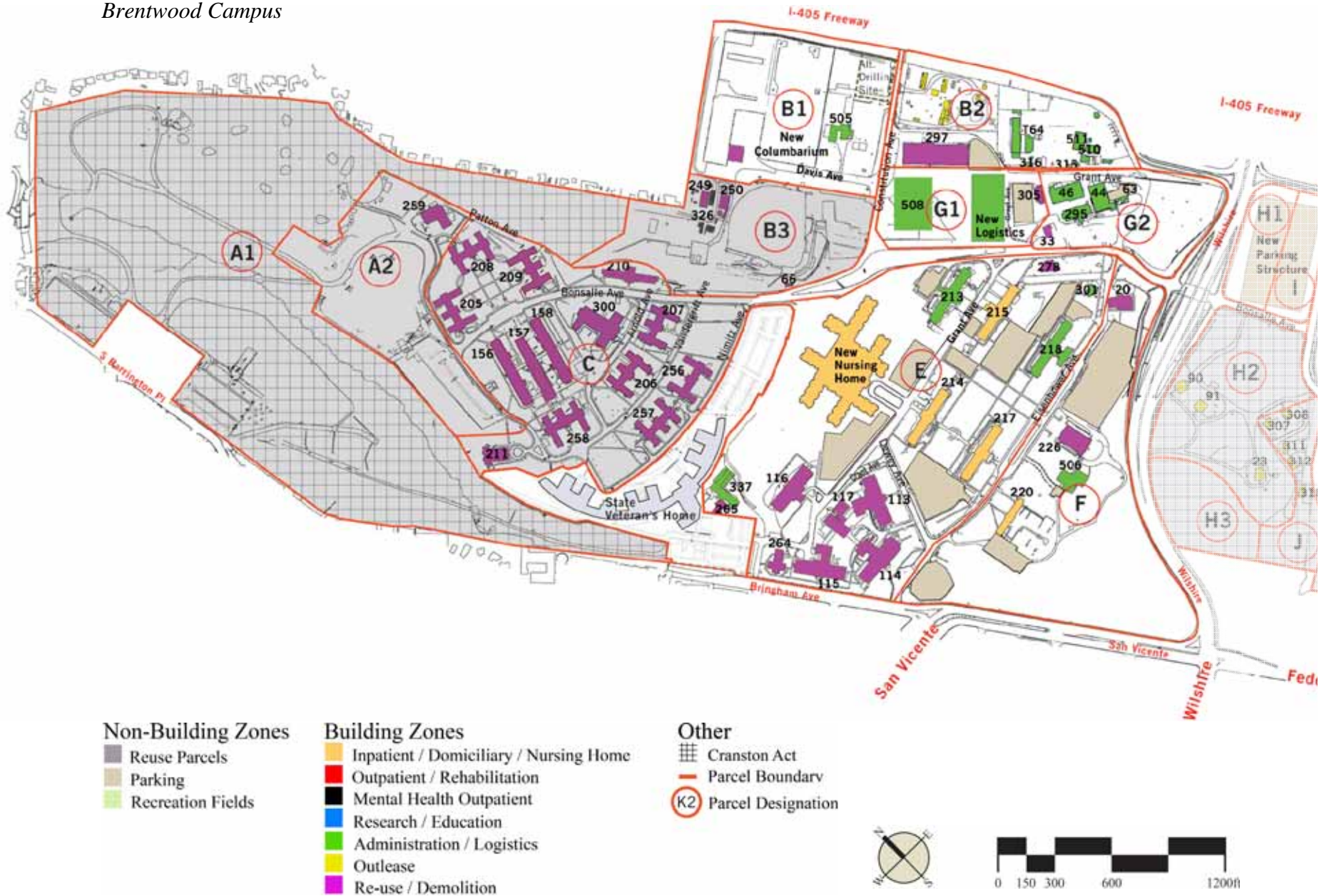
As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

Analysis of Capital Planning Outputs

- **Site Plan:** The Projected BPO 3 Site Plan (Figures 9a & b) illustrates the proposed campus configuration and locations of buildings.
- **Building Color Code:** Similar to the Existing Current Stage Site Plan, the building color indicates the Departmental Group (Zone) of the primary occupants for each building. Matching the building color key used for the Existing Current State Site Plan, the proposed building color indicates the predominant occupancy of the building. Refer to the Legend regarding the Departmental Groups (Zone) contained therein.

- Site Impact during Construction: Site area calculations for cost estimating purposes are based on land area assigned to specific functions (such as for replacement piping in the utility replacement), new or replaced recreation areas (although none are identified for this site), new or repaved parking areas as determined by projected need and adjacency to new or renovated buildings as defined by the BPO site plan. Where existing parking areas are not needed, the calculation provides for their demolition and replacement with turf. Restoration of existing or installation of new walkways and internal campus vehicular circulation paths are also included in the calculation. Where existing buildings are scheduled for demolition without subsequent new construction, the calculation provides for their demolition and replacement of the former site with turf. In this BPO, there are several buildings that are demolished to allow for new construction and some new construction that is not associated with any building demolition. In these cases, the calculations provide for the re-landscaping of the construction area around the new buildings. For this BPO the total site impact area total for cost calculations is approximately 69 acres excluding affected parking and building footprints.

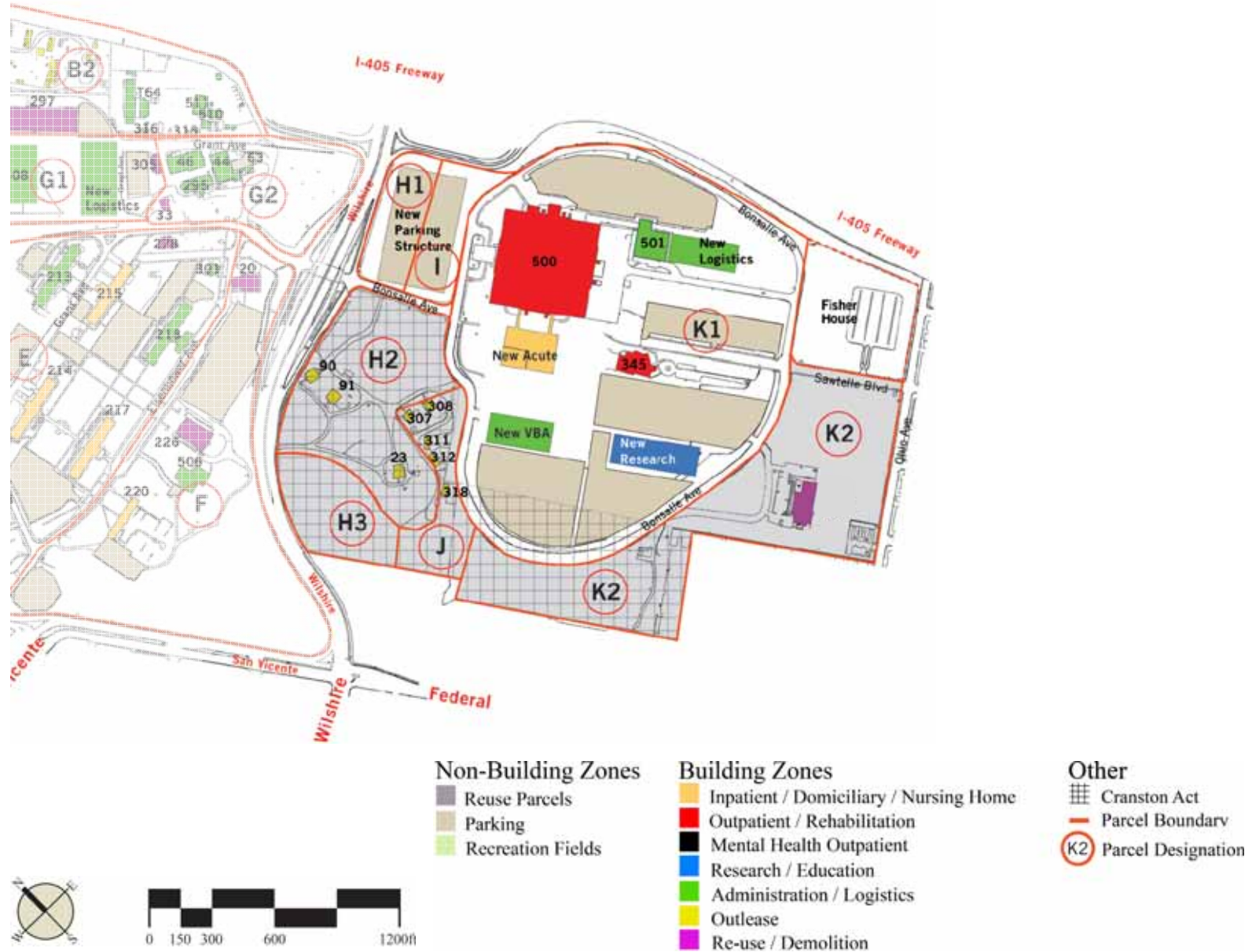
Figure 9a: A Diagram of the Projected BPO 3 Site Plan
Brentwood Campus



See Figure 9b for continuation

Figure 9b: A Diagram of the Projected BPO 3 Site Plan Wadsworth Campus

See Figure 9a, for continuation



- Campus Area and Uses:** The BPO 3 campus configuration as indicated on the site plan is summarized in Table 24. There is no dedicated exterior recreation area defined. However, there is sufficient land available for recreational activities such as Golf Courses. The area totals for primary activities on the portions of the site to be retained exclusively for VA-related functions are indicated in the Campus Area Total below.

Table 24: Campus Area Total Acreage - BPO 3

Campus Area	Acres
Recreation	0
Parking	~ 22
Building & Landscape	~ 193
BPO Total (total of above)	~ 215
Existing Campus Total	~ 373

- Land Parcels Available for Re-Use:** BPO 3 designates approximately 222 acres (or 60% of the present site) on either side of Wilshire Boulevard as required for projected VA functions and approximately 151 acres (or 40% of the site) as available for reuse as show in Table 25. Buildings and structures associated with replacement of the campus water and steam system are included as part of the area available for reuse. It should be noted that the Parcel B-1 is assigned to become the New Columbarium, and as such is not available for reuse. Also in Parcel B-1 is the Veteran’s Garden that is also not available for reuse.

Table 25: Land Parcels Available for Reuse

Re-Use Parcels	Acres	Comment
Parcel A1	75.25	Brentwood Campus
Parcel A2	15.32	Brentwood Campus
Parcel B3	10.11	Brentwood Campus
Parcel C	9.11	Brentwood Campus
Parcel H2	12.92	Wadsworth Campus
Parcel H3	3.88	Wadsworth Campus
Parcel J	4.13	Wadsworth Campus
Parcel K2	20.77	Wadsworth Campus

- Buildings Available for Re-Use:** This BPO identifies buildings 13, 212, 236 and 306 specifically as demolished to allow for the new construction on the campus for the New Nursing Home. Additionally, this BPO identifies buildings 304 and 507 specifically as demolished to allow for the new construction on the campus for the New Acute Tower. All other existing buildings within VA-use parcels that are not required for VA functions are designated as reuse / demolition and demolitions costs are associated with each.

There are some buildings in both reuse and VA-use parcels that are specifically designated by the local VA as not to be demolished even though there are no assigned VA functions, as defined in the CAI database, proposed for the buildings, and consequently there are no associated demolition costs. These buildings are: 116, 20, 211, 226, 23, 264, 307, 308, 311, 312, 318, 90 and 91.

All existing buildings within the reuse parcels are designated as available for reuse / demolition. These buildings are generally in Parcel C, but are located on other reuse parcels as well. No demolition costs were associated with these buildings due to being in reuse parcels.

- **Relocation of Functions:** In BPO 3 all projected area requirements will be accommodated through either the renovation of existing buildings and reducing vacant space therein or through the construction of the New Nursing Home on the Brentwood Campus. On the Wadsworth Campus there will be a New Acute Tower and a VBA Building.

The Acute Zone, located on the Wadsworth Campus, consists of renovated Building 500 and the New Acute Tower. Parking will surround the buildings with both surface lots as well as structured parking.

The Nursing Home Zone, located on the Brentwood Campus, consists of a New Nursing Home Building near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions.

The Domiciliary Zone, located on the Brentwood Campus, consists of renovated buildings 213, 214, 215 and 217, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions. The Domiciliary Zone on the Wadsworth Campus consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Behavioral Zone, located on the Wadsworth Campus, consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Ambulatory Zone, located on the Wadsworth Campus, consists of renovated buildings 345, 500 and the New Acute Tower. Parking will surround the buildings with both surface lots as well as structured parking.

The Research Zone, located on the Wadsworth Campus, consists of the New Research building. Parking will surround the buildings with surface lots.

The Administrative Zone, located on the Brentwood Campus, consists of renovated buildings 213, 218, 220, 505 and 506, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions.

The Administrative Zone on the Wadsworth Campus consists of renovated Building 500 and the New Acute Tower. Parking will surround the buildings with both surface lots as well as structured parking.

The VBA on the Wadsworth campus consists of the New VBA Building. Parking will surround the building with surface lots.

The Logistical Zone is located in several buildings throughout both campuses.

The remaining existing buildings located on the campus will be vacated and designated for demolition or reuse.

Table 26, below, indicates the projected area need as assigned to each building on the campus. Departmental Group area totals are provided for each building.

Table 26: Functional Distribution - BPO 3

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
0	Baseball Lot (UCLA) Clubhouse	Administration	300	0
0	Baseball Lot (UCLA) Clubhouse	Ambulatory Services	300	0
0	Baseball Lot (UCLA) Clubhouse	Outlease	300	0
104	Garage 2-Car	Unassigned	500	500
105	Garage 3-Car	Unassigned	600	600
111	Gate House	Unassigned	144	144
113	Animal Research	Unassigned	0	60,000
113	Animal Research	Research	60,000	0
114	Research Lab	Unassigned	0	69,921
114	Research Lab	Administration	971	0
114	Research Lab	Ambulatory Services	971	0
114	Research Lab	Outlease	971	0
114	Research Lab	Research	67,006	0
115	Research Lab	Unassigned	0	60,314
115	Research Lab	Research	60,314	0
116	Outlease New Directions Homeless Vets	Unassigned	0	60,309
116	Outlease New Directions Homeless Vets	Administration	20,103	0
116	Outlease New Directions Homeless Vets	Ambulatory Services	20,103	0
116	Outlease New Directions Homeless Vets	Outlease	20,103	0
117	Research Lab (former Mortuary)	Unassigned	0	20,873
117	Research Lab (former Mortuary)	Research	20,873	0
12	Emergency Generator	Unassigned	1,075	1,075
13	Storage	Unassigned	0	52,604
13	Storage	Outlease	52,604	0
14	Single Garage	Unassigned	n/a	n/a
156	Vacant	Unassigned	0	60,000

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
156	Vacant	Outlease	60,000	0
157	Vacant	Unassigned	0	45,000
157	Vacant	Outlease	45,000	0
158	Mental Health Clinic	Unassigned	0	47,134
158	Mental Health Clinic	Outlease	47,134	0
199	Vacant (Hoover Barracks)	Unassigned	0	3,600
199	Vacant (Hoover Barracks)	Outlease	3,600	0
20	Chapel	Unassigned	0	8,758
20	Chapel	Outlease	8,758	0
205	Mental Outpatient Psychiatry (Brentwood)	Unassigned	0	53,048
205	Mental Outpatient Psychiatry (Brentwood)	Administration	5,500	0
205	Mental Outpatient Psychiatry (Brentwood)	Ambulatory Services	2,769	0
205	Mental Outpatient Psychiatry (Brentwood)	Behavioral Health	10,612	0
205	Mental Outpatient Psychiatry (Brentwood)	Outlease	34,166	0
206	Mental Heath Homeless (Brentwood)	Unassigned	0	47,099
206	Mental Heath Homeless (Brentwood)	Ambulatory Services	23,547	0
206	Mental Heath Homeless (Brentwood)	Behavioral Health	23,548	0
207	Outleased Salvation Army (Brentwood)	Unassigned	0	47,016
207	Outleased Salvation Army (Brentwood)	Administration	5,223	0
207	Outleased Salvation Army (Brentwood)	Ambulatory Services	5,223	0
207	Outleased Salvation Army (Brentwood)	Domiciliary	31,343	0
207	Outleased Salvation Army (Brentwood)	Outlease	5,223	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Unassigned	0	47,264
208	Mental Health/Voc Rehab Medicine (Brentwood)	Ambulatory Services	14,704	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Behavioral Health	1,404	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Outlease	14,456	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Research	16,697	0
209	Vacant	Unassigned	0	46,708
209	Vacant	Acute Care	15,571	0
209	Vacant	Ambulatory Services	15,571	0
209	Vacant	Outlease	15,565	0
210	Research/MIREC (Brentwood)	Unassigned	0	39,676
210	Research/MIREC (Brentwood)	Behavioral Health	2,271	0
210	Research/MIREC (Brentwood)	Nursing Home	4,541	0
210	Research/MIREC (Brentwood)	Research	32,865	0
211	Theater (Brentwood)	Unassigned	0	11,490
211	Theater (Brentwood)	Administration	3,829	0
211	Theater (Brentwood)	Ambulatory Services	3,829	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
211	Theater (Brentwood)	Outlease	3,829	0
212	Salvation Army/Prosthetics	Unassigned	0	62,560
212	Salvation Army/Prosthetics	Domiciliary	49,551	0
212	Salvation Army/Prosthetics	Outlease	0	0
212	Salvation Army/Prosthetics	Research	13,009	0
213	NHCU Pod & Dialysis	Administration	0	62,560
213	NHCU Pod & Dialysis	Ambulatory Services	15,973	0
213	NHCU Pod & Dialysis	Nursing Home	46,584	0
214	Domiciliary	Domiciliary	53,000	53,000
215	NHCU	Domiciliary	0	53,000
215	NHCU	Nursing Home	53,000	0
217	Domiciliary	Domiciliary	58,000	58,000
218	Administration Building	Administration	48,617	75,121
218	Administration Building	Ambulatory Services	1,087	0
218	Administration Building	Logistics	17,309	0
218	Administration Building	Outlease	8,107	0
220	Dental/Research	Administration	2,241	0
220	Dental/Research	Ambulatory Services	8,967	0
220	Dental/Research	Domiciliary	3,187	29,876
220	Dental/Research	Outlease	8,759	0
220	Dental/Research	Research	6,722	0
222	Mail Out Pharmacy	Administration	8,855	0
222	Mail Out Pharmacy	Ambulatory Services	8,855	0
222	Mail Out Pharmacy	Logistics	0	26,565
222	Mail Out Pharmacy	Outlease	8,855	0
224	Outleased Laundry	Unassigned	0	29,256
224	Outleased Laundry	Administration	9,752	0
224	Outleased Laundry	Ambulatory Services	9,752	0
224	Outleased Laundry	Outlease	9,752	0
226	Outleased Wadsworth Theater	Unassigned	0	20,875
226	Outleased Wadsworth Theater	Administration	6,958	0
226	Outleased Wadsworth Theater	Ambulatory Services	6,958	0
226	Outleased Wadsworth Theater	Outlease	6,958	0
23	Quarters	Unassigned	0	3,448
23	Quarters	Administration	3,448	0
233	HAZMAT Building	Unassigned	0	840
233	HAZMAT Building	Outlease	840	0
236	Police HQ	Unassigned	0	7,108
236	Police HQ	Administration	1,422	0
236	Police HQ	Ambulatory Services	5,686	0
249	Greenhouse	Unassigned	0	2,800
249	Greenhouse	Ambulatory Services	2,800	0
250	Lath House Rehab Medicine	Unassigned	0	1,200
256	Day Treatment Center Mental Health	Unassigned	0	47,676
256	Day Treatment Center Mental Health	Acute Care	48	0
256	Day Treatment Center Mental Health	Administration	48	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
256	Day Treatment Center Mental Health	Ambulatory Services	8,534	0
256	Day Treatment Center Mental Health	Behavioral Health	21,673	0
256	Day Treatment Center Mental Health	Domiciliary	48	0
256	Day Treatment Center Mental Health	Logistics	1,549	0
256	Day Treatment Center Mental Health	Nursing Home	48	0
256	Day Treatment Center Mental Health	Outlease	48	0
256	Day Treatment Center Mental Health	Research	15,672	0
257	Mental Health/New Directions/Methadone (Brentwood)	Unassigned	0	57,386
257	Mental Health/New Directions/Methadone (Brentwood)	Behavioral Health	36,075	0
257	Mental Health/New Directions/Methadone (Brentwood)	Domiciliary	21,311	0
258	Administration/Mental Health (Brentwood)	Unassigned	0	65,576
258	Administration/Mental Health (Brentwood)	Administration	12,325	0
258	Administration/Mental Health (Brentwood)	Ambulatory Services	7,104	0
258	Administration/Mental Health (Brentwood)	Behavioral Health	12,969	0
258	Administration/Mental Health (Brentwood)	Outlease	24,055	0
258	Administration/Mental Health (Brentwood)	Research	9,120	0
259	Com Work Therapy	Unassigned	0	8,685
259	Com Work Therapy	Ambulatory Services	8,685	0
264	FBI (Annex Theater)	Unassigned	0	10,080
264	FBI (Annex Theater)	Administration	3,360	0
264	FBI (Annex Theater)	Ambulatory Services	3,360	0
264	FBI (Annex Theater)	Outlease	3,360	0
265	Vacant (To Be Demolished)	Unassigned	0	2,400
265	Vacant (To Be Demolished)	Outlease	2,400	0
266	Vacant (To Be Demolished)	Unassigned	0	3,234
266	Vacant (To Be Demolished)	Outlease	3,234	0
267	Vacant (To Be Demolished)	Unassigned	0	6,648
267	Vacant (To Be Demolished)	Outlease	6,648	0
278	Vacant (To Be Demolished)	Unassigned	0	3,000
278	Vacant (To Be Demolished)	Outlease	3,000	0
292	Water Treatment Plant	Unassigned	864	864
295	Steam Plant	Unassigned	5,720	5,720
296	Chemical Storage House	Unassigned	219	219
297	Supply Warehouse	Unassigned	0	32,700
297	Supply Warehouse	Logistics	32,700	0
299	Switchgear	Unassigned	550	550
300	Dietetics	Unassigned	0	68,824
300	Dietetics	Acute Care	55,059	0
300	Dietetics	Nursing Home	13,765	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
301	AFGE Union	Administration	2,643	0
301	AFGE Union	Logistics	0	2,643
304	Research Med. Sup.	Unassigned	0	89,268
304	Research Med. Sup.	Acute Care	4,174	0
304	Research Med. Sup.	Administration	4,174	0
304	Research Med. Sup.	Ambulatory Services	30,674	0
304	Research Med. Sup.	Research	50,245	0
305	Transportation Offices	Unassigned	0	1,920
305	Transportation Offices	Logistics	1,920	0
306	Cafeteria/Post Office	Unassigned	0	14,280
306	Cafeteria/Post Office	Acute Care	107	0
306	Cafeteria/Post Office	Administration	346	0
306	Cafeteria/Post Office	Ambulatory Services	13,159	0
306	Cafeteria/Post Office	Behavioral Health	107	0
306	Cafeteria/Post Office	Domiciliary	107	0
306	Cafeteria/Post Office	Nursing Home	107	0
306	Cafeteria/Post Office	Outlease	346	0
307	Single Quarters	Unassigned	0	1,200
307	Single Quarters	Administration	1,200	0
308	Single Quarters	Unassigned	0	1,728
308	Single Quarters	Administration	1,728	0
309	Garage	Unassigned	400	400
310	Garage	Unassigned	400	400
311	Mobile House	Unassigned	0	1,400
311	Mobile House	Outlease	1,400	0
312	Mobile House	Unassigned	0	1,400
312	Mobile House	Outlease	1,400	0
315	GSA Motor Pool	Logistics	3,600	3,600
318	Mobile House	Unassigned	0	1,400
318	Mobile House	Outlease	1,400	0
319	Supply Storage	Unassigned	0	800
319	Supply Storage	Administration	800	0
320	Supply Storage	Unassigned	0	1,200
320	Supply Storage	Logistics	1,200	0
329	Golf Club House	Unassigned	265	265
33	Quarters	Unassigned	0	1,200
33	Quarters	Administration	1,200	0
330	Nursery Garden	Unassigned	0	1,500
330	Nursery Garden	Ambulatory Services	1,500	0
337	Research Animal House	Logistics	0	6,772
337	Research Animal House	Research	6,772	0
345	Radiation Therapy	Ambulatory Services	15,620	15,620
44	Engineering Shop	Logistics	12,909	12,909
46	Engineering Shop	Logistics	11,034	11,034
500	Main Hospital	Acute Care	263,755	207,836
500	Main Hospital	Administration	129,224	120,234

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
500	Main Hospital	Ambulatory Services	392,127	389,665
500	Main Hospital	Behavioral Health	24,903	117,373
500	Main Hospital	Domiciliary	1,724	64,893
500	Main Hospital	Logistics	45,916	0
500	Main Hospital	Nursing Home	5,433	0
500	Main Hospital	Outlease	15,108	0
500	Main Hospital	Research	12,197	0
501	Chiller	Logistics	30,000	30,000
505	Paint Shop	Administration	0	5,000
505	Paint Shop	Logistics	5,000	0
506	VA District Council	Administration	3,106	9,320
506	VA District Council	Ambulatory Services	3,106	0
506	VA District Council	Outlease	3,106	0
507	MRI Facility	Unassigned	0	6,000
507	MRI Facility	Ambulatory Services	6,000	0
508	Laundry	Acute Care	11,250	0
508	Laundry	Logistics	22,500	45,000
508	Laundry	Nursing Home	11,250	0
509	Recycling Center	Unassigned	0	3,749
509	Recycling Center	Acute Care	94	0
509	Recycling Center	Administration	94	0
509	Recycling Center	Ambulatory Services	94	0
509	Recycling Center	Behavioral Health	94	0
509	Recycling Center	Domiciliary	94	0
509	Recycling Center	Logistics	3,000	0
509	Recycling Center	Nursing Home	94	0
509	Recycling Center	Outlease	94	0
509	Recycling Center	Research	94	0
510	Transportation	Logistics	4,782	4,782
511	Storage	Logistics	9,638	9,638
63	Vacant Engineering M&O	Logistics	0	720
63	Vacant Engineering M&O	Outlease	720	0
66	Trolley House	Unassigned	0	600
66	Trolley House	Ambulatory Services	600	0
90	Duplex Quarters	Unassigned	0	4,752
90	Duplex Quarters	Administration	4,752	0
91	Duplex Quarters	Unassigned	0	4,752
91	Duplex Quarters	Administration	4,752	0
T79	Plant Nursery	Unassigned	0	1,550
T79	Plant Nursery	Ambulatory Services	1,550	0
T83	Welding shop	Unassigned	0	1,300
T83	Welding shop	Logistics	1,300	0
T84	Laundry Annex	Unassigned	0	1,580
T84	Laundry Annex	Acute Care	395	0
T84	Laundry Annex	Logistics	790	0
T84	Laundry Annex	Nursing Home	395	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
Z-10	New Logistics Buildings	Logistics	0	162,454
Z-2	New Acute Care Building	Acute Care	0	122,048
Z-3	New Nursing Home Building	Nursing Home	0	135,856
Z-7	New Ambulatory Services Building	Ambulatory Services	0	132,992
Z-8	New Research Building	Research	0	236,936
Z-9	New Administration Building	Administration	0	28,824

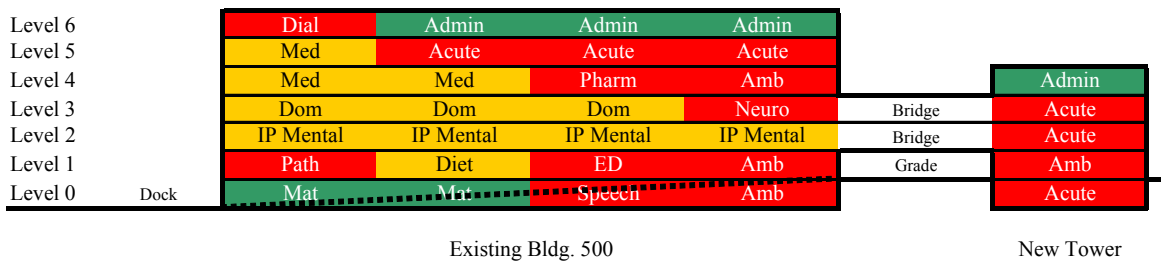
Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- The plan recognizes that outleased space currently has existing relationships which will be considered in reuse planning.
- There is 86,400 BGSF allocated for the VBA functions combined with the “New Ambulatory Services Zone” area in the “Proposed BGSF” column of the above table.

