



Agenda Report

April 6, 2020

TO: CITY COUNCIL
FROM: CITY MANAGER/DIRECTOR OF DISASTER EMERGENCY SERVICES
SUBJECT: ESTABLISHMENT OF AN ALTERNATE CARE FACILITY TO TREAT COVID-19 PATIENTS

RECOMMENDATION

It is recommended that the City Council:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15269 (emergency projects), and Section 15301 (existing facilities); and,
- 2) Authorize the City Manager enter into a contract with Redrock Entertainment Services, in an amount not to exceed \$700,000 without competitive bidding pursuant to City Charter Section 1002(G), contracts for labor, material, or supplies for actual emergency work, and Pasadena Municipal Code Section 4.08.049, subdivisions (A)(6), labor, material, supplies or services for actual emergency work and (B), contracts for which the City's best interests are served, to furnish and deliver equipment necessary to establish a Temporary Medical Facility at the Pasadena Center for a three month period; and,
- 3) Authorize the City Manager to enter into a zero-dollar Services Agreement with Pasadena Hospital Association (dba Huntington Memorial Hospital) without competitive selection pursuant to Pasadena Municipal Code Section 4.08.049, subdivisions (A)(6), labor, material, supplies or services for actual emergency work and (B), contracts for which the City's best interests are served, for the operation of the Temporary Medical Facility, during the pendency of its establishment at the Pasadena Center; and,
- 4) Appropriate \$700,000 from the City's 5% General Fund reserve to the non-departmental portion of the Fiscal Year 2020 Operating Budget.

BACKGROUND

In a period of just a few months, the novel coronavirus, COVID-19, has spread across the globe infecting over one million people. In the United States, as of April 4th there were over 300,000 cases, with over 8,100 deaths. In California, as of that same date there were 12,838 cases reported with 285 confirmed deaths.

Most troubling are the projections for continued spread of the virus even with the implementation of social distancing and safer at home orders. Projections provided by Huntington Memorial Hospital indicate that at its peak, currently estimated for mid-May, there could be as many as 1,300 persons requiring hospitalization at its facility for treatment of COVID-19. And while the Hospital has been working to increase patient capacity within its facility, such a peak would exceed that capacity by approximately 400 beds.

Accordingly, over the past few weeks, City and Hospital staff have been exploring the possibility of establishing a temporary medical facility. The team visited several potential locations including the former St. Luke's Hospital and PUSD school sites. Ultimately, the Pasadena Center was determined to be far and away the superior choice. The Center has 97,000 square feet of flexible space that can be configured as needed, a subterranean loading dock, full food service and is approximately one mile from the Hospital.

The team made contact with several vendors capable of outfitting the Center to serve as a temporary medical facility. Multiple proposals were obtained, and Redrock Entertainment Services was determined to be the most cost-effective. Redrock Entertainment has extensive experience staging thousands of concerts, festivals and large-scale events.

Under the President's March 13th emergency declaration, and subsequent major disaster declarations, local government entities and certain private non-profit organizations are eligible to apply for FEMA reimbursement for the cost of establishing and operating Temporary Medical Facilities. Staff has had discussions with the California Office of Emergency Services and have confirmed this information.

In order to maximize the possibility of receiving Federal reimbursement of costs, staff believes the optimal arrangement would be for the City to contract with Redrock to set-up the Pasadena Center, with an initial 250 beds, and to contract separately with Huntington Hospital for the operation of the facility. Under this arrangement the City would pay Redrock for its services, not to exceed \$250,000 for set up and first month and \$180,000 for each month thereafter, and then seek reimbursement from FEMA. Staff is presently seeking Council authority to contract with Redrock for a period of three months. The proposed not to exceed amount of \$700,000 is intended to provide additional authorization should the number of beds need to be expanded beyond the initial 250.

Huntington Hospital, at no cost to the City, would be responsible for staffing and the provision of medical services at its expense, as well as assuming the liability for those services.

COUNCIL POLICY CONSIDERATION

The proposed action is in keeping with the City Council's stated goal to ensure public safety.

ENVIRONMENTAL

The actions proposed herein are exempt from environmental review pursuant to State CEQA Guidelines Section 15269. That section exempts "specific actions necessary to prevent or mitigate an emergency." The nation is currently experiencing the devastating impacts of the COVID-19 pandemic. The purpose of the actions proposed herein are specifically to attempt to mitigate the emergency situation in the southern California area, and "flatten the curve." The actions are also exempt pursuant to Section 15301, the leasing of existing public facilities.

FISCAL IMPACT

The initial cost of establishing the temporary medical facility is \$250,000 for the first month and \$180,000 for each month thereafter. Based on current projections it is anticipated that the facility may be needed for 60-90 days. Therefore, the total cost would range between \$430,000 - \$610,000. Staff is requesting authority to enter into an agreement not to exceed \$700,000 to allow for up to 90 days of operation and/or any adjustment to service levels such as an increase in beds. Funds for the proposed contract would be drawn from the City's existing 5% General Fund reserve and staff would seek reimbursement from FEMA.

Typically, FEMA reimburses 75% of costs and it is currently unknown at this time if additional reimbursements will be provided for COVID-19 response. In the event no additional federal reimbursement were provided, staff would pursue reimbursement from the California Office of Emergency Services. In any event, there is a possibility the City will ultimately be responsible for some of these costs. Under the present circumstances, the expenditure is appropriate to safeguard life.

Respectfully submitted,



Steve Mermell

City Manager/Director of Disaster Emergency Services