



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

May 23, 2017

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

Exempt from Review

Record #: 2268
Facility Name: UNC Hospitals
FID #: 923517
Project Description: Upgrades to the waste anesthesia gas disposal (WAGD) medical gas outlets
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 May 9, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat §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,

Bernetta Thorne-Williams
Project Analyst

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





Received on 5/9/17
via email
Record # 2268

James T. Hedrick Building
211 Friday Center Drive,
Ste G014
Chapel Hill, NC 27517

May 9, 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 / WAGD Medical Gas Upgrades / UNC Hospitals Main
Campus / FID # 932517 / Orange County

Dear Ms. Thorne-Williams:

UNC Hospitals is providing notice of a project exempt from review regarding upgrades to the existing Main Campus waste anesthesia gas disposal (WAGD) medical gas outlets in all locations within UNC Hospitals 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 system of WAGD medical gas outlets 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 delays to repair the outlets are expected which can impact critical life safety systems at the hospital. This project intends to upgrade the system to current technology throughout the facility.

The WAGD medical gas outlet system upgrades 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 \$1.148 million to install upgrades to the existing system. A cost estimate based on recent experiences by McKimm & Creed and UNC Hospitals, and 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. This project is not integral to any project that involves a new health service facility or is subject to certificate of need review.

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

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

Sincerely,


Dee Jay Zerman, System Director
Regulatory Planning
UNC HCS



ENGINEERING
ARCHITECTURE
PLANNING

May 8, 2017

DJ Zerman
Regulatory Counsel, Strategic Planning
UNC Hospitals
101 Manning Drive
Chapel Hill, NC 27514

Subject: Construction Cost Certification
WAGD Medical Gas Upgrades
FID#: F923517
SCO ID#: 15-12466-01A

Dear Ms. Zerman:

This is to certify that our office has provided the Proposed Total Capital Cost of Project for the project noted above. This estimate is based on construction document drawings prepared by our office. We believe this is a reasonable construction budget based on generally accepted methods of estimating construction costs and previous experience with similar projects.

Total Construction	\$911,000
Design Fees	\$127,000
Project Contingency	\$60,000
Owner Reserves	\$50,000
UNC Hospitals Project Total Capital Cost:	\$1,148,000

Sincerely,

McKIM & CREED, INC.

Mitchell A. Brown, PE
Sr. Project Engineer

cc: Project File

101 Manning Drive
Chapel Hill, NC 27514
Tel: 319.233.5114
www.mckimandcreed.com

PROPOSED TOTAL CAPITAL COST OF PROJECT

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	\$ 50,000	
Concrete/Masonry	\$ _____	0
Woods/Doors & Windows/Finishes	\$ _____	0
Thermal & Moisture Protection	\$ _____	0
Equipment/Specialty Items	\$ _____	0
Mechanical/Electrical	\$ 314,400	
Other (Unit Strut Support)	\$ _____	0
Sub-Total Cost of Materials	\$ 364,400	
(9) Cost of Labor	\$ 546,600	
(10) Other (Specify)	\$ _____	0
Firestopping	\$ _____	0
Asbestos Abatement	\$ _____	0
Window Upgrade	\$ _____	0
HVAC Upgrade	\$ _____	0
(11) Sub-Total Construction Contract	\$ 911,000	

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	\$ 127,000	
Legal Fees	\$ _____	0
Market Analysis	\$ _____	0
Other (Structural fee)	\$ _____	0
Other (Owner Reserve)	\$ 50,000	
Sub-Total Consultant Fees	\$ _____	0
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$ _____	0
(19) Interest During Construction	\$ _____	0
(20) Other (Project Contingency)	\$ 60,000	
(21) Sub-Total Miscellaneous	\$ 237,000	
(22) Total Capital Cost of Project (Sum A-C above)		\$ 1,148,000

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

Mitchell A. Brown
 Signature of Licensed Architect or Engineer





May 1, 2017

DJ Zerman
Regulatory Counsel, Strategic Planning
UNC Hospitals
101 Manning Drive
Chapel Hill, NC 27514

Subject: Water and Energy Conservation
WAGD Medical Gas Upgrades
FID#: F923517
SCO ID#: 15-12466-01A

Dear Ms. Zerman:

I am writing in regards to G.S. 131E-178 which requires a statement and plan regarding Energy and Water Conservation associated with Certificate of Need project. We will comply with the North Carolina State Building Code and as reasonable and within budget will avail ourselves of sustainable initiatives.

The scope of this project is the installation of waste anesthesia gas disposal (WAGD) medical gas outlets in all locations where inhalation anesthetic agents are administered at UNC Hospitals in order to meet the requirements of the State and Federal hospital licensure codes. The existing plumbing fixture counts will remain the same. Water usage will not change. Energy consumption is anticipated to be a negligible change.

Sincerely,

McKIM & CREED, INC.

A handwritten signature in cursive script that reads "Mitchell A. Brown".

Mitchell A. Brown, PE
Sr. Project Engineer

cc: Project File