



Staff Report

DATE: February 28, 2017

FILE: H-CW

TO: Chair and Directors
Regional Hospital District board

FROM: Debra Oakman, CPA, CMA
Chief Administrative Officer

RE: CSRHD cost shared capital equipment – category 1 projects - transition

Purpose

To provide the regional hospital district board with a listing of all Comox Strathcona Regional Hospital District (CSRHD) cost-shared capital equipment for category 1 projects from 2004 to date, to review from a transition to north island hospital project perspective.

Policy analysis

As follow-up to, and in support of previous discussions conducted by the regional hospital district board, to duly advise as to the transitional, redeployment or disposal status of the above-noted cost-shared capital equipment located at both St. Joseph's and Campbell River & District general hospitals.

Executive summary

The CSRHD finance staff researched and prepared the attached “schedule A” and “schedule B” respectively for the board’s information are listings of all cost-shared capital equipment for category 1 projects, from 2004 to date, for St. Joseph’s General Hospital and for Campbell River & District General Hospital. CSRHD requested Island Health to specifically identify the expected remaining useful life of each piece of equipment, as of September 2017, and also classify the transitional status of the particular equipment.

For further clarity with respect to each equipment’s transitional status, “disposal” means the item was disposed of and no longer on site meaning it will not be transferred. Items identified as “not applicable” are either building renovations or equipment attached / affixed to the building. Lastly, those items identified as “no” will not be transitioned to a new hospital and will therefore be redeployed. While redeployment decisions have not yet been made, these would include the following:

1. Redeployment to another Island Health facility in CSRHD;
2. Redeployment to another Island Health site outside of CSRHD; or
3. Disposed of as per Island Health’s asset disposal policy (attached).

Recommendation from the chief administrative officer:

For information purposes.

Respectfully:

D. Oakman

Debra Oakman, CPA, CMA
Chief Administrative Officer

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Attachments:

Schedule A – “St. Joseph’s General Hospital, Category 1 projects – 2004 to date”

Schedule B – “Campbell River & District General Hospital, Category 1 projects – 2004 to date”