- **Conceptual Building Section** The following Figure 10 illustrates the proposed stacking for the existing Building 500 and proposed New Tower. Either entire zones or at least similar zones are co-located on the same floors to minimize function conflicts. Where a department was not relocated to another building or to make way for a different department, it was left in the existing location. Support loading dock and outpatient functions are located on the Ground Level. Other outpatient functions were located to the First Level with direct access to parking and the rest of the campus. The Second Level is renovated Behavioral Health that is renovated in-place. Levels three through six are as indicated below. In the New Tower, the Acute and Ambulatory functions are located on the lower levels while the Administration functions are located on the upper levels. All other buildings on the site are a single Zone and therefore do not require a building section.

Figure 10: Conceptual section of the Functional Distributions

BPO 3



- **Optimal Use of Existing Buildings:** The majority of existing buildings on the campus are not compatible with modern standards of design for clinical functions. To accommodate projected delivery of care standards, the floor plates are too small (resulting in

compromised functional adjacencies); the floor to floor heights are too low (resulting in mechanical systems with insufficient air volume) and with a few exceptions, the resident rooms do not have bathrooms accessible from within the rooms. As a result, proposed renovations to address the projected workload will require additional area to achieve the same goal. Since this BPO seeks to optimize use of a significant amount of existing buildings supplemented with new construction, the area totals for this BPO are larger than would be the case for entirely new construction.

- Projected Workload Volumes for 2023: The projected areas are derived from workload volumes that are detailed in the Stage II Assumptions, not included or attached to this report. These projected areas indicate that the desired functions can be accommodated in approximately the same area that is currently used on the campus for only some of the zones. This is largely due to the fact that there is significant new construction in this BPO, and many of the zones will be relocated into the efficient new construction that will require less area than is currently used. The Nursing Home Zone will be required to meet higher area standards than are currently in use while being housed in new state of the art construction. Consequently, the higher area standards cancel out the efficiency of the new construction for a required area that is approximately the same as is currently used. The Domiciliary Zones will be required to meet higher area standards than are currently in use while still being housed in renovated, inefficient buildings. The convergence of the two resulted in the requirement for significantly more area than is currently in use for this zone. Portions of the Acute, Ambulatory and all of the Research Zone will be relocated from inefficient buildings to efficient, new construction that consequently will require significantly less area than is currently used.
- Parking: Portions of the existing surface parking areas will be repaved and expanded to provide parking in the most convenient locations adjacent to building entries. Where existing parking is not required, it will be removed and new landscape will be provided. Distribution of parking by departmental group is indicated in Table 27. There is sufficient land available to meet the parking need. However, due to the concentration of functions on the Wadsworth campus at Building 500, structured parking is required to accommodate sufficient parking adjacent to the entrance of the building. Without this proposed Parking Structure, all the parcels on the Wadsworth Campus that are currently proposed as available for reuse will be required for surface parking to serve VA Functions. This will result in a loss of both the reuse parcels as well as convenient parking located near the buildings served.

Table 27: Parking Distribution – BPO 3

Parking Area	Total Surface Spaces	Total Structured Spaces	Surface Area (SF)	Structured Area (SF)	Location
Acute Care	564	0	282,000	0	Adjacent to Building 500.
Nursing Home	160	0	80,000	0	Adjacent to New Nursing Home.
Domiciliary	230	0	115,000	0	Adjacent to Bldgs 214, 215, 217 and 500.
Rehabilitation	0	0	0	0	n/a
Behavioral Health	111	0	55,500	0	Adjacent to Building 500.
Ambulatory Services	0	1,792	0	716,800	Adjacent to Building 500, 304.
Research	278	0	139,000	0	Adjacent to New Research Bldg.
Administration	376	0	188,000	0	Adjacent to Bldg 213, 218, 506, 500 and New Admin Bldg.
Logistics	202	0	101,000	0	Throughout the site.
Total	1,921	1,792	960,500	716,800	

Note: There is no rehabilitation or outlease space provided on the campus. However, the projected parking area resulting from mathematical rounding of projected areas has been included in the logistics parking area on the site plan.

- Conclusion from the Space Analysis:** The projected area need for the campus is approximately 2,727,000 BGSF (not including outlease space). Because this BPO involves both extensive renovation of existing space and new construction, the space required is approximately 2,190,000 Building Gross Square Feet (BGSF). This projected area provides a reduction to the existing campus area of approximately 20%. This percentage reduction is largely due to the fact that there is new construction in this BPO. Consequently, some of the zones will need to be relocated back into the same inefficient renovated buildings that they originated in while others will be relocated to new, efficient construction. If the campus were to be re-built in entirely new, efficient construction, the percentage reduction would be much higher.

Construction Phasing: Phasing is addressed via two different approaches for each zone, or program element, on the West Los Angeles campus. One approach is sequential projects; with relocation of departments into new or renovated space as projects are completed. This includes the new Nursing Home Care Building, Acute Care Building, VBA Building, Research Building, Renovated Domiciliary Buildings, etc. After a department is relocated, the newly vacated space is then available for renovation and further relocations. This approach results in fairly simple single-phase projects, without minimal impact to operation of the departments prior to the time of move in.

Another approach is required for functions that are not relocated and require renovation-in-place while continuing to operate. This type of renovation for departments that remain in place dictates complex, multi-phase construction in order to maintain patient services in the effected department. Proposed sub-phasing and duration of renovation projects is based on the assumption that excess capacity exists or can be created in each department. This assumption is based on in-patient bed unit and diagnostic services capacity of the

main Hospital Building, as originally designed, which is in excess of that being used today. However, in order to utilize any excess capacity to allow in-place renovations careful planning during the implementation phase will be required. Excess capacity within each department may be created by extending hours of operation, space reallocation or a combination of both. Each department has unique minimal spatial requirements and operational considerations which impact the number of sub-phases as well as the boundary and square footage of each sub-project. Departments that are expected to require this approach include those with fixed equipment, extensive infrastructure and highly specialized services including Administration, Medical, Pharmacy, Ambulatory, Emergency Department, Clinical Laboratory, Dietetic and Materials Management. These departments may require 3-4 phases of renovation with only 20-35% of each department being impacted by construction at any one time, over a long duration. This issue will require extensive study during the implementation phase of the selected BPO and may change significantly as the each project element is further planned and executed. The intent is for each department to remain operational with a reasonable utilization rate while being renovated in-place, without the need to temporarily relocate or outsource the function.

A general overview of the phasing sequence is provided as follows:

- Replace campus water and steam site distribution systems.
- Vacate and demolish buildings 304 and 507 to clear site for New Acute Tower.
- Construct New Acute Tower for Acute, Ambulatory and Administration Zones on the site of the above demolished buildings.
- Vacate existing Acute patients and Acute, Ambulatory and Administration functions to New Acute Tower.
- Renovate in multiple phases Building 500 for Acute, Ambulatory and Administration Zones. Start renovations with areas vacated to New Acute Tower.
- Vacate and demolish buildings 13, 212, 236 and 306 to clear site for New Nursing Home.
- Construct New Nursing Home for Nursing Home Zone.
- Vacate existing Nursing Home patients in buildings 213 and 215 and relocate to New Nursing Home.
- Renovate buildings 213 215 and 500, Third Level, for Domiciliary Zone.
- Vacate existing Domiciliary patients in buildings 214 and 217 and relocate to renovated buildings 213, 215 and 500, Third Level.
- Renovate buildings 214 and 217 for Domiciliary Zone.
- Renovate in four phases Building 500, Second Level, for Behavioral Zone.
- Construct New Research Building for Research Zone.
- Vacate buildings 113, 114, 115 and 117 to New Research Building.
- Renovate buildings 213, 218, 220, 505 and 506 for Administration Zone.
- Construct New VBA Building for VBA.

Construct New Logistics Building(s) for Logistics Zone.

- Construction Schedule: Schedules for construction activities are intended to identify relative duration of new construction or renovated work in order to calculate occupancy

date for utilization of space and escalation costs. These schedules provide a base on which the implementation plan activities will be incorporated. The schedule indicates a brief description of the individual building construction projects and indicates the construction sequence and duration for this option. Commissioning of engineering systems should occur in the last 20% of each project's duration.

- Existing Building Maintenance Costs: Existing unaltered buildings retained on the campus for this BPO require ongoing and periodic maintenance costs including buildings which are scheduled for either reuse or demolition up to the point where agreements for reuse are accepted or demolition begins.
- Capital Cost Estimate: An estimate of projected new construction and renovation costs is indicated in the BPO Capital Cost Estimate. The capital costs are based on campus-wide area projections by Departmental Group (Zone) as indicated in the Projected BPO areas by Departmental Group (Zone).
- Construction Cost depends on Function: Construction costs are derived from projected area requirements by Building and non-Building Departmental Groups (Zones).

Soft Costs Standardized: Approved factors as stated in the assumptions for soft costs (such as professional fees, furnishings and equipment) are based on consultant experience and VA standards.

Evaluation of BPO 3 using Capital Criteria:

- Consolidation of Vacated Space: The vacant square footage area totals for BPO 3 indicates there will be no vacant space across the campus (see Table 28.) Existing buildings with vacant space will be demolished or made available for reuse.

Table 28: Percentage of Vacant Space – BPO 3

Title	Vacant BGSF
Existing Vacant	344,821
Vacant BPO	0
Difference	-344,821
Percent Difference	-100

- Consolidation of Underutilized Space: Underutilized space is space not used to its full potential because of physical constraints. Because there is an amount of renovation required for this BPO, additional area is required to achieve a modern, safe and secure environment, resulting in an increase of underutilized space. Comparing the ideal space requirements for the workload to the square footage need for this option results in a 1.5% overall increase in area need. (See Table 29)

Table 29: Percentage of Underutilized Space – BPO 3

Title	Total
Projected Ideal BGSF Based on In-House Workload	2,155,857
Proposed BPO BGSF	2,189,855
Underutilized Space	33,998
Variance by Percentage	1.5%

- **Timeliness of Completion:** This BPO requires a 13 year (156 month) phased period of construction from initiation in January 2009 with completion to implement improvements to the physical environment starting in January 2010 and completion in January 2023 (See Table 30). Key assumptions include:
 - The historic building process begins January 2007 and ends January 2011.
 - Project funding is approved January 2009.
 - The first phase of the construction sequence is replacement of the existing campus water and steam site distribution systems. Design and subsequent work for this project is projected to begin January 2010 and takes 48 months to complete.
 - Planning and design for the first series of new construction and renovation projects begins January 2010 and takes 18 months.
 - Construction of New Acute Tower for Acute, Ambulatory and Administration Zones begins January 2010 and is occupied January 2014.
 - Renovation of Building 500 for Acute, Ambulatory and Administration Zones begins January 2010 and the last phase of construction is occupied March 2016.
 - Construction of New Nursing Home for Nursing Home Zone begins January 2011 and is occupied January 2015.
 - Renovation of buildings 213 and 215 for Domiciliary Zone begins January 2015 and are occupied January 2018.
 - Renovation of Building 500, Third Level, for Domiciliary Zone begins January 2014 and is occupied January 2016.
 - Renovation of buildings 214 and 217 for Domiciliary Zone begins January 2018 and are occupied January 2021.
 - Renovation of Building 500, Second Level, for Behavioral Zone begins January 2010 and the fourth and last phase of construction is occupied January 2016.
 - Construction of New Research Building for Research Zone begins January 2010 and is occupied January 2014.
 - Renovation of buildings 213, 218, 220, 505 and 506 for Administration Zone begins at various dates and are occupied at various dates.
 - Construction of New VBA Building for VBA begins January 2010 and is occupied January 2014.
 - Construction of New Logistics Building(s) for Logistics Zone begin at various dates and are occupied at various dates

Table 30: Total Construction Duration – BPO 3

	Start Date	Completion Date	Duration
Total Construction Activity	01/01/10	01/01/23	156 Months

- Timeliness of Urgent Seismic Corrections:** There are 32 buildings on the West Los Angeles campus identified in the CAI with seismic non-exempt, medium risk, or higher status. The priority is for the correction of these buildings to be accommodated as early as possible. However, the sequence of construction required to achieve proposed plan indicates full occupancy of the last building with seismic corrections, Building 500, in March 2016. This building will require the most involved and complex phasing to accomplish the required seismic corrections. Buildings with seismic deficient status that are not projected for VA occupancy will be reused or demolished as they become eligible, based on the implementation schedule.
- Size and Complexity of Capital Plan:** Projected areas (BGSF) based on 2023 workload volumes indicate a changes to the West Los Angeles campus as indicated in Table 31. It is significant to note that many departmental groups require about the same or less projected area than existing due to the anticipated improvements based on significantly more new construction of state-of-the-art facilities. The exception is a notable increase in Domiciliary, Logistics and Administration.

Table 31: Campus Area Change – BPO 3

Distributions	Acute Care	Nursing Home	Dom.	Rehab.	Behav Health	Amb Services	Research	Admin.	Logistics	Outlease
Existing	350,458	135,222	218,369	0	133,660	639,221	371,591	286,977	170,730	421,310
Proposed BPO	329,885	135,856	258,769	0	117,373	538,278	236,936	301,060	271,698	0
Variance By BGSF	-20,573	634	40,400	0	-16,287	-100,943	-134,655	14,083	100,968	-421,310

Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- There is 86,400 BGSF allocated for the VBA functions combined with the “Ambulatory Services” area in the “Proposed BPO” row of the above table.

- Patient Moves:** Of the existing 91 buildings on the campus (as identified in the CAI), in this BPO, many buildings with clinical or clinical-related functions will be renovated or identified as available for reuse/demolition. A detailed construction schedule is beyond the scope of this study. However, there are some portions of Building 500 where renovations will be complex and that patients may be inconvenienced but care may continue in the buildings during renovations. With some new facilities provided in this option, impact to clinical functions and patient inconvenience is minimized.

Furthermore, relocations activities may be accommodated in a simple manner without disruption to care delivery. An overview of patient moves follows. Further detail will be provided in the Implementation Plan.

- The Acute and Ambulatory Zones will be predominantly located in renovated Building 500. In this BPO, the construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time patient and function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated acute care, ambulatory and support functions relocate to the appropriate renovated areas.
- The Nursing Home Zone will be entirely located in the New Nursing Home. The construction is accomplished through either one or two large phases. This will require only one or two large, one time patient and function moves as opposed to multiple smaller moves as described above. Upon completion of construction of the New Nursing Home facilities on the Brentwood campus, all designated nursing home and support functions relocate to the New Nursing Home.
- The Domiciliary Zone will be located in a series of renovated buildings. The construction is accomplished through the renovation of one or two of the buildings at a time. This will require only two phases of moves as the buildings are completed. Upon completion of renovation of the new domiciliary buildings at the site of the former Nursing Home, all designated domiciliary and support functions relocate to the renovated buildings.
- The Behavioral Zone will be located in renovated Building 500, Level 2. The construction is accomplished through four in-place, phased renovations. This will require four, one time patient and function moves, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500, Level 2 all designated behavioral and support functions relocate to the appropriate renovated areas.
- The Ambulatory Zone, in addition to Building 500, will be located in renovated buildings 345. The construction is accomplished through the renovation of the building. This will require only a single phase of moves as the building is completed. Upon completion of renovation of the new ambulatory building, all designated ambulatory and support functions relocate to the renovated buildings.
- The Research Zone will be entirely located in the New Research Building(s). The construction is accomplished through either one or two large phases. This will require only one or two large, one time function moves as opposed to multiple smaller moves as described above. Upon completion of construction of the New Research facilities on the Wadsworth campus, all designated research and support functions relocate to the New Research Building(s).
- The Administrative Zone will be predominantly located in renovated Building 500. The construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all

designated administrative and support functions relocate to the appropriate renovated areas. In addition to Building 500, administration will be located in renovated buildings 213, 218, 220, 505 and 506. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new administration buildings, all designated administration and support functions relocate to the renovated buildings.

- The VBA will be entirely located in the New VBA Building. The construction is accomplished through one large phase. This will require only one large, one time function move as opposed to multiple smaller moves as described above. Upon completion of construction of the New VBA facilities on the Wadsworth campus, all designated VBA and support functions relocate to the New VBA Building.

- Historic Buildings Altered: There are 2 buildings identified as historic in the CAI. However, based on building age, there are 66 buildings designated as historically eligible. For this BPO, 37 will be renovated, considered available for reuse or demolished (See Table 32). The National Historic Preservation Act requires that a federal agency must assume responsibility for historic properties and Section 106 requires federal agencies to consider historic properties as it plans a project and to consult with the Advisory Council on Historic Preservation. The approval process for renovation can take more than a year and will need to be considered in the implementation planning efforts.

Table 32: Historic Buildings Altered – BPO 3

Title	Bldg Count
Total Historic or Historically Eligible	66
Altered Historic Projects	37

Note: Values indicate quantity of Historically Eligible buildings as altered by this BPO

BPO 5

BPO Description:

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

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. The VBA will relocate into the renovated Building 500. 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. 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. 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.

Parcels available for reuse include Parcels A1, A2, C, H3, K2, B3, H2 and J.

Note:

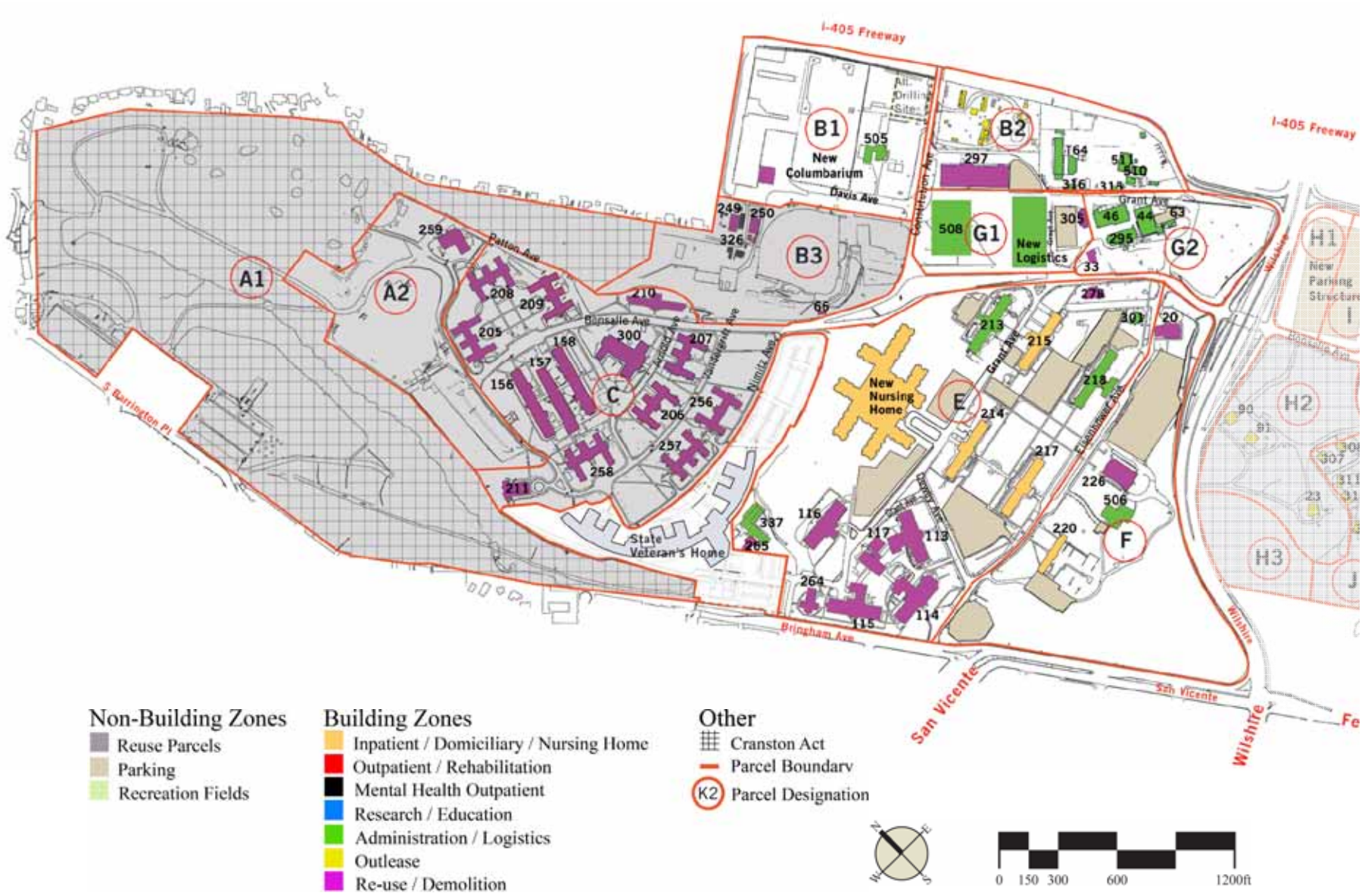
As buildings and land become vacant over the forecast period, the contractor for the programming and design phase of the project should identify in a project schedule the reuse potential of land parcel and vacant building availability.

Analysis of Capital Planning Outputs

- **Site Plan:** The Projected BPO 5 Site Plan (Figures 11a & b) illustrates the proposed campus configuration and locations of buildings.
- **Building Color Code:** Similar to the Existing Current Stage Site Plan, the building color indicates the Departmental Group (Zone) of the primary occupants for each building. Matching the building color key used for the Existing Current State Site Plan, the proposed building color indicates the predominant occupancy of the building. Refer to the Legend regarding the Departmental Groups (Zone) contained therein.

- Site Impact during Construction: Site area calculations for cost estimating purposes are based on land area assigned to specific functions (such as for replacement piping in the utility replacement), new or replaced recreation areas (although none are identified for this site), new or repaved parking areas as determined by projected need and adjacency to new or renovated buildings as defined by the BPO site plan. Where existing parking areas are not needed, the calculation provides for their demolition and replacement with turf. Restoration of existing or installation of new walkways and internal campus vehicular circulation paths are also included in the calculation. Where existing buildings are scheduled for demolition without subsequent new construction, the calculation provides for their demolition and replacement of the former site with turf. In this BPO, there are several buildings that are demolished to allow for new construction and some new construction that is not associated with any building demolition. In these case, the calculations provide for the re-landscaping of the construction area around the new buildings. For this BPO the total site impact area total for cost calculations is approximately 69 acres excluding affected parking and building footprints.

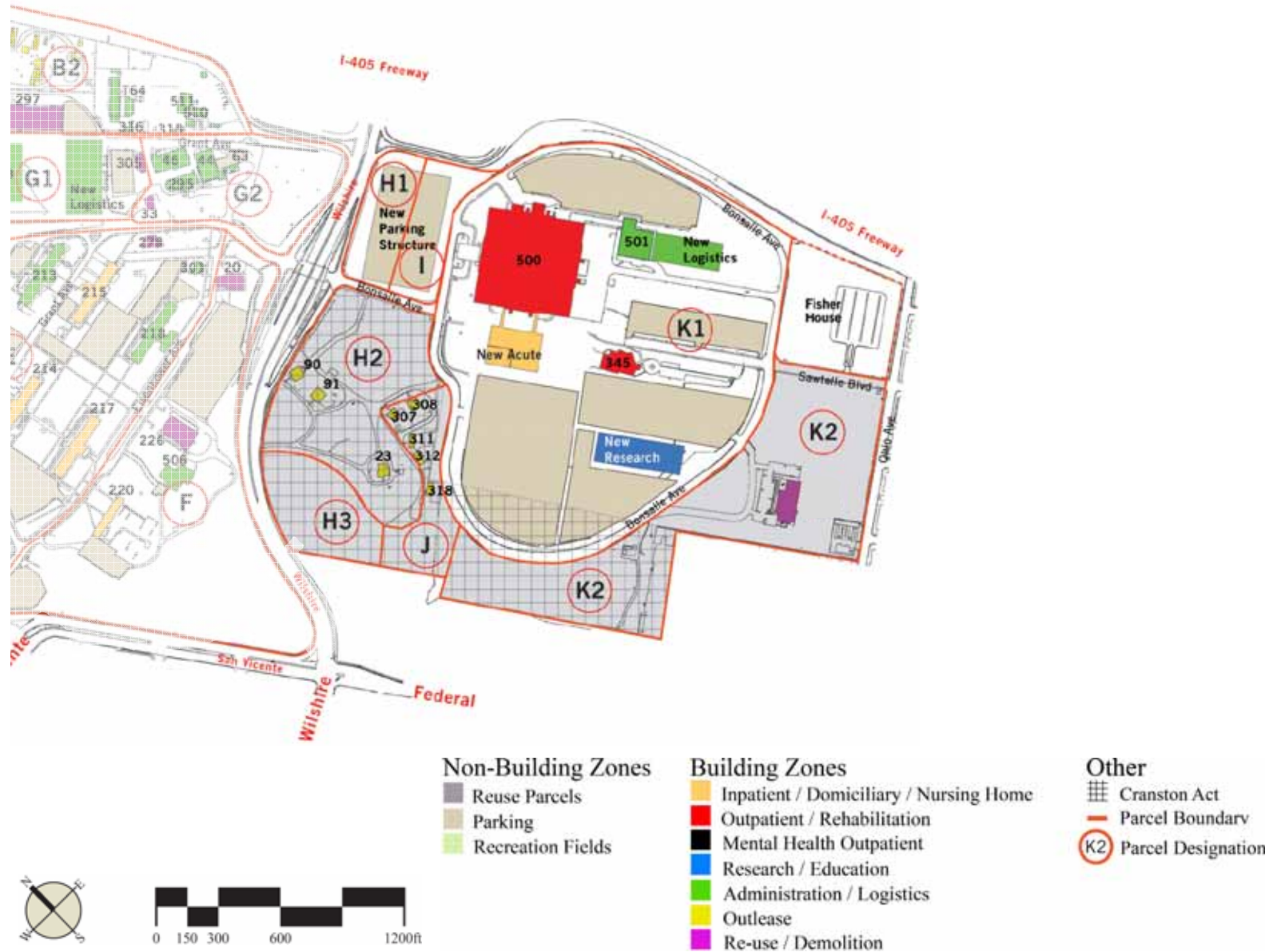
Figure 11a: A Diagram of the Projected BPO 5 Site Plan
Brentwood Campus



See Figure 11b for continuation

Figure 11b: A Diagram of the Projected BPO 5 Site Plan Wadsworth Campus

See Figure 11a for continuation



- Campus Area and Uses:** The BPO 5 campus configuration as indicated on the site plan is summarized in Table 33. There is no dedicated exterior recreation area defined. However, there is sufficient land available for recreational activities such as Golf Courses. The area totals for primary activities on the portions of the site to be retained exclusively for VA-related functions are indicated in the Campus Area Total below.

Table 33: Campus Area Total Acreage - BPO 5

Campus Area	Acres
Recreation	0
Parking	~ 23
Building & Landscape	~ 192
BPO Total (total of above)	~ 215
Existing Campus Total	~ 373

- Land Parcels Available for Re-Use:** BPO 5 designates approximately 222 acres (or 60% of the present site) on either side of Wilshire Boulevard as required for projected VA functions and approximately 151 acres (or 40% of the site) as available for reuse as shown in Table 34. Buildings and structures associated with replacement of the campus water and steam system are included as part of the area available for reuse. It should be noted that the Parcel B-1 is assigned to become the New Columbarium, and as such is not available for reuse. Also in Parcel B-1 is the Veteran’s Garden that is also not available for reuse.

