



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

April 12, 2017

Dee Jay Zerman
211 Friday Center Drive
Suite G015
Chapel Hill, NC 27517

Exempt from Review

Record #: 2226
Facility Name: UNC Hospitals
FID #: 923517
Project Description: Upgrade existing fire alarm system
County: Orange

Dear Ms. Zerman:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 6, 2017, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(4). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Handwritten signature of Bernetta Thorne-Williams in blue ink.

Bernetta Thorne-Williams
Project Analyst

Handwritten signature of Martha J. Frisone in black ink.

Martha J. Frisone
Assistant Chief Certificate of Need

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Record# 2226
FID# 923517



James T. Hedrick Building
211 Friday Center Drive,
Ste G015
Chapel Hill, NC 27517

April 6, 2017

Ms. Bernetta Thorne-Williams
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation, DHHS
2704 Mail Services Center
Raleigh, NC 27699-2704

Re: Notification of Exemption / Fire Alarm Upgrades / UNC Hospitals Main Campus /
Orange County

Dear Ms. Thorne-Williams:

UNC Hospitals is providing notice of a project exempt from review regarding upgrades to the existing Main Campus fire alarm system pursuant to §NCGS 131E-184(a)(4) Exemptions from Review. §NCGS 131E-184(a)(4) Exemptions from Review requires that "...the Department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, which notice includes an explanation of why the new institutional health service is required, for any of the following:

- (4) To provide parking, heating or cooling systems, elevators, or other basic plant or mechanical improvements, unless these activities are integral portions of a project that involves the construction of a new health service facility or portion thereof and that is subject to certificate of need review."

The existing fire alarm system has reached the end of its useful life and is in critical need of replacement. The vendor no longer can provide all replacement parts for the system, so long delays to repair the system are expected which can impact critical life safety systems at the hospital. This project intends to upgrade the current fire alarm system to current technology in approximately 1M square feet of this facility.

The fire alarm system upgrade will occur at the UNC Hospitals' buildings identified as NC Memorial Hospital, NC Cancer Hospital, NC Neurosciences Hospital and interconnected clinical and nonclinical facilities. All buildings are located at 101 Manning Drive, Chapel Hill, NC. A campus map is available upon request.


UNC Hospitals anticipates that it will spend approximately \$6.0 million to install upgrades to the existing fire alarm system. A cost estimate based on RS Mean's data is attached.

This project does not involve the addition of any licensed beds, major medical equipment, licensed programs, health services, or any health care service renovations.

Therefore, in consideration of the above, we understand that this project is exempt from CON review. UNC Hospitals is requesting confirmation that the proposed chiller upgrades are exempt from review pursuant to §NCCGS. 131E-184(a)(4).

Please do not hesitate to contact me a 984-974-1243 if you need any additional information. Thank you for your prompt consideration of this matter.

Sincerely,


Dee Jay Zeman, System Director
Regulatory Planning
UNC HCS

PROPOSED TOTAL CAPITAL COST OF PROJECT
UNC Hospitals Fire Alarm Panel Upgrades

A. Site Costs

(1) Full purchase price of land	\$	0	
Acres _____ Price per Acre \$ _____			
(2) Closing costs	\$	0	
(3) Site Inspection and Survey	\$	0	
(4) Legal fees and subsoil Investigation	\$	0	
(5) Site Preparation Costs			
Soil Borings	\$	0	
Clearing - Earthwork	\$	0	
Fine Grade for Slab	\$	0	
Roads - Paving	\$	0	
Concrete Sidewalks	\$	0	
Water and Sewer	\$	0	
Footing Excavation	\$	0	
Footing Backfill	\$	0	
Termite Treatment	\$	0	
Other (Specify) _____	\$	0	
Sub-Total Site Preparation Costs	\$	0	
(6) Other (Specify) _____	\$	0	
(7) Sub-Total Site Costs			\$ 0

B. Construction Contract

(8) Cost of Materials			
General Requirements	_____		
Concrete/Masonry	_____		
Woods/Doors & Windows/Finishes	_____		
Thermal & Moisture Protection	_____		
Equipment/Specialty Items	_____		
Mechanical/Electrical	_____		
Other () _____	_____		
Sub-Total Cost of Materials		\$ 0	
(9) Cost of Labor			
(10) Other: Construction Contingency			
(11) Sub-Total Construction Contract			\$ 5,000,000

Total Construction XXXXXXXXXX

C. Miscellaneous Project Costs

(12) Building Purchase	\$	0	
(13) Fixed Equipment Purchase	\$	0	
(14) Movable Equipment Purchase	\$	0	
(15) Furniture	\$	0	
(16) Landscaping	\$	0	
(17) Consultant Fees			
Architect and Engineering Fees	\$ 750,000		
Legal Fees	\$	0	
Market Analysis	\$	0	
Sub-Total Consultant Fees		\$ 750,000	
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$	0	
(19) Interest During Construction	\$	0	
(20) Other: Project Contingency	\$	250,000	
IT Costs	\$	0	
(21) Sub-Total Miscellaneous			\$ 1,000,000
(22) Total Capital Cost of Project (Sum A-C above)			\$ 6,000,000

A/E / Commissioning Fees \$750,000

Project Contingency \$250,000

I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

Rich Hunnell, UNC Hospitals

Signature: _____

Date: 3/23/2017