Appendix ‘A’ - Island Health equipment, supplies and purchasing policy

St Joseph's General Hospital
Category 1 projects - 2004 to date

Completion Year	Project	RHD portion	Sum of Total cost calculated using 40% RHD contribution	Useful Life (yrs)	Useful Life Remaining as at September 2017	Transition to new hospital (yes/no)	
2004	Arthroscopic/Laprascope Monitor	\$ 36,781	\$ 91,953	10	0.0	No	
2004	Building Envelope	121,487	303,718	20	6.2	Not applicable	
2004	Computer Radiographic Unit	113,333	283,333	10	0.0	No	
2004	ECU Building Envelope - Phase 1	200,000	500,000	20	6.2	Not applicable	Residential Care
2004	ECU Cladding (Phase II)	64,171	160,427	20	6.2	Not applicable	Residential Care
2004	Emergency Station Monitor	77,847	194,617	10	0.0	Disposed	
2004	General Radiographic Unit	29,136	72,841	10	0.0	Disposed	
2004	Loading Dock	80,000	200,000	20	6.2	Not applicable	Residential Care
2004	Mini C-Arm	28,925	72,311	10	0.0	No	
2004	Rad Fluoro Unit	95,600	239,000	10	0.0	No	
2004	Ultrasound Machine	89,580	223,949	10	0.0	Disposed	
2005	ECU Cladding (Phase II)	194,985	487,462	20	7.2	Not applicable	Residential Care
2005	General Radiographic Unit	58,272	145,681	10	0.0	No	
2005	Rad Fluoro Unit	224,505	561,263	10	0.0	No	
2006	Anaesthetic Machine/Monitors	69,297	173,242	10	0.0	Disposed	
2006	Chemistry Analyzer	72,000	180,000	10	0.0	Disposed	
2006	Histology Processor	140,854	352,135	10	0.0	TBD	
2006	Monitor System	72,616	181,541	10	0.0	Disposed	
2007	CR Multiloader	70,063	175,158	10	0.0	No	
2007	ECU Roofing	112,657	281,643	20	8.4	Not applicable	Residential Care
2007	ICU Central Station/Telemetry	168,042	420,105	10	0.0	No	
2007	Lab analyzer - Vitek 2	45,930	114,825	10	0.0	Disposed	
2007	Nuclear Medicine Fixed Camera	571,637	1,429,093	5	0.0	TBD	
2007	Operating Room Lights	42,620	106,550	10	0.0	No	
2007	Patient Flow	58,262	145,656	40	29.2	Not Applicable	
2007	Replace Dishwasher	95,512	238,781	10	0.0	Not Applicable	Residential Care
2007	Steam Boiler	47,505	118,761	20	9.4	Not Applicable	
2007	Ultrasound Replacements	61,788	154,470	5	0.0	No	
2008	CR Multiloader	77,848	194,620	5	0.0	Yes	
2008	Nurse Call - ECU	60,565	151,413	10	1.5	Not applicable	Residential Care
2008	Nurse Call - Surgical Floor	55,241	138,103	10	1.5	Not applicable	
2008	Patient Flow	126,831	317,077	40	30.2	Not applicable	
2008	Patient Flow Improvements	89,619	224,046	40	30.2	Not Applicable	
2008	Ultrasound Machine	71,940	179,849	5	0.0	Disposed	
2009	38 Wing Envelope Remediation	77,912	194,781	20	12.0	Not applicable	Multi use/Admin/Chaj
2009	C-ARM	79,809	199,523	5	0.0	Yes	
2009	Digital mammography system	300,000	750,000	5	0.0	No	
2009	Echo Pacs System	107,600	269,000	5	0.0	TBD	
2009	Fire Alarm System Upgrade	89,081	222,703	20	12.0	Not applicable	
2009	Pediatric Dept Relocation	23,092	57,730	40	31.2	Not applicable	
2009	Roof Replacement 38 Wing (incl intel replacement)	35,374	88,435	20	12.0	Not applicable	
2011	Cerner Installation	54,551	136,378	3	0.0	Not applicable	
2011	Chemistry/Immuno Analyzer	127,263	318,158	5	0.0	TBD	
2011	Clinical systems & infrastructure	320,000	800,000	3	0.0	Not applicable	
2011	Dietary Trolleys & Tray System	51,924	129,811	15	8.4	Not applicable	
2011	General X-ray Machine	168,834	422,085	5	0.0	Yes	
2011	Heliport Upgrade	64,178	160,444	15	3.8	Not applicable	
2011	Service Elevator Upgrade	40,746	101,866	20	13.4	Not applicable	
2012	Emergency Dept Central Station Monitors	188,479	471,198	7	1.5	Yes	
2012	Endoscope Washer	46,705	116,761	10	3.2	Yes	
2012	Roofing	72,170	180,424	10	4.4	Not applicable	
2012	Telephone Upgrade	70,000	175,000	5	0.0	Not applicable	
2013	Chiller Replacement	111,927	279,819	20	15.5	Not applicable	
2013	Core Clinical Phase 2	368,465	921,162	25	20.2	Not applicable	
2013	Gas Steam Generator	58,800	147,000	20	15.5	Not applicable	
2013	Heating boiler replacement	156,073	390,181	20	15.5	Not applicable	
2013	Hematology cell counter with slide maker/stainer	48,355	120,887	7	1.9	TBD	
2013	Urology fluoroscopy table	92,414	231,034	10	6.3	Yes	
2013	Wispa patient lift upgrade	54,395	135,987	10	5.4	Not applicable	
2014	Fuel Storage tank upgrade	58,400	146,000	20	17.2	Not applicable	
2014	Sterrad Sterilizer	84,870	212,175	12	8.5	TBD	
2015	Additional Space for clinical programs	89,447	223,616	25	22.2	Not applicable	
2015	Anaesthetic machines (5 machines)	325,332	813,330	7	3.3	Yes	
2015	Eagleview Building Envelope- Phase 1	144,000	360,000	20	17.8	Not applicable	Residential Care
2015	Remote Digital Rad/Flouroscopy Unit	335,638	839,095	8	4.6	Yes	
2016	Eagleview Building Envelope- Phase 1	43,843	109,607	20	17.8	Not applicable	Residential Care
		\$ 7,415,125	\$ 18,537,812				