Table 34: Land Parcels Available for Reuse

Re-Use Parcels	Acres	Comment
Parcel A1	75.25	Brentwood Campus
Parcel A2	15.32	Brentwood Campus
Parcel B3	10.11	Brentwood Campus
Parcel C	9.11	Brentwood Campus
Parcel H2	12.92	Wadsworth Campus
Parcel H3	3.88	Wadsworth Campus
Parcel J	4.13	Wadsworth Campus
Parcel K2	20.77	Wadsworth Campus

- Buildings Available for Re-Use:** This BPO identifies buildings 13, 212, 236 and 306 specifically as demolished to allow for the new construction on the campus for the New Nursing Home. Additionally, this BPO identifies buildings 304 and 507 specifically as demolished to allow for the new construction on the campus for the New Acute Tower. All other existing buildings within VA-use parcels that are not required for VA functions are designated as reuse / demolition and demolitions costs are associated with each.

There are some buildings in both reuse and VA-use parcels that are specifically designated by the local VA as not to be demolished even though there are no assigned VA functions as defined in the CAI database proposed for the buildings, and consequently there are no associated demolition costs. These buildings are: 116, 20, 211, 226, 23, 264, 307, 308, 311, 312, 318, 90 and 91.

All existing buildings within the reuse parcels are designated as available for reuse / demolition. These buildings are generally in Parcel C, but are located on other reuse parcels as well. No demolition costs were associated with these buildings due to being in reuse parcels.

- **Relocation of Functions:** In BPO 5 all projected area requirements will be accommodated through either the renovation of existing buildings and reducing vacant space therein or through the construction of the New Nursing Home on the Brentwood Campus. On the Wadsworth Campus there will be a New Acute Tower.

The Acute Zone, located on the Wadsworth Campus, consists of renovated Building 500 and the New Acute Tower. Parking will surround the buildings with both surface lots as well as structured parking.

The Nursing Home Zone, located on the Brentwood Campus, consists of a New Nursing Home Building near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions.

The Domiciliary Zone, located on the Brentwood Campus, consists of renovated buildings 213, 214, 215 and 217, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions. The Domiciliary Zone on the Wadsworth Campus consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Behavioral Zone, located on the Wadsworth Campus, consists of renovated Building 500. Parking will surround the buildings with both surface lots as well as structured parking.

The Ambulatory Zone, located on the Wadsworth Campus, consists of renovated buildings 345, 500 and the New Acute Tower. Parking will surround the buildings with both surface lots as well as structured parking.

The Research Zone, located on the Wadsworth Campus, consists of the New Research building. Parking will surround the buildings with surface lots.

The Administrative Zone, located on the Brentwood Campus, consists of renovated buildings 213, 218, 220, 505 and 506, all near the center of the campus. Surface parking will surround the building with multiple designated entries assigned to specific functions. The Administrative Zone on the Wadsworth Campus consists of renovated Building 500

and the New Acute Tower. Parking will surround the buildings with both surface lots as well as structured parking.

The VBA on the Wadsworth campus consists of renovated Building 500. Parking will surround the building with a Parking Structure and surface lots.

The Logistical Zone is located in several buildings throughout both campuses.

The remaining existing buildings located on the campus will be vacated and designated for demolition or reuse.

Table 35, below, indicates the projected area need as assigned to each building on the campus. Departmental Group area totals are provided for each building.

Table 35: Functional Distribution - BPO 5

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
0	Baseball Lot (UCLA) Clubhouse	Administration	300	0
0	Baseball Lot (UCLA) Clubhouse	Ambulatory Services	300	0
0	Baseball Lot (UCLA) Clubhouse	Outlease	300	0
104	Garage 2-Car	Unassigned	500	500
105	Garage 3-Car	Unassigned	600	600
111	Gate House	Unassigned	144	144
113	Animal Research	Unassigned	0	60,000
113	Animal Research	Research	60,000	0
114	Research Lab	Unassigned	0	69,921
114	Research Lab	Administration	971	0
114	Research Lab	Ambulatory Services	971	0
114	Research Lab	Outlease	971	0
114	Research Lab	Research	67,006	0
115	Research Lab	Unassigned	0	60,314
115	Research Lab	Research	60,314	0
116	Outlease New Directions Homeless Vets	Unassigned	0	60,309
116	Outlease New Directions Homeless Vets	Administration	20,103	0
116	Outlease New Directions Homeless Vets	Ambulatory Services	20,103	0
116	Outlease New Directions Homeless Vets	Outlease	20,103	0
117	Research Lab (former Mortuary)	Unassigned	0	20,873
117	Research Lab (former Mortuary)	Research	20,873	0
12	Emergency Generator	Unassigned	1,075	1,075
13	Storage	Unassigned	0	52,604
13	Storage	Outlease	52,604	0
14	Single Garage	Unassigned	n/a	n/a
156	Vacant	Unassigned	0	60,000
156	Vacant	Outlease	60,000	0
157	Vacant	Unassigned	0	45,000
157	Vacant	Outlease	45,000	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
158	Mental Health Clinic	Unassigned	0	47,134
158	Mental Health Clinic	Outlease	47,134	0
199	Vacant (Hoover Barracks)	Unassigned	0	3,600
199	Vacant (Hoover Barracks)	Outlease	3,600	0
20	Chapel	Unassigned	0	8,758
20	Chapel	Outlease	8,758	0
205	Mental Outpatient Psychiatry (Brentwood)	Unassigned	0	53,048
205	Mental Outpatient Psychiatry (Brentwood)	Administration	5,500	0
205	Mental Outpatient Psychiatry (Brentwood)	Ambulatory Services	2,769	0
205	Mental Outpatient Psychiatry (Brentwood)	Behavioral Health	10,612	0
205	Mental Outpatient Psychiatry (Brentwood)	Outlease	34,166	0
206	Mental Heath Homeless (Brentwood)	Unassigned	0	47,099
206	Mental Heath Homeless (Brentwood)	Ambulatory Services	23,547	0
206	Mental Heath Homeless (Brentwood)	Behavioral Health	23,548	0
207	Outleased Salvation Army (Brentwood)	Unassigned	0	47,016
207	Outleased Salvation Army (Brentwood)	Administration	5,223	0
207	Outleased Salvation Army (Brentwood)	Ambulatory Services	5,223	0
207	Outleased Salvation Army (Brentwood)	Domiciliary	31,343	0
207	Outleased Salvation Army (Brentwood)	Outlease	5,223	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Unassigned	0	47,264
208	Mental Health/Voc Rehab Medicine (Brentwood)	Ambulatory Services	14,704	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Behavioral Health	1,404	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Outlease	14,456	0
208	Mental Health/Voc Rehab Medicine (Brentwood)	Research	16,697	0
209	Vacant	Unassigned	0	46,708
209	Vacant	Acute Care	15,571	0
209	Vacant	Ambulatory Services	15,571	0
209	Vacant	Outlease	15,565	0
210	Research/MIREC (Brentwood)	Unassigned	0	39,676
210	Research/MIREC (Brentwood)	Behavioral Health	2,271	0
210	Research/MIREC (Brentwood)	Nursing Home	4,541	0
210	Research/MIREC (Brentwood)	Research	32,865	0
211	Theater (Brentwood)	Unassigned	0	11,490
211	Theater (Brentwood)	Administration	3,829	0
211	Theater (Brentwood)	Ambulatory Services	3,829	0
211	Theater (Brentwood)	Outlease	3,829	0
212	Salvation Army/Prosthetics	Unassigned	0	62,560
212	Salvation Army/Prosthetics	Domiciliary	49,551	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
212	Salvation Army/Prosthetics	Outlease	0	0
212	Salvation Army/Prosthetics	Research	13,009	0
213	NHCU Pod & Dialysis	Administration	0	62,560
213	NHCU Pod & Dialysis	Ambulatory Services	15,973	0
213	NHCU Pod & Dialysis	Nursing Home	46,584	0
214	Domiciliary	Domiciliary	53,000	53,000
215	NHCU	Domiciliary	0	53,000
215	NHCU	Nursing Home	53,000	0
217	Domiciliary	Domiciliary	58,000	58,000
218	Administration Building	Administration	48,617	75,121
218	Administration Building	Ambulatory Services	1,087	0
218	Administration Building	Logistics	17,309	0
218	Administration Building	Outlease	8,107	0
220	Dental/Research	Administration	2,241	0
220	Dental/Research	Ambulatory Services	8,967	0
220	Dental/Research	Domiciliary	3,187	29,876
220	Dental/Research	Outlease	8,759	0
220	Dental/Research	Research	6,722	0
222	Mail Out Pharmacy	Administration	8,855	0
222	Mail Out Pharmacy	Ambulatory Services	8,855	0
222	Mail Out Pharmacy	Logistics	0	26,565
222	Mail Out Pharmacy	Outlease	8,855	0
224	Outleased Laundry	Unassigned	0	29,256
224	Outleased Laundry	Administration	9,752	0
224	Outleased Laundry	Ambulatory Services	9,752	0
224	Outleased Laundry	Outlease	9,752	0
226	Outleased Wadsworth Theater	Unassigned	0	20,875
226	Outleased Wadsworth Theater	Administration	6,958	0
226	Outleased Wadsworth Theater	Ambulatory Services	6,958	0
226	Outleased Wadsworth Theater	Outlease	6,958	0
23	Quarters	Unassigned	0	3,448
23	Quarters	Administration	3,448	0
233	HAZMAT Building	Unassigned	0	840
233	HAZMAT Building	Outlease	840	0
236	Police HQ	Unassigned	0	7,108
236	Police HQ	Administration	1,422	0
236	Police HQ	Ambulatory Services	5,686	0
249	Greenhouse	Unassigned	0	2,800
249	Greenhouse	Ambulatory Services	2,800	0
250	Lath House Rehab Medicine	Unassigned	0	1,200
256	Day Treatment Center Mental Health	Unassigned	0	47,676
256	Day Treatment Center Mental Health	Acute Care	48	0
256	Day Treatment Center Mental Health	Administration	48	0
256	Day Treatment Center Mental Health	Ambulatory Services	8,534	0
256	Day Treatment Center Mental Health	Behavioral Health	21,673	0
256	Day Treatment Center Mental Health	Domiciliary	48	0

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
256	Day Treatment Center Mental Health	Logistics	1,549	0
256	Day Treatment Center Mental Health	Nursing Home	48	0
256	Day Treatment Center Mental Health	Outlease	48	0
256	Day Treatment Center Mental Health	Research	15,672	0
257	Mental Health/New Directions/Methadone (Brentwood)	Unassigned	0	57,386
257	Mental Health/New Directions/Methadone (Brentwood)	Behavioral Health	36,075	0
257	Mental Health/New Directions/Methadone (Brentwood)	Domiciliary	21,311	0
258	Administration/Mental Health (Brentwood)	Unassigned	0	65,576
258	Administration/Mental Health (Brentwood)	Administration	12,325	0
258	Administration/Mental Health (Brentwood)	Ambulatory Services	7,104	0
258	Administration/Mental Health (Brentwood)	Behavioral Health	12,969	0
258	Administration/Mental Health (Brentwood)	Outlease	24,055	0
258	Administration/Mental Health (Brentwood)	Research	9,120	0
259	Com Work Therapy	Unassigned	0	8,685
259	Com Work Therapy	Ambulatory Services	8,685	0
264	FBI (Annex Theater)	Unassigned	0	10,080
264	FBI (Annex Theater)	Administration	3,360	0
264	FBI (Annex Theater)	Ambulatory Services	3,360	0
264	FBI (Annex Theater)	Outlease	3,360	0
265	Vacant (To Be Demolished)	Unassigned	0	2,400
265	Vacant (To Be Demolished)	Outlease	2,400	0
266	Vacant (To Be Demolished)	Unassigned	0	3,234
266	Vacant (To Be Demolished)	Outlease	3,234	0
267	Vacant (To Be Demolished)	Unassigned	0	6,648
267	Vacant (To Be Demolished)	Outlease	6,648	0
278	Vacant (To Be Demolished)	Unassigned	0	3,000
278	Vacant (To Be Demolished)	Outlease	3,000	0
292	Water Treatment Plant	Unassigned	864	864
295	Steam Plant	Unassigned	5,720	5,720
296	Chemical Storage House	Unassigned	219	219
297	Supply Warehouse	Unassigned	0	32,700
297	Supply Warehouse	Logistics	32,700	0
299	Switchgear	Unassigned	550	550
300	Dietetics	Unassigned	0	68,824
300	Dietetics	Acute Care	55,059	0
300	Dietetics	Nursing Home	13,765	0
301	AFGE Union	Administration	2,643	0
301	AFGE Union	Logistics	0	2,643
304	Research Med. Sup.	Unassigned	0	89,268

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
304	Research Med. Sup.	Acute Care	4,174	0
304	Research Med. Sup.	Administration	4,174	0
304	Research Med. Sup.	Ambulatory Services	30,674	0
304	Research Med. Sup.	Research	50,245	0
305	Transportation Offices	Unassigned	0	1,920
305	Transportation Offices	Logistics	1,920	0
306	Cafeteria/Post Office	Unassigned	0	14,280
306	Cafeteria/Post Office	Acute Care	107	0
306	Cafeteria/Post Office	Administration	346	0
306	Cafeteria/Post Office	Ambulatory Services	13,159	0
306	Cafeteria/Post Office	Behavioral Health	107	0
306	Cafeteria/Post Office	Domiciliary	107	0
306	Cafeteria/Post Office	Nursing Home	107	0
306	Cafeteria/Post Office	Outlease	346	0
307	Single Quarters	Unassigned	0	1,200
307	Single Quarters	Administration	1,200	0
308	Single Quarters	Unassigned	0	1,728
308	Single Quarters	Administration	1,728	0
309	Garage	Unassigned	400	400
310	Garage	Unassigned	400	400
311	Mobile House	Unassigned	0	1,400
311	Mobile House	Outlease	1,400	0
312	Mobile House	Unassigned	0	1,400
312	Mobile House	Outlease	1,400	0
315	GSA Motor Pool	Logistics	3,600	3,600
318	Mobile House	Unassigned	0	1,400
318	Mobile House	Outlease	1,400	0
319	Supply Storage	Unassigned	0	800
319	Supply Storage	Administration	800	0
320	Supply Storage	Unassigned	0	1,200
320	Supply Storage	Logistics	1,200	0
329	Golf Club House	Unassigned	265	265
33	Quarters	Unassigned	0	1,200
33	Quarters	Administration	1,200	0
330	Nursery Garden	Unassigned	0	1,500
330	Nursery Garden	Ambulatory Services	1,500	0
337	Research Animal House	Logistics	0	6,772
337	Research Animal House	Research	6,772	0
345	Radiation Therapy	Ambulatory Services	15,620	15,620
44	Engineering Shop	Logistics	12,909	12,909
46	Engineering Shop	Logistics	11,034	11,034
500	Main Hospital	Acute Care	263,755	207,836
500	Main Hospital	Administration	129,224	12,234
500	Main Hospital	Ambulatory Services	392,127	497,665
500	Main Hospital	Behavioral Health	24,903	117,373
500	Main Hospital	Domiciliary	1,724	64,893

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
500	Main Hospital	Logistics	45,916	0
500	Main Hospital	Nursing Home	5,433	0
500	Main Hospital	Outlease	15,108	0
500	Main Hospital	Research	12,197	0
501	Chiller	Logistics	30,000	30,000
505	Paint Shop	Administration	0	5,000
505	Paint Shop	Logistics	5,000	0
506	VA District Council	Administration	3,106	9,320
506	VA District Council	Ambulatory Services	3,106	0
506	VA District Council	Outlease	3,106	0
507	MRI Facility	Unassigned	0	6,000
507	MRI Facility	Ambulatory Services	6,000	0
508	Laundry	Acute Care	11,250	0
508	Laundry	Logistics	22,500	45,000
508	Laundry	Nursing Home	11,250	0
509	Recycling Center	Unassigned	0	3,749
509	Recycling Center	Acute Care	94	0
509	Recycling Center	Administration	94	0
509	Recycling Center	Ambulatory Services	94	0
509	Recycling Center	Behavioral Health	94	0
509	Recycling Center	Domiciliary	94	0
509	Recycling Center	Logistics	3,000	0
509	Recycling Center	Nursing Home	94	0
509	Recycling Center	Outlease	94	0
509	Recycling Center	Research	94	0
510	Transportation	Logistics	4,782	4,782
511	Storage	Logistics	9,638	9,638
63	Vacant Engineering M&O	Logistics	0	720
63	Vacant Engineering M&O	Outlease	720	0
66	Trolley House	Unassigned	0	600
66	Trolley House	Ambulatory Services	600	0
90	Duplex Quarters	Unassigned	0	4,752
90	Duplex Quarters	Administration	4,752	0
91	Duplex Quarters	Unassigned	0	4,752
91	Duplex Quarters	Administration	4,752	0
T79	Plant Nursery	Unassigned	0	1,550
T79	Plant Nursery	Ambulatory Services	1,550	0
T83	Welding shop	Unassigned	0	1,300
T83	Welding shop	Logistics	1,300	0
T84	Laundry Annex	Unassigned	0	1,580
T84	Laundry Annex	Acute Care	395	0
T84	Laundry Annex	Logistics	790	0
T84	Laundry Annex	Nursing Home	395	0
Z-10	New Logistics Buildings	Logistics	0	162,454
Z-2	New Acute Care Building	Acute Care	0	122,048
Z-3	New Nursing Home Building	Nursing Home	0	135,856

Building	Building Name	Building Group	Existing BGSF	Proposed BGSF
Z-7	New Ambulatory Services Building	Ambulatory Services	0	46,592
Z-8	New Research Building	Research	0	236,936
Z-9	New Administration Building	Administration	0	115,224

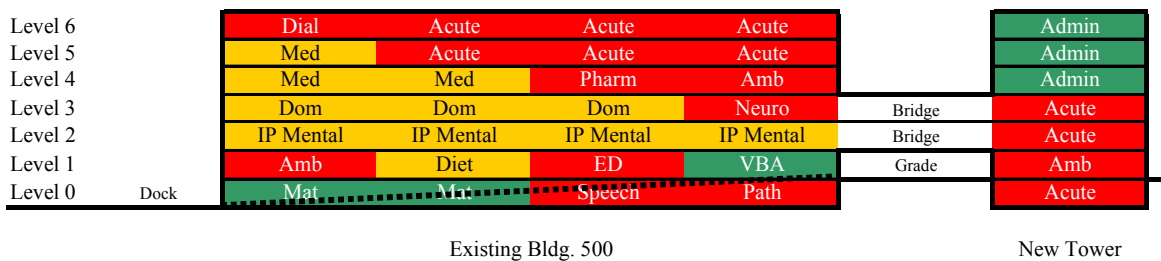
Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- The plan recognizes that outleased space currently has existing relationships which will be considered in reuse planning.
- There is 86,400 BGSF allocated for the VBA functions combined with the “New Ambulatory Services Zone” area in the “Proposed BGSF” column of the above table.

- Conceptual Building Section The following Figure 11 illustrates the proposed stacking for the existing Building 500 and proposed New Tower. Either entire zones or at least similar zones are co-located on the same floors to minimize function conflicts. Where a department was not relocated to another building or to make way for a different department, it was left in the existing location. In Building 500, support loading dock and outpatient functions are located on the Ground Level. Other outpatient functions and VBA were located to the First Level with direct access to parking and the rest of the campus. The Second Level is renovated Behavioral Health that is renovated in-place. Levels three through six are as indicated below. In the New Tower, the Acute and Ambulatory functions are located on the lower levels while the Administration functions are located on the upper levels. All other buildings on the site are a single Zone and therefore do not require a building section.

Figure 12: Conceptual section of the Functional Distributions

BPO 5



- Optimal Use of Existing Buildings: The majority of existing buildings on the campus are not compatible with modern standards of design for clinical functions. To accommodate projected delivery of care standards, the floor plates are too small (resulting in compromised functional adjacencies); the floor to floor heights are too low (resulting in mechanical systems with insufficient air volume) and with a few exceptions, the resident rooms do not have bathrooms accessible from within the rooms. As a result, proposed

renovations to address the projected workload will require additional area to achieve the same goal. Since this BPO seeks to optimize use of a significant amount of existing buildings supplemented with new construction, the area totals for this BPO are larger than would be the case for entirely new construction.

- Projected Workload Volumes for 2023: The projected areas are derived from workload volumes that are detailed in the Stage II Assumptions, not included or attached to this report. These projected areas indicate that the desired functions can be accommodated in approximately the same area that is currently used on the campus for only some of the zones. This is largely due to the fact that there is significant new construction in this BPO, and many of the zones will be relocated into the efficient new construction that will require less area than is currently used. The Nursing Home Zone will be required to meet higher area standards than are currently in use while being housed in new state of the art construction. Consequently, the higher area standards cancel out the efficiency of the new construction for a required area that is approximately the same as is currently used. The Domiciliary Zones will be required to meet higher area standards than are currently in use while still being housed in renovated, inefficient buildings. The convergence of the two resulted in the requirement for significantly more area than is currently in use for this zone. Portions of the Acute, Ambulatory and all of the Research Zone will be relocated from inefficient buildings to efficient, new construction that consequently will require significantly less area than is currently used.
- Parking: Portions of the existing surface parking areas will be repaved and expanded to provide parking in the most convenient locations adjacent to building entries. Where existing parking is not required, it will be removed and new landscape will be provided. Distribution of parking by departmental group is indicated in Table 36. There is sufficient land available to meet the parking need. However, due to the concentration of functions on the Wadsworth campus at Building 500, structured parking is required to accommodate sufficient parking adjacent to the entrance of the building. In this BPO the Parking Structure will be one level lower than the one proposed for either BPO 2 or 3. Without this proposed Parking Structure, all the parcels on the Wadsworth Campus that are currently proposed as available for reuse will be required for surface parking to serve VA Functions. This will result in a loss of both the reuse parcels as well as convenient parking located near the buildings served.

Table 36: Parking Distribution – BPO 5

Parking Area	Total Surface Spaces	Total Structured Spaces	Surface Area (SF)	Structured Area (SF)	Location
Acute Care	564	0	282,000	0	Adjacent to Building 500.
Nursing Home	160	0	80,000	0	Adjacent to New Nursing Home.
Domiciliary	230	0	115,000	0	Adjacent to Bldgs 214, 215, 217 and 500.
Rehabilitation	0	0	0	0	n/a
Behavioral Health	111	0	55,500	0	Adjacent to Building 500.
Ambulatory Services	358	1,437	28,672	573,440	Adjacent to Building 500, 304.
Research	278	0	139,000	0	Adjacent to New Research Bldg.
Administration	376	0	188,000	0	Adjacent to Bldg 213, 218, 506, 500 and New Admin Bldg.
Logistics	202	0	101,000	0	Throughout the site.
Total	2,279	1,437	989,172	573,440	

Note: There is no rehabilitation or outlease space provided on the campus. However, the projected parking area resulting from mathematical rounding of projected areas has been included in the logistics parking area on the site plan.

- Conclusion from the Space Analysis:** The projected area need for the campus is approximately 2,727,000 BGSF (not including outlease space). Because this BPO involves both extensive renovation of existing space and new construction, the space required is approximately 2,190,000 Building Gross Square Feet (BGSF). This projected area provides a reduction to the existing campus area of approximately 20%. This percentage reduction is largely due to the fact that there is new construction in this BPO. Consequently, some of the zones will need to be relocated back into the same inefficient renovated buildings that they originated in while others will be relocated to new, efficient construction. If the campus were to be re-built in entirely new, efficient construction, the percentage reduction would be much higher.

Construction Phasing: Phasing is addressed via two different approaches for each zone, or program element, on the West Los Angeles campus. One approach is sequential projects; with relocation of departments into new or renovated space as projects are completed. This includes the new Nursing Home Care Building, Acute Care Building, Research Building, Renovated Domiciliary Buildings, etc. After a department is relocated, the newly vacated space is then available for renovation and further relocations. This approach results in fairly simple single-phase projects, without minimal impact to operation of the departments prior to the time of move in.

Another approach is required for functions that are not relocated and require renovation-in-place while continuing to operate. This type of renovation for departments that remain in place dictates complex, multi-phase construction in order to maintain patient services in the effected department. Proposed sub-phasing and duration of renovation projects is based on the assumption that excess capacity exists or can be created in each department. This assumption is based on in-patient bed unit and diagnostic services capacity of the

main Hospital Building, as originally designed, which is in excess of that being used today. However, in order to utilize any excess capacity to allow in-place renovations careful planning during the implementation phase will be required. Excess capacity within each department may be created by extending hours of operation, space reallocation or a combination of both. Each department has unique minimal spatial requirements and operational considerations which impact the number of sub-phases as well as the boundary and square footage of each sub-project. Departments that are expected to require this approach include those with fixed equipment, extensive infrastructure and highly specialized services including Medical, Pharmacy, Ambulatory, Emergency Department, Dietetic and Materials Management. These departments may require 3-4 phases of renovation with only 20-35% of each department being impacted by construction at any one time, over a long duration. This issue will require extensive study during the implementation phase of the selected BPO and may change significantly as the each project element is further planned and executed. The intent is for each department to remain operational with a reasonable utilization rate while being renovated in-place, without the need to temporally relocate or outsource the function.

A general overview of the phasing sequence is provided as follows:

- Replace campus water and steam site distribution systems.
- Vacate and demolish buildings 304 and 507 to clear site for New Acute Tower.
- Construct New Acute Tower for Acute, Ambulatory and Administration Zones on the site of the above demolished buildings.
- Vacate existing Acute patients and Acute, Ambulatory and Administration functions to New Acute Tower.
- Renovate in multiple phases Building 500 for Acute, Ambulatory and Administration Zones. Start renovations with areas vacated to New Acute Tower.
- Vacate and demolish buildings 13, 212, 236 and 306 to clear site for New Nursing Home.
- Construct New Nursing Home for Nursing Home Zone.
- Vacate existing Nursing Home patients in buildings 213 and 215 and relocate to New Nursing Home.
- Renovate buildings 213 215 and 500, Third Level, for Domiciliary Zone.
- Vacate existing Domiciliary patients in buildings 214 and 217 and relocate to renovated buildings 213, 215 and 500, Third Level.
- Renovate buildings 214 and 217 for Domiciliary Zone.
- Renovate in four phases Building 500, Second Level, for Behavioral Zone.
- Construct New Research Building for Research Zone.
- Vacate buildings 113, 114, 115 and 117 to New Research Building.
- Renovate buildings 213, 218, 220, 505 and 506 for Administration Zone.
- Renovate Building 500, First Level, for VBA.
- Construct New Logistics Building(s) for Logistics Zone.

- Construction Schedule: Schedules for construction activities are intended to identify relative duration of new construction or renovated work in order to calculate occupancy date for utilization of space and escalation costs. These schedules provide a base on which the implementation plan activities will be incorporated. The schedule indicates a brief description of the individual building construction projects and indicates the construction sequence and duration for this option. Commissioning of engineering systems should occur in the last 20% of each project's duration.
- Existing Building Maintenance Costs: Existing unaltered buildings retained on the campus for this BPO require ongoing and periodic maintenance costs including buildings which are scheduled for either reuse or demolition up to the point where agreements for reuse are accepted or demolition begins.
- Capital Cost Estimate: An estimate of projected new construction and renovation costs is indicated in the BPO Capital Cost Estimate. The capital costs are based on campus-wide area projections by Departmental Group (Zone) as indicated in the Projected BPO areas by Departmental Group (Zone).
- Construction Cost depends on Function: Construction costs are derived from projected area requirements by Building and non-Building Departmental Groups (Zones).
- Soft Costs Standardized: Approved factors as stated in the assumptions for soft costs (such as professional fees, furnishings and equipment) are based on consultant experience and VA standards.

Evaluation of BPO 5 using Capital Criteria:

- Consolidation of Vacated Space: The vacant square footage area totals for BPO 5 indicates there will be no vacant space across the campus (see Table 37.) Existing buildings with vacant space will be demolished or made available for reuse.