Campbell River & District General Hospital
Category 1 projects - 2004 to date

Completion Year	Project	RHD portion	Sum of Total cost calculated using 40% RHD contribution	Useful Life (yrs)	Useful Life Remaining as of September 2017	Transition to new hospital (yes/no)
2004	C-ARM	\$ 60,000	\$ 150,000	10	0	No
2004	Microbiology Analyzer	58,800	147,000	8	0	TBD
2005	Anaesthetic systems (2 new/1 upgrade)	141,036	352,590	7	0	No
2005	Chemistry Analyzer	114,800	287,000	5	0	TBD
2005	Computerized Radiography Processor	117,732	294,329	5	0	No
2005	General Trauma/Radiographic room	52,858	132,144	5	0	No
2005	General Ultrasound Unit	100,000	250,000	5	0	No
2005	Loading Dock	78,979	197,448	12.5	0	Not Applicable
2005	Reroof ECU Connector/1966 Emergency Area/1974 Portion	60,485	151,213	1	0	Not Applicable
2006	3 South Renovations	53,833	134,583	10	0	Not Applicable
2006	Picture Archiving Communications System Servers & Workstations	61,335	153,336	5	0	Not Applicable
2006	Ultrasound Replacements	103,929	259,822	5	0	No
2007	General Trauma/Radiographic room	63,191	157,978	5	0	No
2008	Diagnostic Ultrasound Machine	64,972	162,431	5	0	Yes
2009	Echo Picture Archiving Communication System	40,000	100,000	5	0	Not Applicable
2009	Flooring	80,094	200,235	1	0	Not Applicable
2009	Mammography system (digital capable)	110,000	275,000	5	0	No
2009	Replace Chiller	111,543	278,857	8	0	Not Applicable
2009	Ultrasound Replacements	122,458	306,144	5	0	Yes
2010	Heliport Upgrade	52,839	132,097	7.5	0	Not Applicable
2011	2 South Renovations	32,113	80,282	6.5	0	Not Applicable
2011	Major Electrical System Phase 1	117,819	294,548	6.5	0	Not Applicable
2011	Replace Generator	208,000	520,000	6.5	0	Not Applicable
2011	Replace/Upgrade Generator Set	179,624	449,060	6.5	0	Not Applicable
2012	Multi-purpose Fluoroscopy Unit	343,275	858,187	5	0	Yes
2012	OR Infection Control Standards Upgrade	60,810	152,025	5	0	Not Applicable
2013	Emergency Dept Central Station Monitors	160,000	400,000	10	5.62	Yes
2013	Pulmonary Function lab	46,876	117,191	5	0.33	No
2013	Ultrasounds (Radiographic unit)	216,000	540,000	5	0.33	Yes
2014	4 Negative Pressure Rooms	304,558	761,394	3.42	0	Not Applicable
2014	Asbestos Remediation	62,052	155,129	1	0	Not Applicable
2014	Repair to Building Fabric & Finishes	223,772	559,430	1	0	Not Applicable
2014	Upgrade Elevator Controls	152,370	380,924	3.5	0	Not Applicable
2015	Anesthesia machine incl monitor	214,399	535,997	7	3.85	Yes
2015	MIN-C-Arm Fluoroscopy Machine	73,338	183,345	5	2.31	Yes
	Defibrillator	43,091	107,728			Not Purchased
		\$ 4,086,979	\$ 10,217,448			



1.0 Equipment, Supplies and Purchasing: Purchasing

1.2 Purchasing

6.4.2P Asset Disposal

1.0 Purpose

2.0 Policy Statement

Assets are the property of Island Health and it is therefore essential that the act of disposing of an Asset is in accordance with Island Health policy and procedures and audit requirements. A significant number of these Assets have residual value at the time of replacement. This residual value needs to be captured and leveraged whenever possible. Capturing and leveraging residual value will balance the interests of fair business and value for money in the disposal or redeployment of Assets.