Table 37: Percentage of Vacant Space – BPO 5

Title	Vacant BGSF
Existing Vacant	344,821
Vacant BPO	0
Difference	-344,821
Percent Difference	-100

- Consolidation of Underutilized Space: Underutilized space is space not used to its full potential because of physical constraints. Because there is an amount of renovation required for this BPO, additional area is required to achieve a modern, safe and secure environment, resulting in an increase of underutilized space. Comparing the ideal space requirements for the workload to the square footage need for this option results in a 1.5% overall increase in area need. (See Table 38)

Table 38: Percentage of Underutilized Space – BPO 5

Title	Total
Projected Ideal BGSF Based on In-House Workload	2,155,857
Proposed BPO BGSF	2,189,855
Underutilized Space	33,998
Variance by Percentage	1.5%

- Timeliness of Completion: This BPO requires a 13 year (156 month) phased period of construction from initiation in January 2009 with completion to implement improvements to the physical environment starting in January 2010 and completion in January 2023 (See Table 39.) Key assumptions include:
 - The historic building process begins January 2007 and ends January 2011.
 - Project funding is approved January 2009.
 - The first phase of the construction sequence is replacement of the existing campus water and steam site distribution systems. Design and subsequent work for this project is projected to begin January 2010 and takes 48 months to complete.
 - Planning and design for the first series of new construction and renovation projects begins January 2010 and takes 18 months.
 - Construction of New Acute Tower for Acute, Ambulatory and Administration Zones begins January 2010 and is occupied January 2014.
 - Renovation of Building 500 for Acute, Ambulatory and Administration Zones begins January 2010 and the last phase of construction is occupied July 2018.
 - Construction of New Nursing Home for Nursing Home Zone begins January 2011 and is occupied January 2015.
 - Renovation of buildings 213 and 215 for Domiciliary Zone begins January 2015 and are occupied January 2018.
 - Renovation of Building 500, Third Level, for Domiciliary Zone begins January 2014 and is occupied January 2016.
 - Renovation of buildings 214 and 217 for Domiciliary Zone begins January 2018 and are occupied January 2021.
 - Renovation of Building 500, Second Level, for Behavioral Zone begins January 2010 and the fourth and last phase of construction is occupied January 2016.
 - Construction of New Research Building for Research Zone begins January 2010 and is occupied January 2014.
 - Renovation of buildings 213, 218, 220, 505 and 506 for Administration Zone begins at various dates and are occupied at various dates.
 - Renovation of Building 500, First Level, for VBA begins January 2016 and is occupied January 2018.
 - Construction of New Logistics Building(s) for Logistics Zone begin at various dates and are occupied at various dates.

Table 39: Total Construction Duration – BPO 5

	Start Date	Completion Date	Duration
Total Construction Activity	01/01/10	01/01/23	156 Months

- Timeliness of Urgent Seismic Corrections:** There are 32 buildings on the West Los Angeles campus identified in the CAI with seismic non-exempt, medium risk, or higher status. The priority is for the correction of these buildings to be accommodated as early as possible. However, the sequence of construction required to achieve proposed plan indicates full occupancy of the last building with seismic corrections, Building 500, in July 2018. This building will require the most involved and complex phasing to accomplish the required seismic corrections. Buildings with seismic deficient status that are not projected for VA occupancy will be reused or demolished as they become eligible, based on the implementation schedule.
- Size and Complexity of Capital Plan:** Projected areas (BGSF) based on 2023 workload volumes indicate changes to the West Los Angeles campus as indicated in Table 40. It is significant to note that many departmental groups require about the same or less projected area than existing due to the anticipated improvements based on significantly more new construction of state-of-the-art facilities. The exception is a notable increase in Domiciliary and Logistics.

Table 40: Campus Area Change – BPO 5

Distributions	Acute Care	Nursing Home	Dom.	Rehab.	Behav Health	Amb Services	Research	Admin.	Logistics	Outlease
Existing	350,458	135,222	218,369	0	133,660	639,221	371,591	286,977	170,730	421,310
Proposed BPO	329,885	135,856	258,769	0	117,373	559,878	236,936	279,460	271,698	0
Variance By BGSF	-20,573	634	40,400	0	-16,287	-79,343	-134,655	-7,517	100,968	-421,310

Notes:

- There is no rehabilitation or outlease space provided on the campus. However, area projections for this departmental group result from mathematical rounding. Where indicated, this area has been included as part of the overall building projected areas assigned to the largest departmental group within the building.
- There is 86,400 BGSF allocated for the VBA functions combined with the “Ambulatory Services” area in the “Proposed BPO” row of the above table.

- Patient Moves:** Of the existing 91 buildings on the campus (as identified in the CAI), in this BPO, many buildings with clinical or clinical-related functions will be renovated or identified as available for reuse/demolition. A detailed construction schedule is beyond the scope of this study. However, there are some portions of Building 500 where renovations will be complex and that patients may be inconvenienced but care may continue in the buildings during renovations. With some new facilities provided in this option, impact to clinical functions and patient inconvenience is minimized. Furthermore, relocations activities may be accommodated in a simple manner without

disruption to care delivery. An overview of patient moves follows. Further detail will be provided in the Implementation Plan.

- The Acute and Ambulatory Zones will be predominantly located in renovated Building 500. In this BPO, the construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time patient and function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated acute care, ambulatory and support functions relocate to the appropriate renovated areas.
- The Nursing Home Zone will be entirely located in the New Nursing Home. The construction is accomplished through either one or two large phases. This will require only one or two large, one time patient and function moves as opposed to multiple smaller moves as described above. Upon completion of construction of the New Nursing Home facilities on the Brentwood campus, all designated nursing home and support functions relocate to the New Nursing Home.
- The Domiciliary Zone will be located in a series of renovated buildings. The construction is accomplished through the renovation of one or two of the buildings at a time. This will require only two phases of moves as the buildings are completed. Upon completion of renovation of the new domiciliary buildings at the site of the former Nursing Home, all designated domiciliary and support functions relocate to the renovated buildings.
- The Behavioral Zone will be located in renovated Building 500, Level 2. The construction is accomplished through four in-place, phased renovations. This will require four, one time patient and function moves, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500, Level 2 all designated behavioral and support functions relocate to the appropriate renovated areas.
- The Ambulatory Zone, in addition to Building 500, will be located in renovated buildings 345. The construction is accomplished through the renovation of the building. This will require only a single phase of moves as the building is completed. Upon completion of renovation of the new ambulatory building, all designated ambulatory and support functions relocate to the renovated buildings.
- The Research Zone will be entirely located in the New Research Building(s). The construction is accomplished through either one or two large phases. This will require only one or two large, one time function moves as opposed to multiple smaller moves as described above. Upon completion of construction of the New Research facilities on the Wadsworth campus, all designated research and support functions relocate to the New Research Building(s).
- The Administrative Zone will be predominantly located in renovated Building 500. The construction is accomplished through a complex series of in-place, phased renovations. This will require a number of one time function moves per department, as opposed to one large single move as happens in relocation to new construction. Upon completion of renovation of the Building 500 facilities, all designated administrative and support functions relocate to the appropriate

renovated areas. In addition to Building 500, administration will be located in renovated buildings 213, 218, 220, 505 and 506. The construction is accomplished through the renovation of one of the buildings at a time. This will require only limited phases of moves as the buildings are completed. Upon completion of renovation of the new administration buildings, all designated administration and support functions relocate to the renovated buildings.

- The VBA will be entirely located in the renovated Building 500. The construction is accomplished through one large phase. This will require only one large, one time function move as opposed to multiple smaller moves as described above. Upon completion of the renovation of Building 500, all designated VBA and support functions relocate to the renovated Building.

- Historic Buildings Altered: There are 2 buildings identified as historic in the CAI. However, based on building age, there are 66 buildings designated as historically eligible. For this BPO, 37 will be renovated, considered available for reuse or demolished (See Table 41.) The National Historic Preservation Act requires that a federal agency must assume responsibility for historic properties and Section 106 requires federal agencies to consider historic properties as it plans a project and to consult with the Advisory Council on Historic Preservation. The approval process for renovation can take more than a year and will need to be considered in the implementation planning efforts.

Table 41: Historic Buildings Altered – BPO 5

Title	Bldg Count
Total Historic or Historically Eligible	66
Altered Historic Projects	37

Note: Values indicate quantity of Historically Eligible buildings as altered by this BPO

5.0. Financial Analysis

A financial analysis, based on the requirements of the VA’s cost effectiveness analysis (CEA) tool, was performed for each of the Stage II BPOs for the West LA VAMC. The chapter first describes key assumptions of the financial analysis at West LA, followed by a high level comparison of the BPOs. The remainder of the chapter describes the detailed financial outputs for each BPO together with the primary factors influencing the results.

Key Assumptions for West LA

The following key assumptions were considered for the financial analysis of BPOs at West LA. A comprehensive description of financial assumptions can be found in a separate document entitled Stage II Assumptions, Inputs and Outputs.

- For each BPO, the VA estimated annual workload is the same across the planning horizon of 2003 to 2033. The workload assumes consistent inpatient services and outpatient services. Inpatient services include: medicine and observation, nursing home, psychiatric and substance abuse, residential rehabilitation and domiciliary, surgery and other VA mental health programs. A full range of outpatient services are provided.
- Facilities are sized to meet the 2023 forecasted workload.
- The baseline option (BPO 1) assumes the campus will be right-sized for the projected workload demand in 2023. However, no decision is made regarding future reuse of surplus buildings or land.
- The construction and capital investment schedules assume a 4 year historical building requirement for demolition.
- Changes in the way healthcare is provided each year, e.g., provided in-house in the same, renovated or newly constructed facility; timing of occupying renovated or new facilities; modified square feet both in building or land; and other factors result in changes to the operating costs.
- There is a minimal need for short-term contracting in the analysis. Renovation is phased so that the workload demand can be performed on site rather than contracting to the community or another VAMC. This is accomplished through the use of overtime and extended hours
- The VBA lease costs are maintained constant for BPOs 1, 2, 3 and 5 through the end of the lease in 2025. The VBA lease costs are maintained constant for BPO 1 through 2033. The VBA is able to occupy the newly constructed space in BPOs 2, 3 and 5 in 2025.
- The capital costs associated with NCA and VBA construction on the West LA campus are included in BPOs 2, 3 and 5.
- The capital plan assumptions, e.g., renovated or new construction, modified square feet requirements, timing of occupying new space, etc. affect the capital investment costs.
- Identified excess building gross square feet and acreage affects the operating costs for each of the BPOs.

- There are no financial impacts related to reuse revenue considerations at West LA included in the financial analysis.

BPO Comparison

Table 42 presents a comparison of the key financial outputs for each BPO. Three primary components are considered in this analysis: recurring operating costs, non-recurring capital costs and non-recurring considerations (costs/revenues). Recurring operating costs include direct variable, indirect fixed and direct fixed costs. All of the costs are discussed in terms of net present costs (NPC). This term refers to the process of discounting the dollars from each year over the study period (2003 to 2033) to the year 2003 dollars. The intent is to allow for the costs to be compared across BPOs independent of what year the expense or revenue occurs.

Table 42: BPO Comparison
2003 Net Present Dollars – (\$ in Millions)

BPO Comparison				
2003 Net Present Dollars (\$ Millions)				
Reflects 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>	<i>N/A</i>	\$ 39	\$ 39	\$ 30
<i>NCA Capital Investment</i>	<i>N/A</i>	\$ 148	\$ 148	\$ 148
Non-recurring Periodic Maintenance	\$ 64	\$ 59	\$ 60	\$ 60
Total Net Present Cost	\$ 9,965	\$ 10,120	\$ 10,139	\$ 10,173
Operating Cost Efficiencies Compared to BPO 1	<i>N/A</i>	\$ 62	\$ 57	\$ 14
Total NPC Savings As Compared to BPO 1	<i>N/A</i>	\$ (155)	\$ (174)	\$ (208)

VBA and NCA Capital Investment costs are included in the total Non-recurring Capital Investment number shown.

The Net Present Cost (NPC) is the sum of the annual discounted expense for each BPO over the 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.

The NPC for the four BPOs range from a low of \$9,965 million (BPO 1) to a high of \$10,173 million (BPO 5). The NPC for BPOs 2, 3 and 5 are between 1 and 2 percent more than BPO 1. BPO 2's NPC is \$155 million more than BPO 1. BPO 3 and 5's NPC are \$174 and \$208 million more than BPO 1, respectively.

The recurring operating costs represent the majority, between 84 to 86 percent, of the NPC for each of the BPOs. The operating cost variance ranges within one percent among all of the BPOs. BPO 1 has the highest operating cost, at \$8,550 million over the planning period. BPOs 2 and 3 have the lowest operating costs, at \$8,488 million and \$8,492 million, respectively. BPO 5 has operating costs of \$8,536 million. The primary reason these costs are similar is that the

workload remains constant and the years of activation of new construction and renovation are very close.

Non-recurring capital investment costs include non-recurring investment costs, such as major renovation and/or new construction and non-recurring periodic maintenance/replacement costs. The timing of capital costs is based on the year in which obligations occur and therefore may differ from the capital plan which is based on schedule and construction duration. VBA lease costs are included in BPOs 2, 3 and 5, from 2003 through 2025. NCA and VBA building construction costs are included for BPOs 2, 3 and 5. For comparison, VBA lease costs are included for BPO 1 from 2003 through 2033.

With respect to the non-recurring capital investment costs, BPO 1 has the lowest capital investment cost at \$1,351 million. BPOs 2, 3, and 5 have similar non-recurring capital investment costs, ranging from \$1,573 to \$1,587 million. When VBA and NCA capital investment costs are not included, non-recurring capital investment costs for BPOs 2, 3, and 5 are between 2 and 4 percent higher than BPO 1.

Table 43 presents a comparison of the operating costs for each BPO categorized by direct fixed, indirect fixed and direct variable.

Table 43: Operating Cost Breakdown by BPO (\$ in millions)

	BPO 1		BPO 2		BPO 3		BPO 5	
	\$ Millions	%	\$ Millions	%	\$ Millions	%	\$ Millions	%
Direct Fixed	\$ 316	4%	\$ 316	4%	\$ 316	4%	\$ 316	4%
Indirect Fixed	\$ 3,115	36%	\$ 3,057	36%	\$ 3,057	36%	\$ 3,091	36%
Direct Variable	\$ 5,120	60%	\$ 5,115	60%	\$ 5,120	60%	\$ 5,130	60%
Total Operating Costs	\$ 8,550	100%	\$ 8,488	100%	\$ 8,492	100%	\$ 8,536	100%

Note: The sum of operating costs may not total due to rounding.

All of the BPOs have similar operating costs. BPOs 2, 3, and 5 are within 1% of BPO 1. Building gross square feet and workload are the major drivers of total operating costs. Consequently, similar reductions in building square footage, favorable building condition assessments and constant workload contribute to similar operating costs among the options. Although renovation generally is higher in cost than new construction, especially considering the extra space required, due to the condition assessment of the buildings, this is not the case for West LA. The conditions of the West LA buildings do not necessitate significantly more building gross square feet to be renovated.

BPO 1 achieves some right-sizing of the campus, but not to the same degree as the alternate BPOs. BPO 1 results in the highest building gross square feet (2.4 million) while the other BPOs have similar building gross square feet (approximately 2.2 million).

Direct variable costs (i.e., costs of direct patient care that vary directly and proportionately with fluctuations in workload, such as salaries of nurses and providers) account for the largest proportion (60%) of total operating costs. These costs fluctuate proportionately as the forecasted workload changes. As agreed in the assumptions, direct variable costs are not affected by efficiencies related to new construction or rehabilitation according to Stage II study methodology.

Indirect fixed costs account for the second largest proportion (36%) of total operating costs among each of the BPOs. These represent costs not directly related to patient care, such as utilities and maintenance. Indirect fixed costs are adjusted during the study period based on changes in building gross square feet and changes in the overall size (acreage) of the campus.

Direct fixed costs represent a small proportion (4%) of the total operating costs. These are costs of direct patient care that do not vary in direct proportion to the volume of patient activity, such as depreciation of medical equipment and salaries of administrative personnel. Although direct fixed costs do not fluctuate in direct proportion to projected workload, this does not mean that they do not change. Adjustments to direct fixed costs occur during the study period as workload changes, though not in direct proportion.

BPO 1 - Baseline

BPO 1, the Baseline, is the option under which there would not be significant changes in either the location or type of services provided in the study site, other than those described in the Secretary's Decision. BPO 1 updates the existing facilities to modern, safe and secure standards through renovation of selected buildings required to house the necessary services. All planning will accommodate specifications of the California State Veterans Home on the Brentwood (North) campus and Fisher House on the Wadsworth (South) campus. Reuse revenues are not considered in this BPO, however, some acreage as well as vacant buildings, may have potential revenues from reuse at some point in the future.

Inputs and Assumptions

The projected workload for BPO 1 is to be performed on the West LA campus. The newly renovated facilities are planned to meet the workload demand projection for 2023; no additional land purchases are required. A comprehensive description of financial assumptions can be found in a separate document entitled Stage II Assumptions, Inputs and Outputs.

Outputs

Net Present Cost (NPC)

Table 44 summarizes NPC, total operating costs, non-recurring capital investment costs (baseline option does not include reuse considerations), and non-recurring periodic maintenance costs for BPO 1.

Table 44
BPO 1 Financial Summary Outputs (\$ in millions)

Costs	BPO 1	
Total Recurring Operating Costs	\$ 8,550	86%
Non-recurring Capital Investment	\$ 1,351	14%
Non-Recurring Periodic Maintenance	\$ 64	1%
Total Net Present Costs	\$ 9,965	100%

The Net Present Cost (NPC) is the sum of the annual discounted expense for each BPO over the 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. Note: the sum of these costs may not total due to rounding.

The NPC for BPO 1 is estimated at \$9,965 million for the study period. Lower capital investment cost (\$1,351 million) is the primary factor driving the lower NPC for BPO 1 as compared to the other BPOs. When the cost of VBA and NCA construction is taken into account for BPOs 2, 3 and 5, the NPC for BPO 1 is within 1% of the other BPOs. Generally, adjustments to the operating costs associated with providing healthcare (e.g., nursing salaries, utilities, etc.) over the study period have a much greater impact on the NPC than any changes to capital expenditures. The operating costs are higher than the other BPOs because this option results in slightly more building gross square feet, i.e., about 2.4 million building gross square feet.

Total Operating Costs

BPO 1's total operating costs of \$8,550 million are the largest cost within the overall NPC, accounting for approximately 86% of the NPC. As a percentage of total operating costs for the study period, direct variable, indirect fixed, and direct fixed costs account for approximately 60% (\$5,120 million), 36% (\$3,115 million), and 4% (\$316 million) respectively.

Direct variable costs fluctuate proportionately as the forecasted workload demand changes. As a percentage of operating costs by year over the study period, direct variable costs range from 57% to 62% of total operating costs each year. The percentage changes primarily because of a reduction in indirect fixed costs. As indirect fixed costs change and direct variable costs remain the same, direct variable costs change as a portion of total operating costs. Short-term contracting costs due to capacity constraints over the study period are included in direct variable costs. The need for short-term contracting at West LA is minimal over the 2003 through 2033 study period in BPO 1. This also assumes phasing during the renovation can allow for the services to continue to be provided on campus by using extended hours and/or overtime.

Indirect fixed costs, i.e., costs not directly related to patient care, account for about 35% to 39% of total operating costs each year over the 2003 through 2033 period. Upon completion of the renovations, indirect fixed costs are adjusted to consider the change in costs that result from the change in West LA campus design. The West LA fixed indirect costs are adjusted to approximately 84% of 2015 costs in 2016 for all CICs except nursing home. This is primarily driven by the reduction of 414,753 in building square footage, from 2,807,000 to 2,392,237. Fixed indirect costs associated with nursing home are adjusted to 84% of 2022 costs in 2023.

As noted above, direct fixed costs are costs of direct patient care that do not vary in direct proportion to the volume of patient activity. Direct fixed cost adjustments are incorporated each year based on changes in utilization. These costs account for about 4% of total operating costs for the 2003 through 2033 study period.

Capital Costs

The total capital costs of \$1,351 million account for approximately 14% of the NPC. The non-recurring capital investment costs for BPO 1 are associated with updates to the existing facility to modern, safe and secure standards, where conditions allow, through renovation of selected buildings required to house the necessary services.

The non-recurring capital investment costs are incurred between 2010 and 2022. Capital investment costs are incurred at the beginning of the construction phases. Activation costs (start-up equipment, furnishings, moving costs, etc) of 20% of new construction and renovation costs are assumed to occur in the last year of construction. BPO 1, as with all of the BPOs includes costs associated with the VBA lease (2003-2025) to be compared to the other BPOs. The cost of the VBA lease (2003-2033) discounted to 2003 dollars is \$67 million

There are periodic maintenance / replacement costs of \$64 million beginning in 2020 through 2033. These costs do not include maintenance/replacement costs for buildings that are not planned for use. Periodic maintenance and replacement costs are driven by the maintenance/replacement schedule (15, 25, 30 years) of major items or projects.

BPO 2 -

Renovate Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary; Construct New VA Research and VBA Facilities

BPO 2 maintains acute inpatient services and consolidates ambulatory care services in renovated hospital buildings and facilities on the Wadsworth campus to meet 2023 utilization projections. This BPO assumes interim peak demand will be met through other VA facilities and community providers. The nursing home is replaced with a modern state-of-the-art facility on the Brentwood campus and outpatient psychiatry care programs are consolidated in renovated facilities on the Wadsworth campus. Domiciliary services are located in renovated facilities on the Brentwood campus. New VA research facilities are constructed. A new VBA facility and columbarium for NCA is constructed.

Inputs and Assumptions

The newly renovated and constructed facilities on the Brentwood and Wadsworth campuses are sized to meet the workload demand projection for 2023. A comprehensive description of

financial assumptions can be found in a separate document entitled Stage II Assumptions, Inputs and Outputs.

Outputs

Net Present Cost (NPC)

Table 45 summarizes the NPC, total operating costs, non-recurring capital investment costs, and non-recurring periodic maintenance costs for BPO 2.

Table 45
BPO 2 Financial Summary Outputs (\$ in millions)

Costs	BPO 2	
Total Recurring Operating Costs	8,488	84%
Non-recurring Capital Investment	1,573	15%
Non-Recurring Periodic Maintenance	59	1%
Total Net Present Costs	\$ 10,120	100%
Operating Cost Efficiencies Compared to BPO 1	\$ 62	1%

The Net Present Cost (NPC) is the sum of the annual discounted expense for each BPO over the 2003 through 2033 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.

The NPC for BPO 2 is estimated at \$10,120 million for the study period from 2003 to 2033. This is comprised of \$8,488 million (84%) in recurring operating costs, \$1,573 million (15%) in non-recurring capital investment costs and \$59 million in non-recurring periodic maintenance/replacement costs.

BPO 2's NPC is approximately \$155 million more than BPO 1. The primary driver of the cost increase is the \$222 million increase in capital investment as compared to BPO 1. Not including the construction costs for VBA and NCA, the increase in capital investment is \$35 million. These higher costs are offset by the lower operating costs of BPO 2. The lower operating costs are due to enhanced operating efficiencies that are reflected in lower indirect fixed costs (maintenance, utilities, etc.) due to a smaller, right-sized campus (2.2 versus 2.4 million gross square feet in BPO 2 versus BPO 1).

Starting in 2010, capital investment dollars of \$1,573 million are spent to renovate and build new facilities. This includes a 20% activation cost (moving costs, start-up equipment, furnishings, etc.) incurred in the final year of construction. Starting in 2025, \$59 million of periodic maintenance (nonrecurring capital costs) are spent to maintain the facility, based on the capital maintenance plan requirements. These costs represent less than 1% of the NPC.

Total Operating Costs

Total operating costs for BPO 2, of \$8,488 million, are the largest cost within the overall NPC, accounting for about 84% of the NPC. As a percentage of total operating costs for the 2003 through 2033 study period, direct variable, indirect fixed, and direct fixed costs account for 60% (\$5,115 million), 36% (\$3,057 million), and 4% (\$316 million), respectively.

Direct variable costs fluctuate proportionately as the forecasted workload demand changes. The total direct variable costs of \$5,115 million for the study period are very similar for all of the BPOs. This is because the workload is constant and the costs to contract out are not comparatively different from providing the services in-house.

Indirect fixed costs (i.e., costs not directly related to patient care) account for about 36% of total operating costs over the 2003 through 2033 study period. Indirect fixed costs remain constant from 2003 until 2014. Upon completion of the construction in 2015, indirect fixed costs are adjusted to consider the change in costs that result from the change in West LA campus design. The West LA fixed indirect costs are adjusted to approximately 81% of 2014 costs in 2015 for all CICs except nursing home. This is primarily driven by the reduction of 598,450 in building gross square feet, from 2,807,000 to 2,208,550. Fixed indirect costs associated with nursing home are adjusted to 81% of 2022 costs in 2023. Campus acreage required for VA use through the projection period is reduced from approximately 373 to 215 acres.

Direct fixed costs, i.e., costs of direct patient care which do not vary in direct proportion to the volume of patient activity, account for about 4% of total operating costs for the study period. The total direct fixed costs of \$316 million are relatively constant across all of the combined BPOs as those costs primarily fluctuate based on workload.

Capital Costs

The non-recurring capital investment costs for BPO 2 are associated with the construction and periodic maintenance/replacement costs on the campus for primarily new facilities. The non-recurring capital investment costs are estimated to be \$1,573 million for construction and \$59 million for periodic maintenance/replacement. The capital costs also include costs for NCA and VBA, as well as the VBA lease costs. The NCA capital costs are \$147 million, VBA capital costs are \$39 million, VBA periodic maintenance costs are \$3 million, and the VBA lease costs are expected to be \$55 million

The construction costs are primarily obligated in 2010. Capital investment costs are obligated at the beginning of the construction phases. Periodic maintenance and replacement costs are driven by the maintenance/ replacement schedule (15, 25, 30 years) of major items or projects. The periodic maintenance/replacement costs of \$59 million start in 2025.

BPO 3

Construct New Acute Care Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary

BPO 3 consolidates the projected inpatient acute care and selected related services in a new bed tower on the Wadsworth campus. Ambulatory and outpatient mental health is consolidated in renovated ambulatory care facilities on the Wadsworth campus. The nursing home is replaced with a modern state-of-the-art facility on the Brentwood campus. Domiciliary services will be located in renovated facilities on the Brentwood campus. New VA research facilities are constructed on the Wadsworth campus and a new VBA facility and columbarium for NCA is constructed.

Inputs and Assumptions

The campuses are sized to meet the workload demand projection for 2023. A comprehensive description of financial assumptions can be found in a separate document entitled Stage II Assumptions, Inputs and Outputs.

Outputs

Net Present Cost (NPC)

Table 46 summarizes NPC, total operating costs, non-recurring capital investment costs and non-recurring periodic maintenance costs for BPO 3.

**Table 46
BPO 3 Financial Summary Outputs (\$ in millions)**

<u>Costs</u>	<u>BPO 3</u>	
Total Recurring Operating Costs	8,492	84%
Non-recurring Capital Investment	1,587	15%
Non-Recurring Periodic Maintenance	60	1%
Total Net Present Costs	\$ 10,139	100%
Operating Cost Efficiencies Compared to BPO 1	\$ 57	1%

The Net Present Cost (NPC) is the sum of the annual discounted expense for each BPO over the 2003 through 2033 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.

The NPC for BPO 3 is estimated at \$10,139 million for the study period from 2003 to 2033. This is comprised of \$8,492 million (84%) in recurring operating costs, \$1,587 million (15%) in

non-recurring capital investment costs and \$60 million in non-recurring periodic maintenance/replacement costs.

BPO 3's NPC of \$10,139 million is approximately \$174 million more than BPO 1, which represents about a 2% increase in cost. The primary driver of the cost increase is the \$236 million increase in capital investment costs. Not including the construction costs for VBA and NCA, the increase in capital investment is \$49 million. These higher costs are offset by the lower operating costs of BPO 3. The lower operating costs are due to enhanced operating efficiencies that are reflected in lower indirect fixed costs (maintenance, utilities, etc.) due to a smaller, right-sized campus (2.2 versus 2.4 million building gross square feet in BPO 3 versus BPO 1)

Starting in 2010, capital investment dollars of \$1,587 million are spent to renovate and build new facilities. This includes a 20% activation cost (moving costs, start-up equipment, furnishings, etc.) incurred in the final year of construction. Starting in 2025, \$60 million of periodic maintenance costs (nonrecurring capital costs) are spent to maintain the facility, based on the capital maintenance plan requirements. These costs represent less than 1% of the NPC.

Total Operating Costs

Total operating costs for BPO 3, of \$8,492 million, are the largest cost within the overall NPC, accounting for about 84% of the NPC. As a percentage of total operating costs for the 2003 through 2033 study period, direct variable, indirect fixed, and direct fixed costs account for 60% (\$5,120 million), 36% (\$3,057 million), and 4% (\$316 million), respectively.

Direct variable costs fluctuate proportionately as the forecasted workload demand changes. The total direct variable costs of \$5,120 million for the study period are similar for all of the BPOs. This is because the workload is relatively constant and the costs to contract out are not comparatively different from providing the services in-house.

Indirect fixed costs (i.e., costs not directly related to patient care) of \$3,057 million account for about 36% of total operating costs over the 2003 through 2033 study period. Indirect fixed costs remain constant from 2003 until 2015. Upon completion of the construction in 2015, indirect fixed costs are adjusted to consider the change in costs that result from the change in West LA campus design. The West LA fixed indirect costs are adjusted to approximately 80% of 2015 costs in 2016 for all CICs except nursing home. This is primarily driven by the reduction of 617,145 in building square footage, from 2,807,000 to 2,189,855. Fixed indirect costs associated with nursing home are adjusted to 80% of 2017 costs in 2018. Campus acreage is reduced from approximately 373 to 215 acres.

Direct fixed costs, i.e., costs of direct patient care which do not vary in direct proportion to the volume of patient activity, account for about 4% of total operating costs for the study period. The total direct fixed costs of \$316 million are relatively constant across all of the combined BPOs as those costs fluctuate based on workload.

Capital Costs

The non-recurring capital investment costs for BPO 3 are associated with the construction and periodic maintenance/replacement costs on the campus for primarily new facilities. The non-recurring capital investment costs are estimated to be \$1,587 million for construction and \$60 million for periodic maintenance/replacement.

Capital investment costs are obligated at the beginning of the construction phases. Periodic maintenance and replacement costs are driven by the maintenance/ replacement schedule (15, 25, 30 years) of major items or projects. The periodic maintenance/replacement costs of \$60 million start in FY2025. Capital costs for NCA and VBA, as well as the VBA lease costs are included in the capital costs. The NCA capital costs amount to \$147 million, VBA capital costs are \$39 million, the VBA periodic maintenance costs are \$3 million and the VBA lease costs are expected to be \$55 million.

BPO 5

Construct New Acute Care Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary

BPO 5 consolidates projected inpatient acute care and selected, related services in a new bed tower on the Wadsworth campus. Ambulatory and outpatient mental health is consolidated in renovated ambulatory care facilities on the Wadsworth campus. The nursing home is replaced with a modern state-of-the-art facility on the Brentwood campus. Domiciliary services will be located in renovated facilities on the Brentwood campus. New VA research facilities are constructed on the Wadsworth campus and a columbarium for NCA is constructed on the Brentwood campus. The VBA relocates into renovated Building 500.

Inputs and Assumptions

The campuses are sized to meet the workload demand projection for 2023. A comprehensive description of financial assumptions can be found in a separate document entitled Stage II Assumptions, Inputs and Outputs.

Outputs

Net Present Cost (NPC)

Table 47 summarizes NPC, total operating costs, non-recurring capital investment costs including reuse considerations, and non-recurring periodic maintenance costs for BPO 5.

Table 47
BPO 5 Financial Summary Outputs (\$ in millions)

Costs	BPO 5	
Total Recurring Operating Costs	8,536	84%
Non-recurring Capital Investment	1,578	15%
Non-Recurring Periodic Maintenance	60	1%
Total Net Present Costs	\$ 10,173	100%
Operating Cost Efficiencies Compared to BPO	\$ 14	0%

The Net Present Cost (NPC) is the sum of the annual discounted expense for each BPO over the 2003 through 2033 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. The sum of these costs may not add due to rounding.

The NPC for BPO 5 is estimated at \$10,173 million for the study period from 2003 to 2033. This is comprised of \$8,536 million (84%) in recurring operating costs, \$1,578 million (15%) in non-recurring capital investment costs and \$60 million in non-recurring periodic maintenance/replacement costs.

BPO 5’s NPC of \$10,173 million is approximately \$208 million more than BPO 1, which represents about a 2% cost increase. The primary driver of the cost increase is the \$227 million increase in capital investment costs as compared to BPO 1. Not including the construction costs for VBA and NCA, the increase in capital investment is \$40 million. These higher costs are offset by the lower operating costs of BPO 5. The lower operating costs of BPO 5 are primarily due to operating efficiencies that are reflected in lower indirect fixed costs (maintenance, utilities, etc.) due to smaller, right-sized campuses (2.2 versus 2.4 million building gross square feet in BPO 3 versus BPO 1).

Starting in 2010, capital investment dollars of \$1,578 million are spent to renovate and build new facilities. The construction and renovation costs include a 20% activation cost (moving costs, start-up equipment, furnishings, etc.) incurred in the final year of construction. Beginning in 2025, \$60 million of periodic maintenance (nonrecurring capital costs) are spent to maintain the facility. These costs represent less than 1% of the NPC.

Total Operating Costs

BPO 5's total operating costs of \$8,536 million are the largest cost within the overall NPC, accounting for about 84% of the NPC. As a percentage of total operating costs for the 2003 through 2033 study period, direct variable, indirect fixed, and direct fixed costs account for 60% (\$5,130 million), 36% (\$3,091 million), and 4% (\$316 million), respectively.

Direct variable costs fluctuate proportionately as the forecasted workload demand changes. The total direct variable costs of \$3,091 million for the study period are very similar for all of the BPOs as the workload is consistent.

Indirect fixed costs (i.e., costs not directly related to patient care) account for about 36% of total operating costs over the 2003 through 2033 study period. Indirect fixed costs remain constant from 2003 until 2017. The 2018 indirect fixed costs are adjusted to 80% of 2017 costs to account for operating efficiencies related to the redesigned campus. The primary driver of the efficiencies is the change in building square footage from 2,807,000 to 2,189,855 square feet.

Direct fixed costs, i.e., costs of direct patient care which do not vary in direct proportion to the volume of patient activity, account for about 4% of total operating costs for the study period. The total direct fixed costs of \$316 million are similar for all of the combined BPOs as those costs fluctuate based on workload.

Capital Costs

The non-recurring capital investment costs for BPO 5 are associated with the construction and periodic maintenance/replacement costs for the facilities on the West LA campus. The non-recurring capital investment costs are estimated to be \$1,578 million for construction and \$60 million for periodic maintenance/replacement.

The construction costs are primarily obligated in 2010. Capital investment costs are incurred at the beginning of the construction phases. Periodic maintenance and replacement costs are driven by the maintenance/replacement schedule (15, 25, 30 years) of major items or projects. The periodic maintenance/replacement costs of \$60 million begin in 2025. Capital costs for NCA and VBA as well as the VBA lease cost are included in the capital costs. The NCA capital costs are \$147 million, VBA capital costs are \$39 million, VBA periodic maintenance costs are \$3 million, and the VBA lease costs are \$55 million.

6.0 Ability to Support VA Programs

As noted previously, the purpose of this study is to determine how BPOs may support or jeopardize specific programs that have been identified as primary initiatives. These initiatives include enhanced One-VA integration and enhancement of services to veterans. The following summarizes the current position of the West LA VAMC with respect to the noted criteria for this study:

One-VA Integration

VBA:

There is no VBA office currently located directly on the West LA campus, however the Los Angeles Regional VBA Office is located nearby in the Federal Building at 11000 Wilshire Boulevard, Los Angeles. As part of the Secretary's 2004 Decision the VA was charged with exploring the feasibility of collocating the Veterans Benefit Administration (VBA) Regional Office at the West LA VAMC. This collaboration is expected to not only improve access to services, but will also redirect savings from rental costs into claims processing, vocational rehabilitation and employment, education, loan guaranty, and other VBA priorities. BPOs 2, 3 and 5 accommodate the VBA on the Wadsworth campus in new or renovated facilities.

NCA:

There are no NCA facilities currently located on the West LA campus, however the Los Angeles National Cemetery is located directly East at 950 South Sepulveda Boulevard, Los Angeles. As part of the Secretary's 2004 decision VA was instructed to collocate a National Cemetery Administration (NCA) columbarium on 20 acres of available land at the West LA campus as well as pursue additional opportunities for expanding the NCA presence on the West LA campus. BPOs 2, 3 and 5 accommodate a NCA columbarium on the Brentwood Campus (Parcel B1) in 16.75 acres. Though smaller than the original 20 acre footprint, this reduced-size parcel is acceptable to NCA.

Proposed Enhancement of Services

All BPOs accommodate land use agreements with programs and organizations that benefit veterans:

California State Veterans Home: Construction on the Brentwood campus is scheduled to begin in July 2007 and phased activation of the home is expected in 2010. The California State Veterans Home will occupy 13.5 acres on the West LA VAMC campus. The State of California will have title to this portion of the campus.

Fisher House: The Fisher House program is private-public partnership that supports America's military by providing homes built on the grounds of military and VAMCs that enable family members to be close to a loved one receiving treatment. The West LA VAMC has received a proffer from the Fisher House Foundation to build a house on the West LA campus (Wadsworth

campus). The Secretary has signed the proffer and the West LA VAMC has executed the revocable license for construction.

New Directions: New Directions is an organization that provides a wide variety of services to homeless veterans including long-term substance abuse treatment. The West LA VAMC has a long-term land use agreement with New Directions, which is located in Buildings 116 and 257 on the Brentwood campus.

The presence of these programs and organizations would complement the existing healthcare services on the West LA campus. They would provide alternative living options for veterans in close proximity to the provision of specialized care for veterans such as outpatient mental health services.

BPO 1 - Baseline

As previously described, BPO 1 is the option under which there would not be significant changes in either the location or type of services provided in the study site, other than those described in the Secretary’s Decision. BPO 1 updates the existing facilities to modern, safe and secure standards through renovation of selected buildings required to house the necessary services. The table below summarizes the impact of BPO 1 on the evaluation criteria.

Table 48: BPO 1 - Ability to Support VA Programs Impact

Evaluation Criteria	Impact
One-VA Integration	<ul style="list-style-type: none"> In BPO 1, the area VBA and NCA offices remain at their respective locations in Los Angeles, and they are not co-located with the VAMC on the West LA campus. Thus, there is no impact on One-VA Integration.
Proposed Enhancement of Services	<ul style="list-style-type: none"> In BPO 1 the presence of the California State Veterans Home as well as organizations and programs such as Fisher House and New Directions would complement the existing healthcare services provided at the West LA campus and would provide alternative living options for veterans in close proximity to a VAMC that would provide specialized veterans services such as outpatient mental health services. There may be less enhancement of services to veterans in BPO 1 than BPOs that provide new patient care facilities and achieve a more consolidated campus footprint.

BPO 2

Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary

BPO 2 maintains acute inpatient services and consolidates ambulatory care services in renovated hospital building and facilities on the Wadsworth (South) campus (Building 500) to meet 2023 utilization projections. 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. 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.

Table 49: BPO 2 - Ability to Support VA Programs Impact

Evaluation Criteria	Impact
One-VA Integration	<ul style="list-style-type: none"> BPO 2 accommodates a 16.75-acre area on Parcel B1 for an NCA columbarium and provides a new VBA facility on the Wadsworth campus.
Proposed Enhancement of Services	<ul style="list-style-type: none"> In BPO 2 the presence of the California State Veterans Home as well as organizations and programs such as Fisher House and New Directions would complement the existing healthcare services provided at the West LA campus, and would provide alternative living options and outpatient mental health programs for veterans close to a VAMC.

BPO 3

Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary

BPO 3 consolidates 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) to meet 2023 utilization projections. 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. Construct new VBA facility on the Wadsworth campus and construct new columbarium for NCA on the Brentwood campus (Parcel B1).

Table 50: BPO 3 - Ability to Support VA Programs Impact

Evaluation Criteria	Impact
One-VA Integration	<ul style="list-style-type: none"> BPO 3 accommodates a 16.75-acre area on Parcel B1 for an NCA columbarium and provides a new VBA facility on the Wadsworth campus.
Proposed Enhancement of Services	<ul style="list-style-type: none"> In BPO 3 the presence of the California State Veterans Home as well as organizations and programs such as Fisher House and New Directions would complement the existing healthcare services provided at the West LA campus, and would provide alternative living options and outpatient mental health programs for veterans close to a VAMC.

BPO 5

Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary

Under BPO 5, 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. The VBA will relocate into the renovated Building 500. 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. In addition, a columbarium is to be constructed for the NCA on the Brentwood campus (Parcel B1).

Table 51: BPO 5 - Ability to Support VA Programs Impact

Evaluation Criteria	Impact
One-VA Integration	<ul style="list-style-type: none"> BPO 5 accommodates a 16.75-acre area on Parcel B1 for an NCA columbarium and provides space for VBA in renovated Building 500.
Proposed Enhancement of Services	<ul style="list-style-type: none"> In BPO 5 the presence of the California State Veterans Home as well as organizations and programs such as Fisher House and New Directions would complement the existing healthcare services provided at the West LA campus, and would provide alternative living options and outpatient mental health programs for veterans close to a VAMC.

7.0 Stakeholder and LAP Input Analysis

The purpose of the stakeholder element in the CARES study was to encourage a meaningful dialogue among veterans, veterans advocacy groups, employees, elected officials, and other interested parties about the options being considered for the West LA site. Feedback from stakeholders was considered by Team PwC in developing and evaluating BPOs and in developing implementation plans and risk mitigation strategies for each BPO. This feedback will also be used by VA decision makers in weighing the advantages and disadvantages of each BPO and its associated implementation plans.

VA determined at the beginning of the CARES process that it would use the Federal Advisory Committee Act (FACA) process to solicit stakeholder input and to provide a public forum for discussion of stakeholder concerns because "[t]he gathering and consideration of stakeholder input in this scope of work is of great importance." According to the Statement of Work, the purpose of the Local Advisory Panel (LAP) appointed under the FACA is to:

provide the Contractor with a perspective on previous CARES local planning products, facility mission and workload, facility clinical issues, environmental factors, VISN referral and cross cutting issues in order to assist the Contractor in the refinement of the options the Contractor shall recommend. The Federal Advisory Committee will also provide feedback to the Contractor on proposed options and recommendations.

The West LA LAP consists of 11 members: Dean Stordahl (Chair), Director, VA Loma Linda Healthcare System; Steve Peck, MSW, Site Director, US VETS Village at Cabrillo; Barbara Tenzer, Commercial Real Estate Broker; Cindy Miscikowski, Westside Resident; Flora Gil Krisiloff, Senior Field Deputy for Los Angeles County Board Supervisor Zev Yaroslavsky; Roger Brautigan, Under Secretary CA Dept. of Veteran Affairs; Dean Norman, MD Chief of Staff, VA Greater LA Healthcare System; Bill Rosendahl, Los Angeles City Councilman 11th District; Harry Corre Ex-POW California Department Commander; Alan Robinson, MD UCLA Vice Provost UCLA School of Medicine; and Kerrie Witty, Veterans Benefit Administration. The members of the LAP are VA staff, representatives of the community, or members of a veteran service organization.

The LAP held public meetings at which stakeholders had an opportunity to present testimony and comment on the work performed by Team PwC and the deliberations of the LAP. The LAP public meetings were one of a series of communication channels provided to stakeholders to express their interests, concerns, and priorities for the study. Stakeholders could give oral and written testimony at the LAP meetings, submit written comments or proposals to the central mailing address, or complete one of the comment forms specific to the options being studied in Stage I or Stage II.

Recap of LAP Meeting 2 Stakeholder and LAP Input

Approximately 300 to 400 members of the public attended the second LAP meeting held on September 22, 2005 during Stage I of the CARES study. At this LAP meeting stakeholders were given the opportunity to provide feedback regarding the specific BPOs being considered for further study in Stage II by Team PwC. Through the VA CARES website and comment forms distributed at the public meeting, stakeholders were able to indicate if they “favor”, are “neutral”, or are “not in favor” of each of the BPOs. The results of this written and electronic feedback on the BPOs being considered for further study in Stage II are provided in the table below.

Table 52: LAP Meeting 2 Stakeholder Comment Form Results for Stage II Study BPOs

BPO	Label	Favor	Neutral	Not Favor
1	Baseline	22	11	20
2	Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	23	5	24
3	Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	23	9	21
5	Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary	Added by the LAP		

Overall the comment forms received indicated that stakeholders showed an equal amount of support for BPOs 1, 2 and 3. The stakeholders did not comment on BPO 5 because it was added by the LAP at the second LAP meeting. A considerable number of veterans, veteran advocates, elected officials, and other interested parties provided oral testimony at the second LAP meeting. Many stakeholders testified that the West LA campus should be preserved for uses that benefit veterans, and should not be sold or leased for commercial use.

Following the presentation of public comments at the second LAP meeting, the LAP conducted its deliberation on the BPOs presented by Team PwC. The following table presents the results of LAP deliberations at the second public meeting on the BPOs being considered for further study in Stage II.

Table 53: LAP Meeting 2 BPO Voting Results

BPO	Label	Yes	No
1	Baseline	8	0
2	Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities	8	0
3	Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care; Renovate Existing Nursing Home/Mental Healthcare/Domiciliary Facilities	8	0
5*	Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care and VBA; Renovate Existing Nursing Home/Mental Health/Domiciliary Facilities	8	0

* New BPO proposed by LAP

At the second LAP meeting the LAP voted unanimously that each BPO should continue for further study in Stage II. Overall at the second public meeting the LAP shared the concerns of the public with regard to preserving the West LA campus for veterans and preventing commercial reuse. During the discussion of capital options, the LAP proposed a new BPO (BPO 5) which represents modifications to BPO 3 presented by Team PwC. The LAP proposed BPO 5 as an alternative approach to co-locating ambulatory care and the VBA in Building 500.

Summary of LAP Meeting 3 Stakeholder and LAP Input

A third period for submitting electronic or written comments on the West LA BPOs began August 21, 2007 on the day of the VA Press Release and the posting of the Stage II Report to the public website. The period ended on September 20, 2007, 14 days after the third LAP meeting. Approximately 400 members of the public attended the third LAP meeting held on September 6, 2007 and 48 gave oral testimony at the meeting. A total of 73 forms of stakeholder input (oral, written, and electronic) were received between August 21 and September 20, 2007. The concerns of stakeholders who submitted general comments are summarized in the following table:

Table 54: General Stakeholder Concerns for Stakeholder Input Period 3

Key Concern	Total Times Stakeholders Voiced General Concerns	Percentage of Total General Concerns Voiced
Adequate Facilities	12	9%
Timeliness	4	3%
Availability of Care	23	17%
Use of Facilities	48	35%
Campus Environment	4	3%
Other	45	33%

Stakeholders voiced the most concerns by far about "Use of Facilities" at the West LA VAMC. Although the Stage II BPOs did not incorporate reuse of land or facilities, the majority of stakeholders that provided oral, written and electronic input still voiced strong opposition to any commercial use of the West LA campus.

During Stage II comment forms were provided to stakeholders that described the options being studied in Stage II. This comment form was available electronically on the VA CARES project website (www.va.gov/CARES) as well as in paper form at the third LAP public meeting, and asked stakeholders to indicate if they have any of the concerns defined in the following table for each option:

Table 55: Comment Form Categories of Stakeholder Concern for each BPO

Category of Concern	Definition
Adequate Facilities	Concerns about whether this option would provide a modern facility capable of meeting healthcare demands in the future.
Timeliness	Concerns about the length of time to finish construction called for by this option.
Availability of Care	Concerns that construction will disrupt the healthcare currently provided
Use of Facilities	Concerns about whether this option makes good use of existing land and facilities.
Campus Environment	Concerns that this option will disrupt the historic quality or the natural setting of the current campus.

Of the 73 forms of stakeholder input received during the input collection period, 15 of those were electronic and paper comment forms specific to the Stage II study options. The feedback received from these comment forms is summarized in the following tables:

Table 56: LAP Meeting 3 Stakeholder Comment Form Results - Number of Concerns

Number of Concerns by BPO				
Concerns	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
Adequate Facilities	8	8	9	10
Timeliness	8	9	10	11
Availability of Care	5	9	7	8
Use of Facility	8	9	10	10
Campus Environment	6	7	9	10
Total Concerns:	35	42	45	49

Only a limited number of stakeholders chose the comment form as their method of providing input. The 15 stakeholders who used this method expressed the most concerns about BPO 5, which constructs a new acute bed tower and research facilities, renovates Building 500 for

ambulatory care including outpatient mental health and VBA, constructs a new nursing home, and renovates facilities for domiciliary services. For BPO 5, stakeholder concerns were fairly evenly distributed among all concern categories, with the highest number of concerns about "Timeliness". Stakeholders expressed the fewest number of concerns overall about BPO 1 which is the Baseline option.

Forty-eight veterans, veteran advocates, elected officials, and other interested parties provided oral testimony at the third LAP meeting. Generally, stakeholders who provided input did not comment specifically on the Stage II BPOs. The testimony and other written input received conveyed several notable stakeholder viewpoints including strong opposition to any commercial use of the West LA campus, as well as support for the creation of a comprehensive master plan for the property that accommodates veterans' current and future needs. Stakeholders rallied behind the recent efforts of Congressman Waxman and Senator Feinstein that included the introduction of companion bills that would protect the entire West LA campus from sale or commercial development. These notable stakeholder viewpoints are represented by the following excerpts from input received:

"There are no surplus VA lands or buildings suitable for an alternative that does not provide direct services to veterans. Once the land is gone, it cannot be replaced. Who can predict the number of veterans and their needs over the next 50 years, or even the next 20 years? This irreplaceable resource must not be looked upon as a quick, short-term source of Federal revenue."

- Excerpt from letter received from the Brentwood Community Council Chair

"This beautiful, serene green-space, adjacent to a major veterans' cemetery and donated as an Old Soldiers Home, ought to be preserved for the enjoyment of, and service to, Los Angeles' veterans." - Excerpt from letter received from Sheila James Kuehl, California State Senate District 23

"I urge the panel to vote to require the VA to meet its mandate to develop a comprehensive land use master plan for the property that is based on the needs of veterans. This process must be transparent. It will be successful only if key stakeholders are brought to the table. This must begin with the central stakeholders - military veterans - but local elected officials and the VA's neighbors must also have a voice. Without a comprehensive long range plan for the property, which begins with a needs assessment, piecemeal development and private leases will continue."

- Excerpt from the testimony of Congressman Waxman

"Anything short of a Master Plan that would seriously explore how this land can be used to serve the current and potential needs of veterans would disappoint veterans and would do a disservice to the wonderful residential and business communities that surround this West LA campus." - Excerpt from letter received from Jack Weiss, Councilmember, Fifth District

Summary

Aggregate analysis of the stakeholder and LAP feedback from the input periods surrounding the second and third LAP meetings input indicates the level of overall support as well as considerations for implementation of each of the BPOs studied in Stage II. Presented below are summaries of stakeholder and LAP support for each option.

Table 57: Stakeholder and LAP Support for Options:

BPO	LAP MEETING 2	LAP MEETING 3
BPO 1: Baseline Option	Stakeholder Input:	
	<ul style="list-style-type: none"> ▪ Overall stakeholders conveyed support for the Baseline option and remarked that they wish to preserve the West LA campus for uses that benefit veterans. ▪ The comment form results indicate that about the same amount of stakeholders are in favor and not in favor of the Baseline option. 	<ul style="list-style-type: none"> ▪ Stakeholders expressed strong opposition to any commercial use of the West LA campus and supported the creation of a master plan regardless of which option is selected. ▪ Most stakeholders chose not to comment on the BPOs, and the 15 comment forms received indicated that the fewest number of stakeholders expressed concerns regarding the Baseline option.
LAP Input:		
<ul style="list-style-type: none"> ▪ The LAP members voted unanimously that the Baseline Option should continue for further study in Stage II. 		<ul style="list-style-type: none"> ▪ The LAP did not prefer the Baseline Option as it does not provide new facilities.
BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	Stakeholder Input:	
	<ul style="list-style-type: none"> ▪ Overall stakeholders conveyed support for the BPO 2 and remarked that they wish to preserve the West LA campus for uses that benefit veterans. ▪ The comment form results indicate that about the same amount of stakeholders are in favor and not in favor of BPO 2. 	<ul style="list-style-type: none"> ▪ Stakeholders expressed strong opposition to any commercial use of the West LA campus and supported the creation of a master plan regardless of which option is selected. ▪ Most stakeholders chose not to comment on the BPOs, and the 15 comment forms received indicated that, other than the Baseline, the fewest number of stakeholders expressed concerns regarding BPO 2.
LAP Input:		
<ul style="list-style-type: none"> ▪ The LAP members voted unanimously that BPO 2 should continue for further study in Stage II. 		<ul style="list-style-type: none"> ▪ The LAP did not prefer BPO 2 as it does not provide as many new facilities as BPO 3.
BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care	Stakeholder Input:	
	<ul style="list-style-type: none"> ▪ Overall stakeholders conveyed support for the BPO 3 and remarked that they wish to preserve the West LA campus for uses that benefit veterans. ▪ The comment form results indicate 	<ul style="list-style-type: none"> ▪ Stakeholders expressed strong opposition to any commercial use of the West LA campus and supported the creation of a master plan regardless of which option is selected.

including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	that about the same amount of stakeholders are in favor and not in favor of BPO 3.	<ul style="list-style-type: none"> Most stakeholders chose not to comment on the BPOs, and the 15 comment forms received indicate that the second highest number of stakeholders expressed concerns regarding this option.
	<p>LAP Input:</p> <ul style="list-style-type: none"> The LAP members voted unanimously that BPO 3 should continue for further study in Stage II. Some LAP members expressed concern with renovating for ambulatory care under BPO 3. <ul style="list-style-type: none"> The LAP voted unanimously that BPO 3 is their preferred option. The LAP expressed that BPO 3 is preferred because it separates the VBA facility from Building 500 and provides new facilities. The LAP indicated that within BPO 3 the facilities that will house services with the greatest need should move forward first. 	
BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary	<p>Stakeholder Input:</p> <ul style="list-style-type: none"> Because BPO 5 was added at the second LAP meeting, it was not included on the second LAP meeting comment form. Stakeholders expressed strong opposition to any commercial use of the West LA campus and supported the creation of a master plan regardless of which option is selected. Most stakeholders chose not to comment on the BPOs, and the 15 comment forms received indicate that the most stakeholders expressed concerns regarding BPO 5. 	
	<p>LAP Input:</p> <ul style="list-style-type: none"> The LAP proposed BPO 5 as an alternative approach to co-locating ambulatory care and the VBA in Building 500. The LAP members voted unanimously that BPO 5 should continue for further study in Stage II. <ul style="list-style-type: none"> The LAP did not prefer BPO 5 because it does not provide a new facility for VBA. 	

Implementation Considerations for BPOs:

Stakeholders and the LAP conveyed concerns regarding the BPOs that would need to be addressed for successful implementation of each option. These concerns were concentrated around four specific issues:

Reuse of Land and Facilities

The majority of stakeholder feedback received referenced the topic of possible reuse of the West LA land and facilities. Stakeholders and the LAP both expressed strong resistance to any commercialization of the West LA campus. During the third LAP meeting the LAP unanimously passed a motion that no enhanced use lease agreements for commercialized uses of the campus should be permitted. Stakeholders and the LAP also articulated that use of the land and facility should align as closely as possible with the VA mission. The local community

regards the West LA campus as a beautiful and highly desired property that should be preserved for uses that directly benefit veterans. This should be a consideration for successful implementation of all BPOs.

Creation of a Comprehensive Master Plan

Many stakeholders and members of the LAP expressed the need for a comprehensive master plan for the West LA campus. Stakeholders feel that VA should develop a land use master plan for the West LA campus that is based on the needs of veterans. Feedback indicated that this plan should be created through a transparent process and should incorporate input from all major stakeholders.