3.0 Scope and Purpose

The disposal of an Asset may be necessary as the result of either the Asset becoming redundant, obsolete or inefficient, replaced by an upgrade, becoming unserviceable or beyond economic repair, damaged, stolen or missing, or surplus to requirements. This policy aims to achieve the best possible outcome for Island Health by gaining the best available net return when selling or disposing of Assets and to ensure Island Health is following its fair business policy.

4.0 Definition

A **surplus Asset** is a tangible good that has been identified as no longer having operational value. The term applies to Asset(s), item(s), equipment, furnishings, vehicles, trailers and goods purchased either through capital or operating. It does not include buildings but could include fixed Assets such as building fittings or items associated with plant.

A surplus Asset may:

- Have residual value meaning the Asset still has economic value.
- Not have residual value which we define as waste

5.0 Principles

Island Health will conduct its Asset disposal processes according to the following guiding principles:

- Providing transparency in Island Health Asset disposal processes;
- Clearly defining the assessed values of the Asset at time of disposal;
- Providing liquidators with information on procurement opportunities;
- Affording each vendor similar treatment;
- Requiring staff to be accountable for classifying an Asset as surplus;
- Providing comparability with Government of B.C. Public Sector Asset Disposal policy;
- Receiving the best value for money and,
- Meeting the rigor and responsibility as a public body.

6.0 Policy

The department utilizing the Asset is responsible for the identification of a surplus Asset and communicating this information to the Logistics and Operations department. Departments must not sell or otherwise transfer surplus Assets to staff or any member of the public.

Logistics and Operations is accountable for determining the method of disposal, which may include but is not limited to:

- Trade-in (purchasing services may be responsible for this component when existing Assets are traded at the time of purchase for a new similar Assets)
- Redeployment
- Donation to another organization
- Sale

In the circumstance where the method of disposal is to redeploy the Asset the department receiving the Asset is accountable for the cost of transport, installation, servicing and ongoing maintenance of the Asset.

In the circumstance where the method of disposal is to donate the Asset to another organization, the receiving organization is responsible for the cost of transport, installation, and servicing and ongoing maintenance, unless otherwise determined by the Corporate Director of Logistics and Operations or their delegate at the time of the disposal transaction.

Donation to another, public funded in whole or in part not-for-profit health care organization will be subject to the receiver completing the **LIABILITY RELEASE: Donation of Equipment** form.

Other organizations interested in Assets defined as waste or scrap must sign the **LIABILITY RELEASE: Donation of Equipment** form. If an Asset is not defined as waste/scrap then the Asset will be disposed of by liquidators affording each vendor similar opportunities to purchase the surplus Asset.

Purchasing Services is accountable for determining the residual value of a surplus Asset. When Purchasing receives an Asset Disposal form for an Asset, with an original purchase value over \$25,000 the request will be vetted by Facilities Management (for non-medical equipment) or Biomedical Engineering (for medical equipment) to determine if it has some usefulness at another location or could be used for spare parts.

If the purchase value is less than \$25,000 Logistics and Operations will determine the usefulness of the Asset.

Logistic and Operations will maximize the salvage value of all surplus Assets. Waste items will be properly recycled and/or disposed

Logistics and Operations is responsible for the temporary storage of surplus Assets and will act as the owner/agency department while the Asset is maintained in temporary storage

Logistics and Operations will identify Assets that are held in storage for more than 45 days, with no defined target date for redeployment or installation, as surplus.

Revenue from the proceeds of the disposal of a surplus Asset are forwarded to Capital Finance and will be kept for future capital Asset purchases (note: this is inclusive of salvage revenue).