Enrolment Projections and Future Needs

Stakeholders expressed the importance of revisiting updated veteran enrollment and demand projections before implementation of a capital plan for the West LA campus. Stakeholders are concerned that the demand for certain services has changed and want to ensure that the West LA VAMC has the appropriate facilities for provision of these services.

Environmental Impacts and NEPA Compliance

Feedback received indicated that VA should conduct a thorough review of the environmental impacts of the BPO that is selected for implementation. Several stakeholders and members of the LAP expressed that VA must ensure compliance with the National Environment Policy Act (NEPA) and perform analysis of impacts to traffic, air quality, water quality, and other environmental factors. For successful implementation of all BPOs, stakeholders and the LAP agree that this issue must be considered.

8.0 BPO Assessment Summary

The purpose of the Stage II evaluation process was to further compare and contrast the BPOs based upon more detailed analysis of several evaluation criteria. Working collaboratively with VA management, Team PwC developed five categories of evaluation criteria that were deemed appropriate for Stage II evaluation. These four categories of evaluation criteria are: Capital Planning, Use of VA Resources, Ease of Implementation, and Ability to Support VA Programs. The following tables show the results of the comparative assessment of the BPOs against the evaluation criteria using a quantitative scale. The evaluation results were used by site teams and the expert panel to discuss the relative strengths and weaknesses of each BPO and to develop implementation plans.

Capital Planning Assessment

The Capital Planning Assessment involves four evaluation criteria with measurement indicators defined as the following:

- 1. Timeliness of completion**
 - **Indicator:** Total duration (Years to complete)
 - The amount of time to complete construction of new or renovated facilities.
- 2. Timeliness of urgent corrections:**
 - **Indicator:** Duration (Years to correct code deficiencies, focusing on seismic deficiencies as identified in the CAI)
 - The amount of time to complete safety improvements and render facilities compliant with modern seismic standards. Implements seismic corrections for buildings designated by VA as seismic non-exempt. Where seismic non-exempt buildings are not identified for occupancy in the BPO, these corrections will not be implemented.
- 3. Consolidation of underutilized space:**
 - **Indicator:** Percentage of underutilized space
 - The extent to which campus space is used for healthcare delivery. Assesses the percentage variance between the projected ideal total campus BGSF and the projected BPO projected area. The projected BPO BSGF is a function of the facility condition assessment scores and quantity of the existing buildings altered in the BPO.
- 4. Consolidation of vacant space:**
 - **Indicator:** Percentage of vacant space
 - The extent of vacant space remaining on campus at completion of the proposed construction.

The BPOs were assigned scores for each Capital Planning indicator based on the following evaluation scales:

Table 58: BPO Capital Planning Assessment

Evaluation Criteria	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
Timeliness to Completion	-	4	4	4
Total Duration Building 500 Duration	167 months 72 months	156 months 72 months	156 months 92 months	156 months 92 months
Scale	1 = Significantly longer duration than the baseline BPO (>24 months longer) 2 = Longer duration than the baseline BPO (>6 and ≤ 24 months longer) 3 = Similar duration as the baseline BPO (+/- 6 months) 4 = Shorter duration than the baseline BPO (>6 and ≤ 24 months shorter) 5 = Significantly shorter duration than the baseline BPO (>24 months shorter)			
Narrative	<p>While all BPOs are subject to lengthy multi-phased renovations, BPOs 2, 3 and 5 have shorter overall durations than the Baseline BPO (11 months shorter) because they involve some element of new construction that allows for faster less complex phased construction as opposed to longer, more complex phased renovations associated with the Baseline. BPOs 2, 3 and 5 provide some services (such as nursing home) significantly sooner than the Baseline BPO for this reason. Within BPOs 2, 3 and 5, the main difference in the schedules is the renovation associated with Building 500. BPO 2 has limited new clinical construction, so there are more lengthy, multiphased renovations than BPOs 3 and 5. BPO 5 has the same amount of clinical new construction as BPO 3, but involves a lengthy three phased VBA move into clinical space in Building 500 that extends the renovation duration beyond that of BPO 3.</p> <p>The duration for Building 500 is longer in BPOs 3 and 5 than BPOs 1 and 2 because clinical renovations of Building 500 are delayed until services are relocated to newly constructed facilities.</p>			
Timeliness of urgent seismic corrections	72	72	92	92
Duration	3	3	2	2
Scale	1 = Significantly longer duration than the baseline BPO (>24 months longer) 2 = Longer duration than the baseline BPO (>6 and ≤ 24 months longer)			

Evaluation Criteria	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
	3 = Similar duration as the baseline BPO (+/- 6 months) 4 = Shorter duration than the baseline BPO (>6 and ≤ 24 months shorter) 5 = Significantly shorter duration than the baseline BPO (>24 months shorter)			
Narrative	<p>While there are many smaller buildings that require seismic retrofitting, the durations are roughly equal in each BPO. By far, the most significant seismic retrofit on the campus is required for Building 500. This +900,000 GSF building is by far the largest and most complex from both a seismic retrofit as well as a functional renovation perspective. Therefore, the evaluation has focused on the relative retrofit duration of Building 500 to qualify the comparison between different BPOs.</p> <ul style="list-style-type: none"> • BPOs 1 and 2 have the same duration due to the similar approach to renovation given the lack of swing or surge space available during the project construction period. BPOs 1 and 2 will both be very involved and have significant impacts to patient, staff and family during the project’s duration. • BPOs 3 and 5 have the longest duration because clinical renovations of Building 500 are delayed until services are relocated to newly constructed facilities. 			
Consolidation of underutilized space	-	4	4	4
% Underutilized Space	11%	2%	1.5%	1.5%
Scale	1 = Significantly less reduction in underutilized space than the baseline BPO (>20% higher) 2 = Less reduction in underutilized space than the baseline BPO (>5 and ≤ 20% higher) 3 = Similar reduction in underutilized space as the baseline BPO (+/- 5%) 4 = Greater reduction in underutilized space than the baseline BPO (>5 and ≤ 20% lower) 5 = Significantly greater reduction in underutilized space than the baseline BPO (>20% lower)			
Narrative	BPOs 2, 3 and 5 have less underutilized space than the Baseline as these options have greater reliance on newly constructed facilities designed to provide ideal			

Evaluation Criteria	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
configurations for providing healthcare services at the campus.				
Consolidation of vacant space	-	3	3	3
% Change in Vacant Space	-97%	-100%	-100%	-100%
Scale	1 = Significantly less reduction in vacant space than the baseline BPO (>20% higher) 2 = Less reduction in vacant space than the baseline BPO (>5 and ≤ 20% higher) 3 = Similar reduction in vacant space as the baseline BPO (+/- 5%) 4 = Greater reduction in vacant space than the baseline BPO (>5 and ≤ 20% lower) 5 = Significantly greater reduction in vacant space than the baseline BPO (>20% lower)			
Narrative	All BPOs achieve a significant reduction in vacant space because these campus footprints are consolidated and reconfigured to better match the demand for healthcare in 2023.			

Use of VA Resources Assessment

The Use of VA Resources Assessment involves three evaluation criteria with measurement indicators defined as the following:

1. Total operating costs:

- **Indicator:** Total operating costs (\$)
 - Total operating costs in \$ including direct variable, fixed direct, and fixed indirect costs associated with a BPO. Operating costs are aggregated for the 30-year study period.

2. Total capital investment costs:

- **Indicator:** Total capital investment costs (\$)
 - Total capital investment costs in \$ for each BPO over the 30-year study period.

3. Net present cost:

- **Indicator:** Net present cost (\$)
 - Annual cash outflow discounted using the overall discount rate so that a particular BPO’s cash outflows can be valued on a relative basis as compared to other BPOs.

The BPOs were assigned scores for each Use of VA Resources indicator based on the following evaluation scales:

Table 58: BPO Use of VA Resources

Evaluation Criteria	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
Total operating costs	-	3	3	3
Actual Value (\$ in millions)	\$8,550	\$8,488	\$8,492	\$8,536
Scale	1 = Financial analysis metric for the BPO is greater than 114% of the baseline BPO 2 = Financial analysis metric for the BPO is 105 - 114% of the baseline BPO 3 = Financial analysis metric for the BPO is 95 - 104% of the baseline BPO 4 = Financial analysis metric for the BPO is 85 - 94% of the baseline BPO 5 = Financial analysis metric for the BPO is less than 85% of the baseline BPO			
Narrative	All BPOs have similar operating costs that are within 95% and 104% of the Baseline. The three categories of operating costs, direct variable, fixed indirect, and fixed direct, are relatively similar between the four options. Workload remains relatively the same among the four options, resulting in similar direct variable costs. BGSF and campus size are relatively similar in each option, resulting in similar adjustment to fixed indirect and fixed direct costs.			
Total capital investment costs	-	1	1	1
Actual Value (\$ in millions)	\$1,351	\$1,573	\$1,587	\$1,578
Scale	1 = Financial analysis metric for the BPO is greater than 114% of the baseline BPO 2 = Financial analysis metric for the BPO is 105 - 114% of the baseline BPO 3 = Financial analysis metric for the BPO is 95 - 104% of the baseline BPO 4 = Financial analysis metric for the BPO is 85 - 94% of the baseline BPO			

	5 = Financial analysis metric for the BPO is less than 85% of the baseline BPO			
Narrative	All BPOs have capital investment costs that are greater than 114% of the Baseline. BPOs 2, 3 and 5 involve higher capital investment costs to build new facilities, where the Baseline renovates existing facilities.			
Net present cost	-	3	3	3
Actual Value (\$ in millions)	\$9,965	\$10,120	\$10,139	\$10,173
Scale	1 = Financial analysis metric for the BPO is greater than 114% of the baseline BPO 2 = Financial analysis metric for the BPO is 105 - 114% of the baseline BPO 3 = Financial analysis metric for the BPO is 95 - 104% of the baseline BPO 4 = Financial analysis metric for the BPO is 85 - 94% of the baseline BPO 5 = Financial analysis metric for the BPO is less than 85% of the baseline BPO			
Narrative	All BPOs have net present costs that are within 95% and 104% of the Baseline. Operating costs account for the largest portion of net present cost. The operating costs are similar between the four options. The similarity in operating costs drives the overall net present cost and results in similar net present cost for each BPO.			

Ease of Implementation

The West LA Ease of Implementation Assessment involves evaluation criteria with measurement indicators defined as the following:

Capital planning considerations:

- o **Indicators:**
 - a) Size and complexity of capital plan
 - This captures four indicators of the extent to which campus facilities will be impacted by the capital plans for a given BPO: The number of capital projects associated with the BPO; the percentage campus area change as projected by the BPO; the total duration of the capital projects; and the overall capital investment cost for the BPO.
 - b) Number and frequency of patient moves (quantity of clinical buildings altered)
 - The extent to which clinical buildings will be impacted by the capital plans for a given BPO. Provides an assessment of the total quantity of buildings altered in the BPO where patients (clinical space) are impacted. It is assumed that any construction activities in existing buildings will disrupt typical patient care activities and these activities will require relocation to maintain acceptable levels of patient satisfaction.
 - c) Number of historic buildings altered (total historic buildings altered)
 - The extent to which there are historical considerations in implementing the capital plans for a given BPO. Assesses the total quantity of historic buildings altered in the BPO.

The BPOs were assigned scores for each Ease of Implementation indicator based on the following evaluation scales. Each indicator was given a score for "Negative Impact" as well as "Likelihood of Negative Impact":

Table 59: BPO Ease of Implementation Assessment

Evaluation Criteria	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
Capital Planning Considerations: Size and complexity of capital plan				
Score for Negative Impact	1	1	3	3
Scale for Negative Impact	1 = High potential negative impact 3 = Medium potential negative impact 5 = Low potential negative impact			
Score for Likelihood of Negative Impact	3	3	5	5
Scale for Likelihood of Negative Impact	1 = High likelihood of occurrence of negative impact 3 = Medium likelihood of occurrence of negative impact 5 = Low likelihood of occurrence of negative impact			
Narrative	<p>From a capital planning perspective, the BPOs are differentiated mostly by the treatment of Building 500 in each option. This +900,000 GSF building is by far the largest and most complex from a functional renovation perspective. Therefore, the evaluation has focused on the relative renovations of Building 500 to qualify the comparison between different BPOs:</p> <ul style="list-style-type: none"> • BPOs 1 and 2 are the most complex due to the similar approach to renovation given the lack of swing or surge space available during the project construction period. BPOs 1 and 2 will both be very involved and has significant impacts to patients, staff and family during the project’s duration. • BPO 3 is the least complex due to the ability to relocate functions into the new Acute Building and then retrofitting more unoccupied square footage. • BPO 5 is more complex than BPO 3 but less complex than BPOs 1 and 2. It has the longest duration, but less impact to patients, staff and family due to the ability to relocate functions into the new acute building. Additionally, BPO 5 is more complex than BPO 3 because VBA functions are relocated 			

	into Building 500.			
Capital Planning Considerations: Number of historic buildings altered				
Score for Negative Impact	3	3	3	3
Scale for Negative Impact	1 = High potential negative impact 3 = Medium potential negative impact 5 = Low potential negative impact			
Score for Likelihood of Negative Impact	5	5	5	5
Scale for Likelihood of Negative Impact	1 = High likelihood of occurrence of negative impact 3 = Medium likelihood of occurrence of negative impact 5 = Low likelihood of occurrence of negative impact			
Narrative	Each of the BPOs involve historic considerations that have the potential to impact implementation. All BPOs either renovate historic or historically eligible buildings to provide services or demolish historic or historically eligible buildings in order to construct new facilities. This makes all BPOs relatively equivalent in their potential and likelihood for negative impact.			
Capital Planning Considerations: Number and frequency of patient moves				
Score for Negative Impact	3	3	5	5
Scale for Negative Impact	1 = High potential negative impact 3 = Medium potential negative impact 5 = Low potential negative impact			
Score for Likelihood of Negative Impact	1	1	3	3
Scale for Likelihood of Negative Impact	1 = High likelihood of occurrence of negative impact 3 = Medium likelihood of occurrence of negative impact 5 = Low likelihood of occurrence of negative impact			
Narrative	BPOs 1 and 2 are the most complex due to the similar approach to renovation given the lack of swing or surge space available during the project construction period. BPOs 1 and 2 will both be very involved and has significant impacts to patients, staff and family during the project’s duration. BPOs 3 and 5 are the least complex due to the ability to relocate functions into the new Acute Building resulting in the least impact to patients, staff and family during the project’s duration.			

Ability to Support VA Programs

The Use of Ability to Support VA Programs Assessment involves four evaluation criteria with measurement indicators defined as the following:

The BPOs were assigned scores for each Ability to Support VA Programs indicator based on the following evaluation scales:

- 1. DoD sharing:**
 - **Indicator:** MOUs impacted by BPO
 - The extent to which Memoranda of Understanding with DoD partners (for sharing agreements) are enhanced by the BPO.
- 2. One VA integration:**
 - **Indicator:** VBA and NCA impacted by BPO
 - The extent to which each BPO will enhance existing One-VA co-locations or facilitate the establishment of new co-locations.
- 3. Specialized VA programs:**
 - **Indicator:** Specialized Care/COE impacted by BPO
 - The extent to which the BPOs enhance specialized care (e.g., chronic spinal cord injury treatment, Alzheimer’s treatment, etc.) or Centers of Excellence (e.g., GRECC, GEM, etc.) as defined by VA.
- 4. Enhancement of services to veterans:**
 - **Indicator:** Services in kind
 - Extent to which each BPO directly and indirectly provides enhancement to VA services. This may often be achieved through providing in-kind services. In addition, this may be achieved through upgrading of general services on campus. It may also involve uses that by proximity enhance the overall ability of the Center to offer its veterans convenient complementary services.

Table 60: BPO Ability to Support VA Programs Assessment

Evaluation Criteria	BPO 1: Baseline Option	BPO 2: Construct New VA Research and VBA Facilities; Renovate Existing Hospital and Ambulatory Care Facilities; Construct New Nursing Home; Renovate Facilities for Mental Healthcare and Domiciliary	BPO 3: Construct New Acute Bed Tower, VA Research and VBA Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health; Construct New Nursing Home; Renovate Facilities for Domiciliary	BPO 5: Construct New Acute Bed Tower and Research Facilities; Renovate Building 500 for Ambulatory Care including Outpatient Mental Health and VBA; Construct New Nursing Home; Renovate Facilities for Domiciliary
One VA integration	-	4	4	4
Scale	1 = The BPO has the potential to provide the least enhancement relative to the baseline BPO for the specific criterion 2 = The BPO has the potential to provide less enhancement relative to the baseline BPO for the specific criterion			

	<p>3 = The BPO has the potential to provide enhancement equivalent to the baseline BPO for the specific criterion 4 = The BPO has the potential to provide more enhancement relative to the baseline BPO for the specific criterion 5 = The BPO has the potential to provide the most enhancement relative to the baseline BPO for the specific criterion</p>			
Narrative	<p>All of the BPOs have the potential to provide more enhancement to One VA Integration than the Baseline as they accommodate a NCA columbarium and a VBA facility.</p>			
Enhancement of services to veterans	-	3	3	3
Scale	<p>1 = The BPO has the potential to provide the least enhancement relative to the baseline BPO for the specific criterion 2 = The BPO has the potential to provide less enhancement relative to the baseline BPO for the specific criterion 3 = The BPO has the potential to provide enhancement equivalent to the baseline BPO for the specific criterion 4 = The BPO has the potential to provide more enhancement relative to the baseline BPO for the specific criterion 5 = The BPO has the potential to provide the most enhancement relative to the baseline BPO for the specific criterion</p>			
Narrative	<p>All BPOs including the Baseline accommodate land use agreements with programs and organizations that benefit veterans such as the California Stage Veterans Home, Fisher House, and New Directions and therefore provide the same enhancement of services to veterans.</p>			

9.0 Trade-off Analysis

The purpose of the trade-off analysis is to provide VA decision makers with a balanced discussion of the trade-offs to be considered in making a final decision. Team PwC compared and contrasted the measurement indicators of the BPOs evaluated in section the Assessment Summary to determine the relative strengths and weaknesses of each BPO. The following section displays the results of the BPO trade-off analysis for Capital Planning, Use of VA Resources, Ease of Implementation, and Stakeholder and LAP input. The analysis results were discussed during the Independent Review Panel and are key inputs for the final decision making process.

BPO 1: Baseline Option

Capital Planning	
Strengths	<ul style="list-style-type: none"> • Shortest duration for renovation of Building 500 and shorter duration for urgent seismic corrections (comparable to BPO 2)
Weaknesses	<ul style="list-style-type: none"> • Longest total construction duration • Most vacant and underutilized space • Renovations do not achieve most modern healthcare space planning and utilization
Use of VA Resources	
Strengths	<ul style="list-style-type: none"> • Slightly lower net present cost than BPOs 2, 3 and 5 • Lowest capital investment cost
Weaknesses	<ul style="list-style-type: none"> • Slightly higher operating cost than BPOs 2, 3 and 5
Ease of Implementation	
Strengths	<ul style="list-style-type: none"> • No strengths compared to the other BPOs.
Weaknesses	<ul style="list-style-type: none"> • 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
Ability to Support Other VA Programs	
Strengths	<ul style="list-style-type: none"> • No strengths compared to the other BPOs.
Weaknesses	<ul style="list-style-type: none"> • Provides the least enhancement to One VA Integration, as BPO 1 does not accommodate a NCA columbarium or a VBA facility
Stakeholder & LAP Input	
Strengths	<ul style="list-style-type: none"> • The fewest number of stakeholders expressed concerned about BPO 1 compared to the other options.
Weaknesses	<ul style="list-style-type: none"> • The LAP did not prefer the Baseline Option as it does not provide new facilities.

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

Capital Planning	
Strengths	<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)
Weaknesses	<ul style="list-style-type: none"> • No weaknesses compared to other BPOs
Use of VA Resources	
Strengths	<ul style="list-style-type: none"> • Lowest operating cost (slightly lower than BPOs 1, 3 and 5) • Slightly lower capital investment and net present costs than BPOs 3 and 5
Weaknesses	<ul style="list-style-type: none"> • Higher net present cost than BPO 1
Ease of Implementation	
Strengths	<ul style="list-style-type: none"> • Lower degree of complexity than the Baseline based on renovation and construction phases and patient moves.
Weaknesses	<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
Ability to Support Other VA Programs	
Strengths	<ul style="list-style-type: none"> • Provides enhancement to One VA Integration as BPO 2 accommodates a NCA columbarium and a VBA facility
Weaknesses	<ul style="list-style-type: none"> • No weaknesses compared to other BPOs.
Stakeholder & LAP Input	
Strengths	<ul style="list-style-type: none"> • There are no strengths compared to other BPOs
Weaknesses	<ul style="list-style-type: none"> • The LAP did not prefer BPO 2 as it does not provide as many new facilities as BPO 3.

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

Capital Planning	
Strengths	<ul style="list-style-type: none"> • 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)
Weaknesses	<ul style="list-style-type: none"> • Longest duration for renovation of Building 500 and longest duration for urgent seismic corrections (comparable to BPO 5)
Use of VA Resources	
Strengths	<ul style="list-style-type: none"> • Slightly lower operating cost than BPOs 1 and 5
Weaknesses	<ul style="list-style-type: none"> • Highest capital investment cost
Ease of Implementation	
Strengths	<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
Weaknesses	<ul style="list-style-type: none"> • No weaknesses compared to the other BPOs
Ability to Support Other VA Programs	
Strengths	<ul style="list-style-type: none"> • Provides enhancement to One VA Integration as BPO 3 accommodates a NCA columbarium and a VBA facility
Weaknesses	<ul style="list-style-type: none"> • No weaknesses compared to the other BPOs
Stakeholder & LAP Input	
Strengths	<ul style="list-style-type: none"> • The LAP voted unanimously that BPO 3 is their preferred option. The LAP expressed that BPO 3 is preferred because it separates the VBA facility from Building 500 and provides new facilities.
Weaknesses	<ul style="list-style-type: none"> • No weaknesses compared to the other BPOs

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

Capital Planning	
Strengths	<ul style="list-style-type: none"> • 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)
Weaknesses	<ul style="list-style-type: none"> • Longest duration for renovation of Building 500 and longest duration for urgent seismic corrections (comparable to BPO 3)
Use of VA Resources	
Strengths	<ul style="list-style-type: none"> • Slightly lower operating cost than BPO 1
Weaknesses	<ul style="list-style-type: none"> • Highest net present cost
Ease of Implementation	
Strengths	<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
Weaknesses	<ul style="list-style-type: none"> • Higher degree of complexity than BPO 3 based on construction and renovation phasing
Ability to Support Other VA Programs	
Strengths	<ul style="list-style-type: none"> • Provides enhancement to One VA Integration as BPO 5 accommodates a NCA columbarium and a VBA facility
Weaknesses	<ul style="list-style-type: none"> • No weaknesses compared to the other BPOs
Stakeholder & LAP Input	
Strengths	<ul style="list-style-type: none"> • There are no strengths compared to other BPOs
Weaknesses	<ul style="list-style-type: none"> • The LAP did not prefer BPO 5 because it does not provide a new facility for VBA.

Summary

Each of these options has relative strengths and weaknesses across the evaluation criteria. The Baseline option (BPO 1) accommodates the projected healthcare demand by renovating existing buildings to meet modern, safe and secure standards, where conditions allow. The renovations in the Baseline achieve a more modern, safe and secure healthcare environment than is currently provided. However, this option does not take advantage of the numerous benefits to patients and staff of new, state-of-the-art clinical facilities and the renovations do not achieve most modern healthcare space planning and utilization. Additionally, it has the highest operating cost as well as the longest construction duration, and results in the most underutilized and vacant space. The Baseline option has the highest degree of complexity due to renovation and construction phases and relocation of services and patients, and provides the least enhancement to One VA Integration as it does not accommodate a NCA columbarium or a VBA facility.

BPOs 2, 3 and 5 share several advantages. These options have shorter overall durations than the Baseline BPO (11 months shorter) because they involve some element of new construction that allows for faster less complex phased construction as opposed to longer, more complex phased renovations associated with the Baseline. BPOs 2, 3 and 5 provide some services (such as nursing home) significantly sooner than the Baseline BPO for this reason. These BPOs also achieve a greater reduction in underutilized and vacant space than the Baseline option, and provide enhancement to One VA Integration as they accommodate a NCA columbarium and VBA facility. Because BPOs 2, 3 and 5 do involve some element of new construction, they require higher capital investment costs than the Baseline BPO. However, these BPOs achieve greater operating efficiencies over the projection period which results in their net present costs being only slightly higher than the Baseline BPO.

Within BPOs 2, 3 and 5, the main difference is the nature of the renovation associated with Building 500, as well as the construction of a new acute bed tower. BPO 2 renovates Building 500 for clinical services and has limited new clinical construction, and therefore involves more lengthy, multiphased renovations than BPOs 3 and 5. Additionally, BPO 2 does not take advantage of the numerous benefits to patients and staff of new, state-of-the-art clinical facilities as in BPOs 3 and 5. BPOs 3 and 5 construct a new acute bed tower and involve the same amount of clinical new construction. However, BPO 5 involves a lengthy three phased VBA move into clinical space in Building 500 that extends the renovation duration beyond that of BPO 3.

Stakeholders expressed the least concern about BPO 1 however; the LAP did not prefer BPO 1 as it does not provide new facilities. The LAP voted unanimously that BPO 3 is their preferred option. The LAP expressed that BPO 3 is preferred because it separates the VBA facility from Building 500 and provides the most new facilities.

Appendices

Appendix A - Other Relevant Documents

Other relevant documents include the following:

- The document entitled, *Stage II Assumption, Inputs and Outputs* written by Team PwC.
- BPO Implementation Plan and Risk Mitigation Strategies

Appendix B - Detailed Stage II Methodology for West LA

Overview

This section provides an overview of the methodology employed in Stage II of the CARES study. In Stage I, Team PwC in collaboration with Other Government Contractors (OGCs) for Reuse studies², developed and assessed a broad range of potentially viable business plan options (BPOs) that met the forecast healthcare needs for the study sites. Based upon an initial assessment of these BPOs, Team PwC recommended up to six BPOs to be taken forward for further development and assessment in Stage II, and VA selected the specific BPOs to be studied further.

In Stage II, Team PwC will conduct a more detailed assessment of the short-listed BPOs in order to provide VA decision makers with an evaluation of each BPO and its relative merits.

In Stage II, Team PwC will collect additional data on a set of evaluation criteria and conduct additional capital planning, financial, support for other VA programs and ease of implementation analysis for each BPO. The results will be used to compare BPOs and to evaluate the relative strengths and weaknesses of each BPO. Finally, an implementation plan featuring risk mitigation strategies will be developed for each BPO.

The Stage II study will be organized around the following evaluation categories:

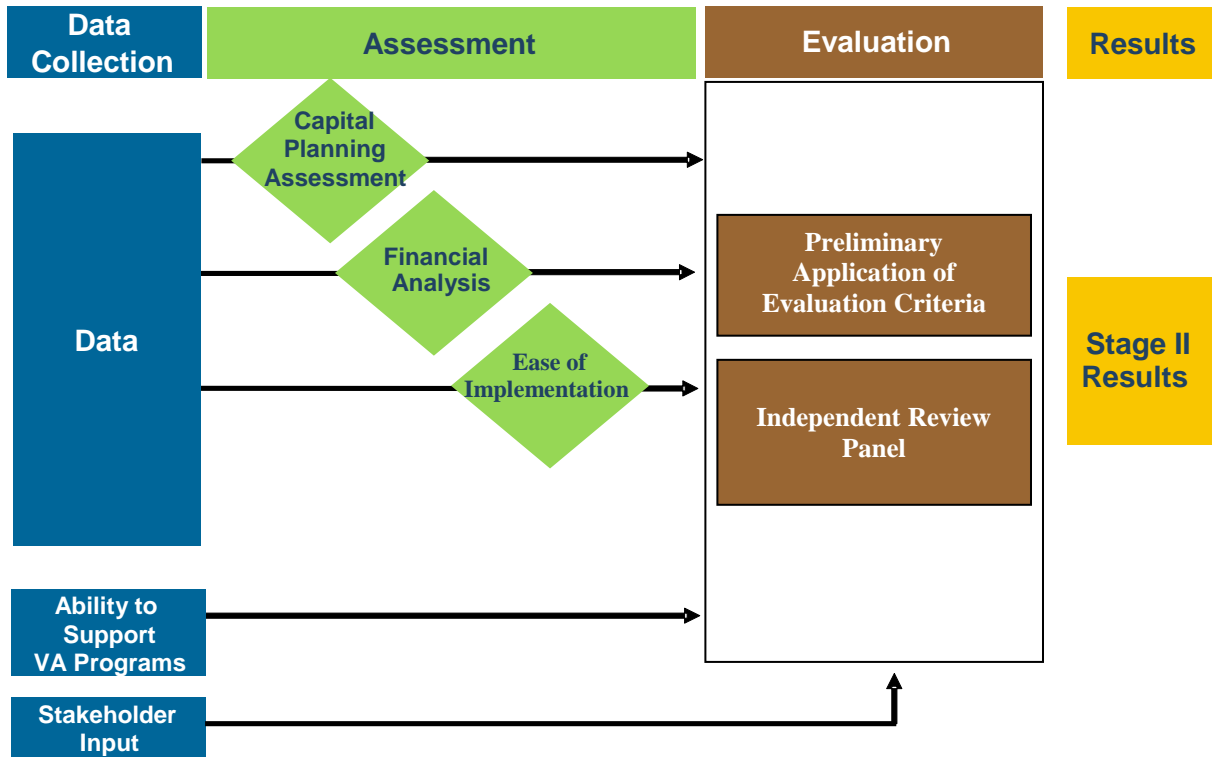
- Capital Planning
- Use of VA Resources
- Ability to Support Other VA Programs
- Ease of Implementation
- Stakeholder Input

Note: Further evaluation of reuse criteria in Stage II was excluded from the scope of work.

The Stage II study process will consist of four primary steps, Data Collection, Assessment, Evaluation, and Stage II Results, as depicted in the figure below.

² In Stage I OGCs completed Reuse studies for comprehensive capital planning sites. Team PwC completed the Reuse studies for healthcare planning sites.

Figure 1: A Diagram of the Overview of Stage II Methodology



The Data Collection process will be used to augment study data gathered in Stage I. This data will provide the inputs to the BPO assessment. During the data collection step, Team PwC will confirm existing Stage I data and collect new data in order to refine the BPOs and complete the assessments for each evaluation category. The Capital Planning team will obtain such information as updated building scores, healthcare utilization, and space projection factors. The Use of VA Resources team will validate and update VA costs of care and collaborate with the Capital Planning team to understand the capital investment needs associated with each BPO. The Ease of Implementation team will obtain data and information to validate the impacts on academic affiliations and education programs, in addition to potential staffing complements under each BPO. The Ease of Implementation team will work with the Capital Planning team to understand the implementation considerations for each BPO and develop strategies to mitigate implementation risks. Site teams will review information about Ability to Support Other VA Programs and potential services in kind to determine how they might be impacted by the implementation of the BPOs.

Parallel to the data gathering activities, Team PwC will solicit input from stakeholders on their comments and concerns for each BPO. Stakeholder input will include written correspondence received through a central mail stop, oral testimony received through Local Advisory Panel (LAP) public meetings, results of LAP deliberations, and electronic feedback received through the study website.

The Assessment step will involve conducting more detailed analyses of the short-listed BPOs across each evaluation category. The data collected in this initial step will drive the completion of the assessments. The Capital Planning team will use projected utilization and facility information to calculate and allocate space needs for a conceptual site plan, determine the capital investment required, and schedule construction projects. The Use of VA Resources team will complete a financial analysis to determine the costs, revenues, and savings associated with each BPO, while the Ease of Implementation team will

determine risk ratings for each option. The outputs of the Assessment step will be a set of data and findings for each BPO.

The Evaluation step will compare the BPOs against the Baseline option using a set of agreed-upon evaluation criteria, which are described in the following section. Team PwC will conduct a preliminary evaluation of each BPO. The independent review panel will provide a sounding board for the preliminary assessment findings and evaluation of each BPO, together with stakeholder input. The BPOs will be evaluated against the evaluation criteria using a quantitative scale in order to discriminate between the BPOs. The evaluation results will be used by site teams and the expert panel to discuss the relative strengths and weaknesses of each BPO and to develop implementation plans. The outputs of the Evaluation step will be the evaluation results for each BPO, a discussion of the merits of each BPO, and an implementation plan and risk mitigation strategies for each BPO. The Stage II Results will be used by VA in its decision making.

Evaluation Criteria

In Stage I, a broad range of BPOs were screened and evaluated according to a set of primary and discriminating criteria. Primary criteria consisted of access, quality of care, and cost effectiveness. Discriminating criteria consisted of healthcare quality, healthcare access, impact on VA and local community, use of VA resources, ease of implementation, and ability to support VA programs.

The Stage I evaluation process resulted in BPOs recommended for further study in Stage II. Each of the BPOs recommended for further study in Stage II met the three primary criteria of access, quality of care, and cost effectiveness. In terms of access and quality of care, each of the BPOs was assessed to meet minimum standards and thresholds. These criteria will not be further studied in Stage II.

The discriminating criteria used in Stage I provided a level of analysis which was sufficient to arrive at recommended BPOs. The purpose of the Stage II evaluation process is to further compare and contrast the BPOs based upon more detailed analysis of several evaluation criteria.

Working collaboratively with VA management, Team PwC developed five categories of evaluation criteria that were deemed appropriate for Stage II evaluation at West LA. These five categories of evaluation criteria are: Capital Planning, Use of VA Resources, Ease of Implementation, Ability to Support Other VA Programs and Stakeholder Input. In arriving at these criteria, consideration was given to Stage I criteria and results, discriminating factors of BPOs moving forward for study in Stage II, and the relevance of criteria across sites. The following table lists the indicators used to measure each of the evaluation criteria, together with the definition. It should be noted that some criteria, specifically academic affiliations / education and HR / staffing, used to evaluate the impact on local community in Stage I, will be used more appropriately in Stage II to evaluate the ease of implementation.

Table 1: Stage II Evaluation Criteria and Indicators

Evaluation Criteria	Indicator	Definition
Capital Planning		
Timeliness of completion	Total duration (Years to complete)	The amount of time to complete construction of new or renovated facilities.
Timeliness of urgent corrections	Duration (Years to correct code deficiencies, focusing on seismic deficiencies as identified in the CAI)	The amount of time to complete safety improvements and render facilities compliant with modern seismic standards. Implements seismic corrections for buildings designated by VA as seismic non-exempt. Where seismic non-exempt buildings are not identified for occupancy in the BPO, these corrections will not be implemented.
Consolidation of underutilized space	% Underutilized space	The extent to which campus space is used for healthcare delivery. Assesses the percentage variance between the projected ideal total campus BGSF and the projected BPO projected area. The projected BPO BSGF is a function of the facility condition assessment scores and quantity of the existing buildings altered in the BPO.
Consolidation of vacant space	% Vacant space	The extent of vacant space remaining on campus at completion of the proposed construction.
Use of VA Resources		
Total operating costs	Total operating costs (\$)	Total operating costs in \$ including direct variable, fixed direct, and fixed indirect costs associated with a BPO. Operating costs are aggregated for the 30-year study period.
Total capital investment costs	Total capital investment costs (\$)	Total capital investment costs in \$ for each BPO over the 30-year study period.
Net present cost	Net present cost (\$)	Annual cash outflow discounted using the overall discount rate so that a particular BPO's cash outflows can be valued on a relative basis as compared to other BPOs.
Total considerations	Total considerations (reuse revenues, in-kind, etc.) (\$)	Total considerations (reuse proceeds/costs, in-kind considerations, etc.) in \$ for each BPO aggregated for the 30-year study period.
Total annual savings	Total annual savings (\$)	Annual savings in \$ for each BPO over the 30-year study period.
Ease of Implementation		
Academic affiliations / education*	Number of research programs impacted	The number of research programs (as defined either by disease focus or patient population, as data allows) expected to be negatively impacted due to the change in services provided, facilities, or location.
	% annual research budget impacted	The % of total research budget (as defined by research expenditures for a given fiscal year) expected to be negatively impacted due to the change in services provided, facilities, or location.
	Number of residency programs and residents impacted	The number of residency programs (as defined by medical specialty) and total number of resident positions expected to be negatively impacted due to the change in services provided, facilities, or location.
	Number of faculty with dual appointments impacted	The number of faculty with appointments at both the VAMC and affiliate organizations that would be negatively impacted due to the change in services provided, facilities, or location.
HR / Staffing*	Change in staff (FTEEs)	The net change in the number of staff expected for the BPO.
	Number of staff required to change job site (FTEEs)	The total number of staff that will be required to change working locations and thus commutes.

Evaluation Criteria	Indicator	Definition
Capital planning considerations	Size and complexity of capital plan	This captures four indicators of the extent to which campus facilities will be impacted by the capital plans for a given BPO: The number of capital projects associated with the BPO; the percentage campus area change as projected by the BPO; the total duration of the capital projects; and the overall capital investment cost for the BPO.
	Number and frequency of patient moves (quantity of clinical buildings altered)	The extent to which clinical buildings will be impacted by the capital plans for a given BPO. Provides an assessment of the total quantity of buildings altered in the BPO where patients (clinical space) are impacted. It is assumed that any construction activities in existing buildings will disrupt typical patient care activities and these activities will require relocation to maintain acceptable levels of patient satisfaction.
	Number of historic buildings altered (total historic buildings altered)	The extent to which there are historical considerations in implementing the capital plans for a given BPO. Assesses the total quantity of historic buildings altered in the BPO.
<i>Ability to Support Other VA Programs</i>		
DoD sharing	MOUs impacted by BPO	The extent to which Memoranda of Understanding with DoD partners (for sharing agreements) are enhanced by the BPO.
One VA integration	VBA and NCA impacted by BPO	The extent to which each BPO will enhance existing One-VA co-locations or facilitate the establishment of new co-locations.
Specialized VA programs	Specialized Care/COE impacted by BPO	The extent to which the BPOs enhance specialized care (e.g., chronic spinal cord injury treatment, Alzheimer’s treatment, etc.) or Centers of Excellence (e.g., GRECC, GEM, etc.) as defined by VA.
Enhancement of services to veterans	Services in kind	Extent to which each BPO directly and indirectly provides enhancement to VA services. This may often be achieved through providing in-kind services. In addition, this may be achieved through upgrading of general services on campus. It may also involve uses that by proximity enhance the overall ability of the Center to offer its veterans convenient complementary services.

* Academic affiliations/education and HR/staffing criteria not assessed at comprehensive capital planning sites, where no healthcare decision is required.

Stage II BPO Assessment and Evaluation Process

In Stage II, Team PwC will further study and assess the BPOs using the following evaluation criteria: capital planning, use of VA resources, ease of implementation, ability to support VA programs, and stakeholder input. The following sections describe the inputs and assumptions that will be used to conduct the refined studies as well as the resulting outputs. Finally, the process for evaluating the outputs per the evaluation criteria is provided to illustrate how BPOs will be evaluated relative to each other.

Capital Planning

The Capital Planning study determines projected future site and facility development for the optimum physical configuration for delivery of healthcare services to veterans. In Stage I, the Capital Planning

studies determined the placement of facilities within a campus to meet the capital needs for a given BPO. In Stage II, the study will be refined to consider the extent of renovations and new construction needed to optimize proposed locations on the campus.

In order to conduct the analysis, Team PwC will utilize a database to project space needs and allocate square footage according to departmental groups³ in order to develop a conceptual plan for the campus and determine investment costs. The capital investment requirements will be calculated for the capital plan and appropriate timing and sequencing of construction determined to assist with implementation. The inputs and assumptions to be used in conducting the Capital Planning study, as well as the outputs from the study, are further described below.

Inputs and Assumptions

The basic capital planning inputs for determining physical space need on the campus are identified below:

- **BPOs selected for further study:** The Secretary’s Decision dictated the BPOs to be studied further in Stage II. The BPOs include those recommended by Team PwC at the conclusion of Stage I or BPOs introduced by the Secretary to be studied in Stage II. This input will be imperative for all assessments.
- **Departmental utilization data:** Departmental utilization data is based upon projected CARES Implementation Categories (CIC) utilization data approved by VA using FY03 as the Baseline year.
- **Campus site and building plans:** GFI drawings of current site and buildings were provided by VA.
- **Detailed building data:** Building data such as building condition scores, square footages, etc. were provided via the capital asset inventory (CAI) database administered by VA.

A detailed set of assumptions were established in order to conduct the Stage II Capital Planning assessments. These assumptions pertain to such factors as space projection, building scores, historical designation, departmental groupings, etc. Key assumptions are provided below; however, a more detailed listing of assumptions are compiled in the appended assumptions document:

- Minimum space requirements are developed per *AIA Guidelines for Hospitals and Healthcare Facilities 2001 edition*, VA standards, and Team PwC experience.
- Area calculations, condition assessment ratings, major building systems life cycle costing projections, and functional use descriptions associated with existing buildings are based on the VA provided CAI database.
- Where the existing quality of care environment does not address current fire and life safety codes or VA standards of care (such as in the case of multi-bed patient wards), renovation and or new construction is required to provide a modern, safe, and secure environment.
- A period of ten years is required to demolish historical buildings. Submission of all buildings designated as historic will occur for all project sites in 2007. Therefore, the earliest date for demolition of historic buildings will be 2017. The earliest date for renovations to historic buildings will be 2009.

³ Departmental groups identify one or more distinct buildings of similar construction type and functional activities.

- Buildings with an average facility assessment score from the CAI less than 4.0 are not suitable for clinical occupancy. Buildings with an average score of 3.0 are not suitable for occupancy, and buildings with an average score of 3.0 or less will be vacated or demolished, unless deemed suitable by the consultant.
- The first funding cycle for any new project would occur in the first quarter of 2009.
- Buildings (existing or proposed) that have been identified as being vacated and mothballed will become inoperative.
- Easements for utilities must be maintained for all reuse development activities in options where VA facilities remain and require access to these utilities.
- The maximum number of floors possible for new nursing home facilities will be two.

Outputs

The Capital Planning study will yield the following outputs:

- **Existing current state site plan:** A site plan of the current physical configuration and building distribution of the campus, with narrative description and table of buildings, will be included as a reference for comparing facility changes defined by each of the BPOs.
- **Proposed site plan:** A site plan of the campus, with narrative description, will be generated for each BPO, illustrating the physical configuration and building distribution of the campus in the projection year 2023.
- **Concept plan:** Concept plan of typical floor or stack diagram will only be provided for complex/multi-function buildings with narrative description.
- **Supporting Narrative:** A narrative explaining significant projected area DGSF implications on site, key proposed activities (i.e., parking, site work, historic buildings, phasing issues, rationale for renovations and/or new construction, and reuse parcel distribution), and key implementation milestones.
- **Construction Schedule:** Schedules for construction activities are intended to identify the relative duration of renovation and construction in order to calculate the occupancy date for utilization of space and escalation costs. These schedules provide a base on which the implementation plans will be incorporated. A narrative includes a brief description of the individual building construction projects and indicates the construction sequence and duration for each BPO.
- **Projected BPO cost estimate:** The capital investment required (including both investment expense and periodic maintenance costs) to implement the capital plan will be generated based upon the unit price per square foot. These costs serve as inputs to the financial analysis discussed later in the report.

Evaluation Scale

The evaluation scales for the Capital Planning criteria are described in the table below. Criteria will be assessed on a 5-point scale using the outputs of the Capital Planning analysis.

Table 2: Evaluation Scale for Capital Planning Evaluation Criteria

Evaluation Criteria/ Indicators	Evaluation Scale	Explanation of Scale
<p>Timeliness of completion: Total Duration (Years to complete)</p>	<p>1 = Significantly longer duration than the Baseline BPO (>24 months longer) 2 = Longer duration than the Baseline BPO (>6 and ≤ 24 months longer) 3 = Similar duration as the Baseline BPO (+/- 6 months) 4 = Shorter duration than the Baseline BPO (>6 and ≤ 24 months shorter) 5 = Significantly shorter duration than the Baseline BPO (>24 months shorter)</p>	<p>An assessment of “1” represents the longest duration to implement the plan, which is least preferred since improvements to healthcare delivery may take a significant amount of time to realize. An assessment of “5” represents the shortest duration to implement the plan, which is most preferred since improvements to healthcare delivery may be realized sooner.</p>
<p>Timeliness of urgent corrections: Duration (Years to correct code deficiencies, focusing on seismic deficiencies as identified in the CAI)</p>	<p>1 = Significantly longer duration than the Baseline BPO (>24 months longer) 2 = Longer duration than the Baseline BPO (>6 and ≤ 24 months longer) 3 = Similar duration as the Baseline BPO (+/- 6 months) 4 = Shorter duration than the Baseline BPO (>6 and ≤ 24 months shorter) 5 = Significantly shorter duration than the Baseline BPO (>24 months shorter)</p>	<p>An assessment of “1” represents the longest duration to make seismic corrections, which is least preferred since safety improvements may take a significant amount of time to realize. An assessment of “5” represents the shortest duration to make seismic corrections, which is most preferred since safety improvements may be realized sooner.</p>
<p>Consolidation of underutilized space: % Underutilized Space</p>	<p>1 = Significantly less reduction in underutilized space than the Baseline BPO (>20% higher) 2 = Less reduction in underutilized space than the Baseline BPO (>5 and ≤ 20% higher) 3 = Similar reduction in underutilized space as the Baseline BPO (+/- 5%) 4 = Greater reduction in underutilized space than the Baseline BPO (>5 and ≤ 20% lower) 5 = Significantly greater reduction in underutilized space than the Baseline BPO (>20% lower)</p>	<p>An assessment of “1” represents the least amount of reduction in underutilized space, which is least preferred since less reduction of underutilized space indicates a less optimal use of space for providing healthcare and administrative functions throughout the campus. An assessment of “5” represents the greatest amount of reduction in underutilized space, which is most preferred since greater reduction of underutilized space indicates a more optimal use of space for providing healthcare and administrative functions throughout the campus.</p>
<p>Consolidation of vacant space: % Vacant Space</p>	<p>1 = Significantly less reduction in vacant space than the Baseline BPO (>20% higher) 2 = Less reduction in vacant space than the Baseline BPO (>5 and ≤ 20% higher) 3 = Similar reduction in vacant space as the Baseline BPO (+/- 5%) 4 = Greater reduction in vacant space than the Baseline BPO (>5 and ≤ 20% lower) 5 = Significantly greater reduction in vacant space than the Baseline BPO (>20% lower)</p>	<p>An assessment of “1” represents the least amount of reduction in vacant space, which is least preferred since less reduction of vacant space indicates a less optimal use of space for providing healthcare and administrative functions throughout the campus. An assessment of “5” represents the greatest amount of reduction in vacant space, which is most preferred since greater reduction of vacant space indicates a more optimal use of space for providing healthcare and administrative functions throughout the campus.</p>

Use of VA Resources

The purpose of the financial analysis is to develop a detailed Cost Effectiveness Analysis for each BPO studied in Stage II. The analysis will utilize a financial model that considers the VAMC operating costs for providing care and capital investments, as well as proceeds from reuse plans in order to determine overall cost effectiveness. Additionally, sensitivity analyses will be conducted to test the importance of the key assumptions. Additional iterations of the financial analysis will be run for each BPO to determine the impact different assumptions may have on the results.

Special attention will be given to providing more specific department/service level cost analysis that builds upon earlier CARES analysis and provides clearly described cost and business decision options as part of the Stage II results. The major differences between Stage I and Stage II financial analyses will be the level of detail and refinement that is included in the inputs to the financial analysis as well as improvement in the completeness of the analysis.

Inputs and Assumptions

These key inputs will include the following:

- **Current and forecasted services:** These are defined by the healthcare component of each BPO.
- **Current and forecasted utilization:** Departmental utilization data is based upon projected CIC utilization data approved by VA.
- **VA current and future unit cost of care:** Current costs are provided per CIC by VACO from the DSS system which serves as its cost accounting system. Team PwC calculates the future cost of care using an inflation factor.
- **Capital investment requirements and timing:** This will be provided by the Capital Planning team based upon square footage projections.
- **Reuse revenues:** (*Not studied in Stage II at West LA*). These are revenues generated from real property and sharing agreements, and will be provided by the Reuse team

The financial analysis to be conducted in Stage II will be based on several assumptions. A more detailed set of assumptions are included in the appendix; however, key assumptions are highlighted below:

- The financial analysis has a 30-year planning horizon from 2003 to 2033.
- Escalation rates are constant for each year for each individual site.
- The net present cost of each BPO is calculated using a Treasury nominal discount rate (5.2%).
- Medicare payment rates will use average rates per county. Adjustments for graduate medical education, average wage rates, disproportionate share, or capital requirements will be assumed to have been averaged across all providers.

Outputs

The outputs from the financial analysis are as follows:

- **Total operating costs:** This is the comparison of the total operating costs among the BPOs. Total operating costs include direct variable, fixed direct, and fixed indirect costs associated with a BPO. Operating costs are aggregated for the 30-year study period. This output is useful for evaluating the operating cost effectiveness of a BPO.
- **Total capital investment costs:** This is the comparison of the total capital investment costs among the BPOs over the 30-year study period.
- **Net present cost:** This is the comparison of the 30-year NPC among the BPOs. NPC is the annual outflow discounted using the overall discount rate so that a particular BPO’s cash outflows can be valued on a relative basis as compared to other BPOs.
- **Total considerations (reuse revenues, in-kind, etc.):** This is the comparison of the total considerations (reuse proceeds/costs, in-kind considerations, etc) aggregated for the 30-year study period.
- **Total annual savings:** This is the comparison of the annual savings among the BPOs over the 30-year study period.
- **Cost Effectiveness Analysis:** The outputs from the Cost Effectiveness Analysis will also be provided which include such metrics as Return on Investment, Internal Rate of Return, Payback in terms of years, and Average Annual VA Investment.

Finally, sensitivity analyses will also be performed for each BPO to understand the effects of key data elements (e.g., contract prices, utilization volumes, etc.) on the outcomes.

Evaluation Scale

The evaluation scales for the Use of VA Resources criteria are described in the following table. Criteria will be assessed on a 5-point scale using the outputs of the Use of VA Resources analysis.

Table 3: Evaluation Scale for Use of VA Resources Evaluation Criteria

Evaluation Criteria/ Indicators	Evaluation Scale	Explanation of Scale
Total operating costs	1 = Financial analysis metric for the BPO is greater than 114% of the Baseline BPO	An assessment of “1” represents a financial metric that is greater than the Baseline BPO, which is least preferred since this indicates higher costs to VA. An assessment of “5” represents a financial metric that is less than the Baseline BPO, which is preferred since this indicates lower costs to VA.
Total capital investment costs	2 = Financial analysis metric for the BPO is 105 - 114% of the Baseline BPO	
Net present cost	3 = Financial analysis metric for the BPO is 95 - 104% of the Baseline BPO	
	4 = Financial analysis metric for the BPO is 85 - 94% of the Baseline BPO	
	5 = Financial analysis metric for the BPO is less than 85% of the Baseline BPO	

Both the indicators of Total Considerations and Total Annual Savings will be presented and considered in the recommendation of a final BPO; however, they will not be evaluated using the scale as applied to the other outputs of the financial analysis.

Ease of Implementation

The purpose of the Ease of Implementation assessment is to determine the likelihood and potential severity of various risks that could impede the successful and timely implementation of the BPO. This also allows for the development of mitigation strategies that can be considered during implementation planning. Data for the indicators of the evaluation criteria (i.e., capital considerations, academic affiliation / education, and HR / staffing) will be compiled. The risk factors will be assessed according to impact and likelihood of occurrence. The impact of a risk factor refers to the degree to which the factor will disrupt successful implementation of the BPO. The likelihood of occurrence refers to the probability that the risk factor will arise. A risk assessment tool will be used to calculate the risk metric based on these parameters as well as capture corroborative data, justification for the risk metric, and mitigation factors. Mitigation strategies will be developed for major risks identified through this assessment and included in the implementation plan for each BPO.

Inputs and Assumptions

The key inputs for the Ease of Implementation study will mirror the evaluation criteria as discussed earlier for this function. The risks assessments will be conducted using the indicator data gathered for the evaluation criteria of academic affiliations / education, HR / staffing, reuse considerations, and capital considerations.

Key assumptions for conducting the Ease of Implementation study will include the following:

- Academic affiliations/education and HR/staffing criteria are not assessed at comprehensive capital planning sites, where no healthcare decision is required.
- There will be no overall risk score for a given BPO (i.e., risk criteria will be assessed independently and will not be summed or weighted).
- Each risk criterion will be rated across two factors – impact and likelihood of occurrence.
- The expert panel will review and validate the risk assessment proposed by the site study team.

Outputs

The following will be the key outputs from the risk assessment:

- **Risk metric and narrative:** Quantitative risk assessment of each criterion with supporting narrative. The risk metric and assessment information will assist in the development of risk mitigation factors to be developed in the final business plan.
- **Risk mitigation plans:** Plans for mitigating the identified risks will be developed and incorporated into the implementation plan for the BPO.

Evaluation Scale

The evaluation scales for the Ease of Implementation criteria are described in the table below. Criteria will be assessed on a 5-point scale using the outputs of the Ease of Implementation analysis.

Table 4: Evaluation Scale for Ease of Implementation Evaluation Criteria

Evaluation Criteria/ Indicators	Evaluation Scale	Explanation of Scale
<p>Academic affiliations/education* (All indicators)</p>	<p>The ease of implementation criteria will be assessed as the average of two dimensions: 1) negative impact of identified risk and 2) likelihood of negative impact of identified risk.</p> <p><u>Negative Impact of Identified Risk</u></p> <p>For Academic affiliations/education, HR/staffing, and all Capital planning considerations for implementation, impact will be measured as follows:</p>	<p>The overall assessments represent the ease of implementation according to the two noted dimensions. Thus, assessments with lower scores will be more difficult to implement and will require more mitigation planning, while assessments with higher scores will be easier to implement and require less mitigation planning.</p>
<p>HR/staffing* (All indicators)</p>	<p>1-5 scale for negative impact of identified risk</p> <p>1 = High potential negative impact 3 = Medium potential negative impact 5 = Low potential negative impact</p> <p><u>Likelihood of Negative Impact</u></p> <p>For Academic affiliations/education, HR/staffing, and all Capital planning considerations for implementation, likelihood will be measured as follows:</p> <p>1-5 scale for likelihood of negative impact for identified risk</p> <p>1 = High likelihood of occurrence of negative impact 3 = Medium likelihood of occurrence of negative impact 5 = Low likelihood of occurrence of negative impact</p> <p>The ease of implementation metric will be calculated using the following: $Ease\ of\ Implementation = (Impact + Likelihood) / 2$. An ease of implementation score will then be calculated for each criterion using the following scale:</p> <p>1 = The BPO has significantly greater implementation challenges than the Baseline BPO (≥ 2 points higher than the Baseline BPO) 2 = The BPO has greater implementation challenges than the Baseline BPO (≥ 1 points higher and <2 points higher than the Baseline BPO) 3 = The BPO has similar ease of implementation to the Baseline BPO (<1 point difference with the Baseline BPO) 4 = The BPO has greater ease of implementation than the Baseline BPO (≥ 1 points lower and <2 points lower than the Baseline BPO) 5 = The BPO has significantly greater ease of implementation than the Baseline BPO (≥ 2 points lower than the Baseline BPO)</p>	<p>An assessment of “1” represents a risk area that is likely to occur and would have a high negative impact. This assessment is least preferred since this indicates a BPO that is not easily implemented and requires development of substantial mitigation strategies for identified risks.</p> <p>An assessment of “3” represents a risk area with one of the following scenarios:</p> <ul style="list-style-type: none"> • The risk is likely to occur, but will have low negative impact • The is not likely to occur, but would have high negative impact • The risk has medium likelihood of occurring and would have medium negative impact if occurred <p>The BPO with an assessment of “3” would require a moderate amount of mitigation planning for the identified risks for successful implementation.</p> <p>An assessment of “5” represents a risk area that is not likely to occur and would have a low negative impact, which is preferred since this indicates a BPO that is easily implemented and does not require substantial mitigation planning.</p>

* Academic affiliations/education and HR/staffing criteria not assessed at comprehensive capital planning sites, where no healthcare decision is required.