The accounting requirements associated with the disposal of an Asset with a book value at the time of disposal shall be the responsibility of Capital Finance.

The disposal of an Asset through any mechanism other than this policy must be approved by Island Health's Risk Management in collaboration with Purchasing, Capital Finance and Logistics and Operations.

The disposal, regardless of methodology, of a surplus Asset that has been catalogued by FMO or Biomedical Engineering must be performed in compliance with their Asset Tracking System.

The disposal of a "medical device" must be done in compliance with the Canadian Medical Device Regulations.

The signatory approving the disposal of a surplus Asset must be in compliance with Island Health's Signing Authority Policy.

Island Health's staff or members of their families are prohibited from removing waste or surplus Assets.

Island Health's staff and their families can only purchase surplus Assets from Island Health through its official Asset Disposal Agents predetermined by Purchasing Services/Logistics and Operations.

7.0 Asset Disposal Procedures

7.1 Owner/Agent Department:

A department identifies an Asset that is no longer of use to their department completes a **SURPLUS ASSET DISPOSAL** form with the item description, item location, identification #, reason for disposal and appropriate signatures.

Note: In the circumstance where Logistics and Operations has held the Asset in excess of 45 days without a committed date for reassignment, Logistics and Operations will act as the Owner/Agent Department

7.2 Purchasing Services:

Purchasing Services receives the **SURPLUS ASSET DISPOSAL** form from a user department and determines the residual value of the Asset. If the residual value of the Asset is less than the cost of transport then the Asset is defined as waste. The form is then routed to Logistics and Operations for the Assets disposal. If the residual value is greater than the cost of transport then Purchasing Services will determine the most appropriate method of disposal

7.3 Logistics and Operations:

Purchasing Services will forward a copy of the **SURPLUS ASSET DISPOSAL** form to Logistics and Operations if the Asset is to be addressed through a process other than the waste disposal process, indicating the nature of the disposal recommendation. Logistics and Operations will then work with the Owner/Agent department and the disposal service or receiving service department or organization to make the appropriate arrangements for the disposal and/or reassignment. In the circumstance of the reassignment of the Asset, the receiving department or organization is responsible for making any arrangements for transport, servicing and or installation.

Any revenue received as a result of the disposal process will be forwarded to the Capital Finance Department including all documentation associated with the disposal or reassignment of the Asset.

7.4 Facilities, Maintenance &Operations:

In the circumstance where FMO receives a **SURPLUS ASSET DISPOSAL** form from Logistics and Operations they will confirm that the surplus Asset does not have a salvage value and will assist Logistics and Operations in recycling the waste item. If the item has salvage value, they will remove the appropriate parts for future use, arrange for storage of these parts, then assist Logistics and Operations with recycling the remaining waste items.

7.5 Biomedical Engineering:

In the circumstance where Biomed receives a **SURPLUS ASSET DISPOSAL** form from Logistics and Operations they will confirm that the medical device does not have a salvage value and will assist Logistics and Operations in recycling the waste item. If the device has salvage value, they will remove the appropriate parts for future use, arrange for storage of these parts, then assist Logistics and Operations with recycling the remaining waste items.

7.6 Capital Finance:

The Capital Finance depart receives a copy of the **SURPLUS ASSET DISPOSAL** form for updating the capital Asset database. When the form indicates that the item has been defined as waste or reassigned, the appropriate entries will be made. If the form identifies "TO SELL" as the disposal method, Capital Finance will wait for notification from Purchasing/Logistics and Operations confirming that the Asset has been sold, traded-in or donated. In these cases the database is updated at this time with the information provided, including any proceeds.

Surplus Disposal Form

https://intranet.viha.ca/departments/matman/supply_chain/procurement/Documents/surplus_Asset_disposal_form_Jan2015.pdf

Liability Release: Donation of Equipment Form

https://intranet.viha.ca/departments/hcc/Documents/form/interdisciplinaryforms/gen_166.pdf