Ability to Support Other VA Programs

The purpose of this study is to determine how BPOs may support or jeopardize specific programs that have been identified as primary initiatives. These initiatives include enhanced DoD sharing, One-VA integration, promotion of specialized programs, and enhancement of services to veterans. This assessment will leverage information from Stage I to determine how the refined BPOs in Stage II would positively or negatively impact these VA objectives. Site teams will consider these impacts in evaluating the BPOs against the Baseline option.

Inputs and Assumptions

The primary inputs for this study will be the information gathered in Stage I regarding the following:

- **DoD sharing arrangements:** These include arrangements made between VA and DoD institutions to share facilities or services in order to provide care to veterans.
- **Specialized VA programs:** Specialized VA programs are defined as spinal cord injury, blind rehabilitation, seriously mentally ill, polytrauma, and Centers of Excellence.
- **Proposed enhancement of services:** Service enhancements or ancillary support services that would improve quality, cost effectiveness and continuity of care.
- **Integration with VBA and NCA facilities:** Co-location of VBA or NCA facilities with VA facilities to allow for easier access to VA services on the campus.

Outputs

A discussion will be provided of how each BPO impacts the VA programs, specifically, DoD sharing, One-VA integration, specialized VA programs, and enhancement of services to veterans. The resulting impacts will be quantitatively evaluated similar to other assessment areas.

Evaluation Scale

The evaluation scales for the Ability to Support VA Programs criteria are described in the following table. Criteria will be assessed on a 5-point scale using the outputs of the Ability to Support VA Programs analysis.

Table 5: Evaluation Scale for Ability to Support Other VA Programs Evaluation Criteria

Evaluation Criteria/ Indicators	Evaluation Scale	Explanation of Scale
DoD sharing (Memoranda Of Understandings impacted by BPO)	1 = The BPO has the potential to provide the least enhancement relative to the Baseline BPO for the specific criterion 2 = The BPO has the potential to provide less enhancement relative to the Baseline BPO for the specific criterion 3 = The BPO has the potential to provide enhancement equivalent to the Baseline BPO for the specific criterion 4 = The BPO has the potential to provide more enhancement relative to the Baseline BPO for the specific criterion 5 = The BPO has the potential to provide the most enhancement relative to the Baseline BPO for the specific criterion	An assessment of “1” represents the least potential for the BPO to enhance one of the special VA programs, which is least preferred since this does not assist VA in meeting programmatic objectives. An assessment of “5” represents the most potential for the BPO to enhance one of the select VA programs, which is preferred since this assists VA in meeting programmatic objectives.
One VA integration (VBA and NCA impacted by BPO)		
Specialized VA programs (Specialized Care/COE impacted by BPO)		
Enhancement of services to veterans (Services in kind)		

Stakeholder Input

The purpose of the Stakeholder Input element in Stage II is to encourage a meaningful dialogue with veterans, veterans advocacy groups, staff, elected officials, and other interested parties, about the options being considered for a given study site. The Stakeholder Input element seeks to provide stakeholders with a series of convenient communication channels to express their interests, concerns, and priorities for the study. Through the CARES project website (www.va.gov/cares), Team PwC will also provide stakeholders with information about the study background and objectives, the options being considered, and the findings and recommendations for each study site.

Feedback from stakeholders will be considered by Team PwC in developing implementation plans and risk mitigation strategies for each BPO. This feedback will also be used by VA decision makers in weighing the advantages and disadvantages of each BPO and their associated implementation plans.

Inputs and Assumptions

Similar to the manner in which stakeholder inputs were gathered during Stage I, the inputs will include the following:

- Testimony and presentations made at public meetings, including public comments and questions
- A questionnaire soliciting stakeholder opinions which will be available for completion by persons who access the website
- A paper version of the questionnaire which will be available during public meetings
- A mail stop where the public can mail written comments and information about a particular study site

In addition, presentations and approved reports, along with meeting information and any other announcements concerning the study, will be promptly posted on the CARES Project website, the address of which will be prominently publicized.

In Stage II, stakeholders will be asked to comment on the BPOs selected for further study. However, stakeholders will not be limited as to the type of input which they can provide, and some stakeholders may choose to provide very personal information about the care they or a relative received, or about the anticipated need to provide future veterans with healthcare.

Key assumptions include:

- Stakeholder input will be limited to the study period
- Stakeholders will have 14 calendar days following the LAP meeting to submit additional written feedback via the website or mail stop
- Although the volume of stakeholder input received will not necessarily represent all stakeholder viewpoints, and may not be statistically significant, the feedback will still provide a useful indication of the likely interests, concerns, and priorities of stakeholders that must be considered if a BPO is to be implemented successfully
- Despite the absence of an assigned weight or evaluation scale to stakeholder input, Team PwC's site teams, the expert panel, and VA decision makers will nevertheless have access to the types of concerns expressed by stakeholders, including insights that may not be available through more objective data-gathering methods

For healthcare study sites, the questionnaire will specifically solicit views from stakeholders in the following five categories:

Table 6: Healthcare Category of Concern Definitions

Category of Concern	Definition
Access	Concerns about the travel time to the healthcare facility if this option is selected.
Healthcare Services & Providers	Concerns about a possible change in what services are available or who provides them.
Adequate Facilities	Concerns about whether the option would provide a modern facility capable of meeting healthcare demands in the future.
Use of Facilities	Concerns about whether this option makes good use of existing land and buildings.
Research & Education	Concerns about changes to research or education programs at the facility.

For capital planning study sites, the questionnaire will specifically solicit views from stakeholders in the following five categories:

Table 7: Capital Planning Category of Concern Definitions

Category of Concern	Definition
Adequate Facilities	Concerns about whether this option would provide a modern facility capable of meeting healthcare demands in the future.
Timeliness	Concerns about the length of time to finish construction called for by this option.
Availability of Care	Concerns that construction will disrupt the healthcare currently provided
Use of Facility	Concerns about whether this option makes good use of existing land and facilities.
Campus Environment	Concerns that this option will disrupt the historic quality or the natural setting of the current campus.

Outputs

Three types of stakeholder input (electronic comment forms, written comment forms and correspondence, and testimony) will be analyzed, categorized and summarized to provide information on:

- The number and percentage of stakeholders expressing a particular concern for a given BPO
- General themes expressed in oral testimony at the public LAP meetings and written input submitted at the LAP meetings, to the mail stop, or via the website
- When appropriate, selected comments which amplify or clarify stakeholder interests and concerns
- Implications of stakeholder feedback for successful implementation of the BPO

The tabulation and summary description of stakeholder input will be provided to Team PwC site teams and the expert panel for consideration in their discussion of the relative merits of each of the short-listed BPOs. The trade-off discussion will consider the five evaluation categories and stakeholder input. The evaluation findings of Team PwC will address the likelihood of stakeholder support for a given BPO, together with stakeholder interests, concerns and priorities to be addressed in implementation of the BPO.

Presentation of Results

The purpose of the results step is to provide VA decision makers with a balanced discussion of the trade-offs to be considered in making a final decision. The Stage II results will consist of a discussion of the relative merits of each BPO, comparing and contrasting the strengths and weaknesses of each BPO, and a plan to implement each BPO.

Independent Review Panel

To obtain greater input into the development of the final business plan reports, PricewaterhouseCoopers will convene an independent review panel (IRP) to provide an in-process review of the Stage II analysis, including a balanced review of the tradeoffs that were considered in developing the evaluation of each business plan option. This panel will:

- Provide input from multiple perspectives, to include academia and private sector management and clinical viewpoints.
- Discuss analysis and evaluations.
- Discuss the reasoning behind the evaluations, including the trade-offs between criteria.

- Discuss the relative merits of each option without providing definitive recommendations.
- Capture feedback for incorporation into the final site report.

The composition of the IRP will include VA representatives from Office of Strategic Initiatives (OSI) and Office of Asset Enterprise Management (OAEM), and Team PwC representatives (Partner facilitators, physicians with expertise on clinical quality, expert capital planners, real estate market experts or advisors, and site leaders). The IRP members will also include independent experts from academia and healthcare management.

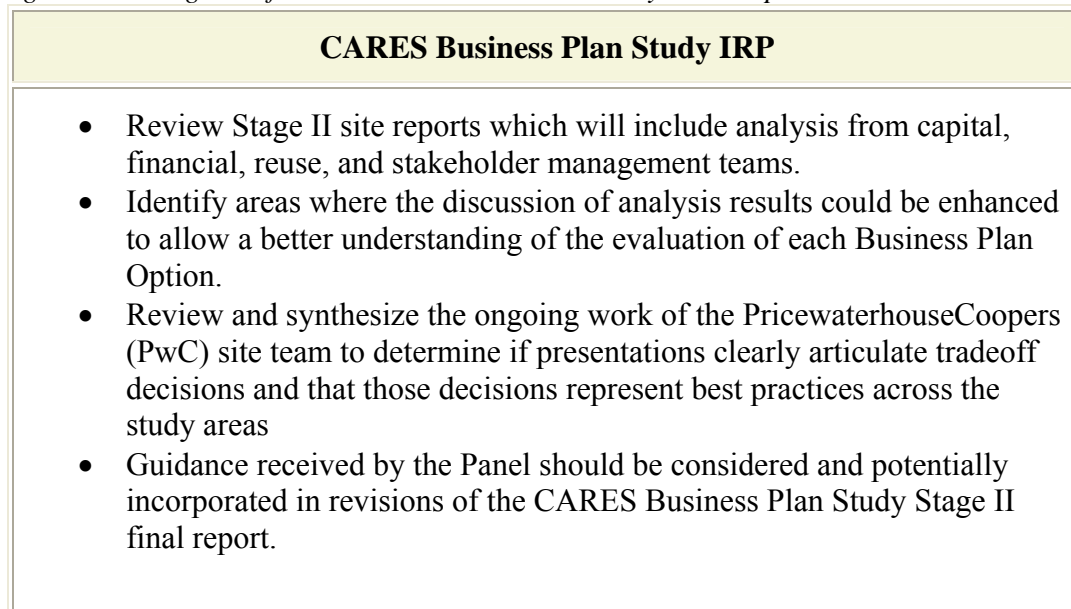
Panel Results

Stage II will employ the IRP at the conclusion of the analysis phase and prior to the development of final business plan reports.

The purpose of the results step of the process is to provide an in-process review of the Stage II analysis, including a balanced review of the tradeoffs that were considered in developing the Stage II Report. The panel process will provide the basis for discussion on the analysis of each BPO's relative merits, comparing and contrasting the strengths and weaknesses of each BPO, and a plan to implement each BPO.

Purpose

Figure 8: A Diagram of the CARES Business Plan Study IRP Purpose



Operating Principles

The IRP will be guided by the following principles:

- All meetings of the Panel were held at PricewaterhouseCoopers offices at McLean, attendance will be limited to panel members and PwC Project Management, OAEM, and study site staff except where alternate arrangements were made in advance.
- The Panel will be chaired by a PwC partner The chairs will provide oversight to the preparation of all panel documents, including meeting agendas and meeting minutes.
- Panel members represented their expertise area and not their respective organizations or corporations.
- The panel members provided comments and recommendations verbally during the meeting.
- There was no attempt to reach consensus or to develop group recommendations within the committee. They did not make decisions or develop group positions.
- It was the responsibility of Team PwC in concert with the IDIQ to revise the Stage II final report as appropriate.
- No new data collection or analysis was conducted as a result of the recommendations of the committee members, unless directed by the VA contract officer.
- Detailed minutes of each committee meeting were documented.
- Panel documents were not made available to entities outside the offices of the Assistant Deputy Under Secretary for Health and Office of Asset Enterprise Management.
- Composition of the panel was subject to change, as needed, for the different sites identified in the CARES study.

Panel Process Outputs

The IRP members were provided with preparation material which will include an initial high level presentation of the VA CARES study, methodology, assumptions, site overview, and key site issues. During the panel meeting, the site study team will provide an overview presentation of site description, options, particular issues, option evaluation, supporting rationale, and conclusions.

The IRP discussed the conclusions of the study team and provide commentary on the analysis results and evaluation of each option. The IRP also weighed the breadth and depth of stakeholder concern about various alternatives and ensure that the evaluation of each option takes into account any information that was not captured in any of the other objective measures in forming the Panel's judgment.

The IRP provided feedback at the sessions that was used, as appropriate, by Team PwC and the IDIQ in finalizing the Stage II business plan report.

Implementation Plans

Following the IRP's discussion of preliminary results, implementation plans will be developed for all Stage II BPOs. The purpose of each plan will be to provide a roadmap for the local site teams for implementing the BPO, noting critical transition and implementation activities. The plan will highlight key milestones associated with implementation functions such as budgeting and funding, procurement, contracting for care, construction, human resource transition, as well as building activation and occupancy. The plan will help to appropriately sequence the implementation activities accounting for dependencies among the various functions.

An implementation schedule will be created using Microsoft Office's project management program (MS Project) in six-month intervals listing the critical implementation tasks. The plans will be based upon the capital planning construction schedules with overlays of additional functions. A supporting narrative will also be developed to more fully explain the implementation roadmap, explaining key milestones and dependencies, as well as risk mitigation strategies for all risks identified in the ease of implementation analysis. Ultimately the implementation plan will be used to guide the execution of the BPO, but may also provide VA additional insight to the risks and complexity of the BPO, as the results of the various BPOs studied in Stage II are considered.

Appendix C - Financial Definitions

- **Net Present Cost (“NPC”)**: The sum of the annual cash-flows, discounted using the overall discount rate, so that a particular BPOs cash-flow can be valued on a relative basis to the other BPOs within a given study site. This is calculated as operating costs + capital costs (capital investments and periodic maintenance/replacement costs) + considerations.
- **Return on Investment (“ROI”)**: The percentage return generated by each additional dollar invested. The ROI is always compared to BPO 1 and generally will be negative because the compared BPO has costs less than the BPO 1. The Financial Analysis for CARES Business Plan Studies uses the CEA, the term “benefits” means cost savings and cash-inflows estimated.
 - ROI calculation = $[\text{Positive savings minus (Option NPC minus BPO 1 NPC)}] / (\text{Option NPC minus BPO 1 NPC})$
 - Positive savings: favorable difference in cost types (operational costs, capital investment costs, capital life cycle costs and reuse revenue), where Option X cost is less than BPO 1 cost. Negative savings, where Option X cost is greater than BPO 1 for any of the cost types, are not factored into the savings.
- **Internal Rate of Return (“IRR”)**: A particular project’s IRR is the discount rate that causes its future-value cashflows to result in a zero NPC.
- **Annual VA Investment Levels**: Annual investment levels required by the VA for a particular BPO are calculated by taking total capital investments divided by 30 years.
- **Return on Capital Investment**: Positive savings divided by Total Capital Cost (Capital Investments + Capital Periodic Maintenance/Replacement).
- **Total Operating Costs**: Annual operating cash-flows are discounted using the overall discount rate so that a particular BPOs operating cash-flow can be valued on a relative basis to the other BPOs operating cash-flow.
- **Total Capital Investment Costs**: Annual capital investment cash flows are discounted using the overall discount rate so that a particular BPOs capital investment cash-flow can be valued on a relative basis to the other BPOs.
- **Total Considerations**: Annual consideration cash flows are discounted using the overall discount rate so that a particular BPOs consideration cash-flow can be valued on a relative basis to the other BPOs.
- **Total Calculated Savings**: Favorable difference in cost types (operational costs, capital investment costs, capital periodic maintenance/replacement costs and reuse revenue) as

compared to other BPOs. Negative savings in cost types are not factored into the savings.

- **Direct Variable Costs:** The costs of direct patient care that vary directly and proportionately with fluctuations in workload. Examples include salaries of providers and the cost of medical supplies
- **Fixed Indirect Costs:** The costs not directly related to patient care, and therefore not specifically identified with an individual patient or group of patients. These costs are allocated to direct departments through the indirect cost allocation process. Examples include utilities, maintenance, and administration costs.
- **Fixed Direct Costs:** The costs of direct patient care that do not vary in direct proportion to the volume of patient activity. The word “fixed” does not mean that the costs do not fluctuate, but rather that they do not fluctuate in direct response to workload changes. Examples include depreciation of medical equipment and salaries of administrative positions in clinical areas.

Appendix D - Sensitivity Analysis

A sensitivity analysis, based on the outputs of the financial analysis, was performed for each of the Stage II BPOs for the West Los Angeles VAMC. A sensitivity analysis is a procedure performed to determine the sensitivity of the outcomes of a BPO. For example, if a small change in a factor, such as escalation rates, results in relatively large changes in the outcomes, the outcomes are said to be sensitive to that factor. This section first describes key factors of the sensitivity analysis at West Los Angeles, followed by a discussion of the detailed financial outputs associated with each factor.

Key Factors for West Los Angeles

The following key factors were considered in the sensitivity analysis for each BPO at West Los Angeles. These factors were selected based on the outputs from the financial analysis and the discussions conducted during the Independent Review Panel.

- Capital investment escalation rates – a change in capital investment escalation rates from 4% to 6.5% which was selected based on the last two years of construction cost history from RSMean, a cost estimating organization
- Variable costs efficiencies related to recurring operating costs based on 2% for renovation and 4% for new construction
- First year Funding Schedule – the assumption that the project funding will occur in 2010 rather than 2009.

Capital Investment Escalation Rates

The following shows the sensitivity of the BPOs to the capital investment escalation rates used for each BPO. In this analysis the assumption for capital investment costs are increased to 6.5% per year instead of 4.0%. The reason for this sensitivity analysis is to identify the sensitivity the individual BPOs have to the escalation rate for construction. Recently, construction rates have increased at a higher rate than expected. Therefore, this sensitivity analysis provides insight into what happens to a BPO if this trend continues.

BPO Comparison				
2003 Net Present Dollars (\$ Millions)				
Reflects 2003-2033				
	BPO 1	BPO 2	BPO 3	BPO 5
Total Net Present Cost	\$ 9,965	\$ 10,120	\$ 10,139	\$ 10,173
Total Net Present Cost Modified for Construction Escalation	\$ 10,290	\$ 10,446	\$ 10,450	\$ 10,504

As shown, the NPC increases for all four BPOs. The overall increase is between 3.1 and 3.3%, depending on the BPO, when comparing the 4.0% to 6.5% capital investment escalation assumption. The BPOs remain in the same order from least expensive to most expensive, i.e.,

BPO 1 being the least expensive, followed by BPO 2, BPO 3, and BPO 5. BPO 5 remains the most expensive BPO. BPO 5 remains about 2.1% more expensive than BPO 1.

In this sensitivity analysis, the only input that was changed was the capital investment escalation factor. The impact the increased escalation factor has on the capital investment cost ranges from an increase of 17% to 20% across the options. For BPO 1, the capital investment increases by about 20% or \$274 million from an estimated \$1,351 to \$1,625 million. For BPO 2, the capital investment increases by about 18% or \$276 million from an estimated \$1,573 to \$1,849 million. For BPO 3, the capital investment increases by about 17% or \$266 million from an estimated \$1,587 to \$1,853 million. For BPO 5, the capital investment increases by about 18% or \$279 million from an estimated \$1,578 to \$1,857 million. The changes are being driven by the timing of the investment and the construction cost estimate.

Variable Cost Efficiencies

Variable costs comprise about 60% of total operating costs for the West Los Angeles site. Variable costs were only subject to changes arising from workload in the financial analysis. Generally, it is anticipated that efficiencies in these variable costs are gained as a result of renovation and new construction. These efficiencies relate to buildings and functions being in closer proximity to each other, facilities built to provide state of the art medical care, and other enhancements such as technological improvements and private inpatient rooms. The following shows the results of the sensitivity analysis. The assumptions are that operating efficiencies of 2% and 4% are realized for renovations and new construction, respectively.

BPO Comparison				
2003 Net Present Dollars (\$Millions)				
Reflects 2003-2033				
	BPO 1	BPO 2	BPO 3	BPO 5
Total Net Present Cost	\$ 9,965	\$ 10,120	\$ 10,139	\$ 10,173
Total Net Present Cost Modified for Operating Efficiencies	\$ 9,932	\$ 10,084	\$ 10,100	\$ 10,145

As shown, the savings that result from the operating efficiencies range from about \$28 to \$39 million in NPC. Efficiencies occur in each of the four BPOs. BPO 3 has the greatest savings of \$39 million, followed by BPO 2 with \$36 million of savings, BPO1 with \$33 million of savings and BPO 5 with \$28 million of savings. The savings for each BPO are limited to the timeframe after which activation of the facility has occurred through 2033. The savings begin for BPO 1 in 2016, BPO 2 in 2015, BPO 3 in 2016 and BPO 5 in 2018. In addition, the fact that the savings occur in the later years reduces the amount of the savings in this analysis as they are calculated on a net present cost basis.

First Year Funding Schedule

The implementation plans for all four BPOs have assumed a funding approval and project start of 2009. The sensitivity analysis for first year funding moves this date to 2010. Moving the dates out an additional year has the effect of increasing the impact of capital investment

escalation rates and introducing some of the operating efficiencies later. The following shows the results on the NPC for each of the BPOs.

BPO Comparison				
2003 Net Present Dollars (\$ Millions)				
Reflects 2003-2033				
	BPO 1	BPO 2	BPO 3	BPO 5
Total Net Present Cost	\$ 9,965	\$ 10,120	\$ 10,139	\$ 10,173
Total Net Present Cost Modified for Accelerated Construction Schedule	\$ 9,988	\$ 10,138	\$ 10,159	\$ 10,190

As shown, the changes in the assumed funding approval and project start from 2009 to 2010 has no impact on the ranking of the BPOs from lowest to highest NPC. It does, however, have an impact on the total NPC of \$17 to \$23 million more in cost. BPOs 2 and 5 have an impact of about \$17 to \$18 million, BPO 3 has an impact of about \$20 million, and BPO 1 has an impact of about \$23 million. This is primarily driven by the need to incur capital investment dollars slightly further out in the future and the inability to attain operating efficiencies sooner.

Appendix E - Glossary

Acronyms

AFB	Air Force Base
AMB	Ambulatory
BPO	Business Plan Option
CAI	Capital Asset Inventory
CAP	College of American Pathologists
CARES	Capital Asset Realignment for Enhanced Services
CBOC	Community Based Outpatient Clinic
CIC	CARES Implementation Category
DoD	Department of Defense
FTEE	Full Time Employee Equivalent
GFI	Government Furnished Information
HEDIS	Health Plan Employer Data and Information Set
ICU	Intensive Care Unit
IP	Inpatient
JCAHO	Joint Commission on Accreditation of Healthcare Organizations
OP	Outpatient
MH	Mental Health
MOU	Memorandum of Understanding
N/A	Not Applicable
NFPA	National Fire Protection Association
PTSD	Post Traumatic Stress Disorder

SOW	Statement of Work
VA	Department of Veterans Affairs
VACO	VA Central Office
VAMC	Veterans Affairs Medical Center
VBA	Veterans Benefits Administration
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

Definitions

Access	Access is the determination of the numbers of actual enrollees who are within defined travel time parameters for primary care, acute hospital care, and tertiary care after adjusting for differences in population and density and types of road.
Alternative Business Plan Options	Business Plan Options generated as alternatives to the Baseline Business Plan Option providing other ways VA could meet the requirements of veterans at the Study Site.
Ambulatory Services	Services to veterans in a clinic setting that may or not be on the same station as a hospital, for example, a Cardiology Clinic. The grouping as defined by VA also includes several diagnostic and treatment services, such as Radiology.
Baseline Business Plan Option	The Business Plan Option for VA which does not change any element of the way service is provided in the study area. “Baseline” describes the current state projected out to 2013 and 2023 without any changes to facilities or programs or locations and assumes no new capital expenditure (greater than \$1 million). Baseline state accounts for projected utilization changes, and assumes same or better quality, and necessary maintenance for a safe, secure, and modern healthcare environment.

Business Plan Option (BPO)	The options developed and assessed by Team PwC as part of the Stage I and Stage II Option Development Process. A business plan option consists of a credible healthcare plan describing the types of services, and where and how they can be provided and a related capital plan, and an associated reuse plan.
Capital Asset Inventory (CAI)	The CAI includes the location and planning information on owned buildings and land, leases, and agreements, such as enhanced-use leases, enhanced sharing agreements, outleases, donations, permits, licenses, inter- and intra-agency agreements, and ESPC (energy saving performance contracts) in the VHA capital inventory.
CARES Implementation Category (CIC)	One of 25 categories under which workload is aggregated in VA demand models. (<i>See Workload</i>)
Clinic Stop	A visit to a clinic or service rendered to a patient.
Clinical Inventory	The listing of clinical services offered at a given station.
Code	Compliance with auditing/reviewing bodies such as JCAHO, NFPA Life Safety Code or CAP.
Community Based Outpatient Clinic (CBOC)	An outpatient facility typically housing clinic services and associated testing. A CBOC is VA operated, contracted, or leased and is geographically distinct or separate from the parent medical facility.
Cost Effectiveness	A program is cost-effective if, on the basis of life-cycle cost analysis of competing alternatives, it is determined to have the lowest costs expressed in present value terms for a given amount of benefits.
Domiciliary	A VA facility that provides care on an ambulatory self-care basis for veterans disabled by age or diseases who are not in need of acute hospitalization and who do not need the skilled nursing services provided in a nursing home.
Enhanced Use Lease	A lease of real property to non-government entities, under the control and/or jurisdiction of the Secretary of Veterans Affairs, in which monetary or “in-kind” consideration (i.e., the provision of goods, facilities, construction, or services of the benefit to the Department) is received. Unlike traditional federal leasing authorities in which generated proceeds must be deposited into a general treasury account, the enhanced-use leasing authority

	provides that all proceeds (less any costs than can be reimbursed) are returned to medical care appropriations.
Good Medical Continuity	A determination that veterans being cared for a given condition will have access to the appropriate array of primary, secondary, and tertiary care services required to treat that condition.
Initial Screening Criteria	A series of criteria used as the basis of the assessment of whether or not a particular Business Plan Option has the potential to meet or exceed the CARES objectives.
Inpatient Services	Services provided to veterans in the hospital or an inpatient unit, such as a Surgical Unit or Spinal Cord Injury Unit.
Market Area	Geographic areas or boundaries (by county or zip code) served by that Network's medical facilities. A Market Area is of a sufficient size and veteran population to benefit from coordinated planning and to support the full continuum of healthcare services. (<i>See Sector</i>)
Mental Health Indicators	See the end of this document.
Multispecialty Clinic	A VA medical facility providing a wide range of ambulatory services such as primary care, specialty care, and ancillary services usually located within a parent VA facility.
Nursing Home	The term "nursing home care" means the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require nursing care and related medical services, if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care. Such term includes services furnished in skilled nursing care facilities, in intermediate care facilities, and in combined facilities. It does not include domiciliary care.
Primary Care	Healthcare provided by a medical professional with whom a patient has initial contact and by whom the patient may be referred to a specialist for further treatment. (<i>See Secondary Care and Tertiary Care</i>)
Reuse	An alternative use for underutilized or vacant facility space or VA owned land.

Risk	Any barrier to the success of a Business Planning Option's transition and implementation plan or uncertainty about the cost or impact of the plan.
Secondary care	Medical care provided by a specialist or facility upon referral by a primary care physician that requires more specialized knowledge, skill, or equipment than the primary care physician has. (<i>See Primary Care and Tertiary Care</i>)
Sector	Within each Market Area are a number of sectors. A sector is one or more contiguous counties. (<i>See Market Area</i>)
Stakeholder	A person or group who has a relationship with VA facility being examined or an interest in what VA decides about future activities at the facility.
Tertiary care	High specialized medical care usually over an extended period of time that involves advanced and complex procedures and treatments performed by medical specialists. (<i>See Primary Care and Secondary Care</i>)
Workload	The amount of CIC units by category determined for each market and facility by the Demand Forecast.