

House District: 27

Senate District: 13

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): DEPARTMENT OF HEALTH

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): HTH 595

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Kuakini Medical Center

Dbas: Kuakini Medical Center

Street Address: 347 N. Kuakini St.
Honolulu, HI 96817

Mailing Address: 347 N. Kuakini St.
Honolulu, HI 96817

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name BRIAN NAGAMINE

Title Manager, Development

Phone # (808) 547 - 9296

Fax # (808) 547-9547

E-mail : b.nagamine@kuakini.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

CONSTRUCTION AND EQUIPMENT FOR AN EMERGENCY ELECTRICAL GENERATION SYSTEM. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.

4. FEDERAL TAX ID # [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2017: \$ 1,500,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____
 FEDERAL \$ _____
 COUNTY \$ _____
 PRIVATE/OTHER : \$3,798,421

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE

[REDACTED SIGNATURE]

AUTHORIZED SIGNATURE

GARY K. KAJIWARA, PRESIDENT & CHIEF EXECUTIVE OFFICER

NAME & TITLE

JANUARY 21, 2016

DATE SIGNED



RECEIVED
1/22/16 2016

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Kuakini Medical Center (KMC) is a 501(c)(3) not-for-profit organization that provides full-service, acute medical care 24 hours a day, 365 days a year, and services over 68,000 patients/clients annually.

Kuakini's roots can be traced back 116 years to 1900, with the founding of the Japanese Charity Hospital in Honolulu's Kapalama District. The hospital moved to its present location on Kuakini Street in 1917, with the construction of a 70-bed facility. In 1942, the hospital was renamed Kuakini Hospital and broadened its mission to provide a wide array of health care services for the entire Island of Oahu.

In 1975, Kuakini Hospital was renamed Kuakini Medical Center, and by the mid-1980s, KMC expanded to become the current 212-bed acute care teaching hospital, that provides inpatient adult medical and surgical services, emergency health care services, ambulatory services and outpatient care.

Today, KMC remains committed to providing quality health care services to all the people of Hawaii, regardless of ethnicity, sex, physical disability, age, religious affiliation or ability to pay. In addition, as a teaching facility, KMC participates in the medical residency, surgical residency, transitional residency and geriatric fellowship programs of the University of Hawaii John A. Burns School of Medicine. KMC also carries affiliations with registered nurse (RN) and licensed practical nurse (LPN) training programs with the UH School of Nursing and Hawaii Pacific University; and Allied Health Professional Training programs at UH Community Colleges.

2. The goals and objectives related to the request;

The goal of this request is to facilitate the purchase and installation of two new 1000-watt emergency generators, with an enhanced fuel storage tank, adjacent to KMC's utility building. The project includes site-work, new automatic transfer switches and power distribution system, as well as a new master control console for the electrical distribution system.

The objective of this project is to ensure, in the event of a service interruption in the HECO power grid, the seamless and instantaneous transfer to emergency power, in order to maintain critical patient care capabilities until HECO electrical service is restored.

3. The public purpose and need to be served;

For a full-service acute care hospital that provides emergency services, an uninterrupted and continuous source of electrical power is critical to maintaining 24-hour operations, as well as ensuring the ongoing safety and care of patients. This is of extreme importance during times of community emergencies and natural disasters. For patients in critical care units, operating rooms, the emergency room and other patient treatment areas, a power outage of even a few minutes' duration could result in irreparable harm. KMC's Emergency Room serves as one of the City and County of Honolulu's critical emergency service providers, and is home for two City and County ambulances and a Rapid Response Unit.

The National Fire Protection System (NFPA) states in its "Standard for Emergency and Standby Power Systems, NFPA-110" that hospitals are deemed "critical facilities" and are required to have a minimum of 96 hours of emergency electrical generation.

Additionally, the Joint Commission that accredits 78% of the hospitals in the United States (including KMC) recommends at least 96 hours of back-up electrical capacity in the event of a grid failure or natural disaster. (i.e. hurricane, tsunami, or earthquake)

The KMC emergency generator project will resolve the current inadequate power storage capability that would be critical in an extended power outage. This will be accomplished by installing new generators and fuel tank, providing over 144 hours of reliable and continuous electrical power to the facility. This ensures KMC has sufficient emergency power to maintain ongoing patient care services, including emergency services, for the community.

4. Describe the target population to be served;

The proposed project will benefit the approximately 68,000 patients/clients who annually depend upon KMC as their primary hospital provider for health care services. Nearly 75% of KMC's inpatient population are over 65 years of age, and have an annual household income significantly lower than the median household in the City and County of Honolulu.

5. Describe the geographic coverage.

Approximately two-thirds of all KMC patients hail from the Honolulu area, with the remaining patients being served representing all geographical areas on the Island of Oahu.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

The project will purchase and install two (2) new Cummins 1000kW emergency generators, to be housed in free-standing, weatherproof and sound-attenuated metal structures, and also install an above-ground fuel storage tank on a concrete pad to be constructed. The project is to be sited on the KMC campus on land that is adjacent to KMC's utility building, which houses the current emergency generators and electrical distribution system, and will provide easy access for the installation and maintenance of the emergency power system.

Once the emergency generators and fuel storage tank are on site, contractors will install four (4) Cummins 800A bypass isolation automatic transfer switches for critical care units and equipment; a Cummins / Eaton Paralleling Gear System with two (2) Generator Paralleling circuit breakers, two (2) Cummins 600A manual transfer switches for chiller feeders, and four (4) Eaton new power distribution centers, with a breaker component.

In addition, KMC will acquire and install a new master control console with web server capabilities, which will meet the requisite compliance standards of the Joint Commission, to interface with KMC's existing electrical power grid and upgrade the electrical power distribution system for KMC's Critical Branch, Equipment Branch and Life Safety Branch, as well as modernize the existing electrical distribution system to ensure that KMC has the emergency power capacity for its current and future needs.

Lastly, the project will include the removal of the two current emergency generators, which are 32 and 38 years old, respectively.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Once ordered, it will take six to eight months lead-time for the complete delivery of all components and parts for this project. The project timeline is expected to proceed as noted in the following table:

Timeline: Kuakini Medical Center Emergency Generator Project		
Task or Item	Date Commenced	Date Completed
Scoping and Site Visit	Completed	
Site Survey and Topographic Study	Completed	
Preliminary Fuel Tank Plan: Review and Comment	Completed	
Design Development	Completed	
MEP Site Investigation	Completed	
Plans to Engineering Consultants	Completed	
Structural / MEP Design and Coordination	Completed	
Final Documents for Bldg. Permit and Pricing	Completed	
Order Emergency Generators	July 2016	July 2016
Issue of Notice to Proceed	July 2016	July 2016
Site Preparation	August 2016	August 2016
Construction	September 2016	June 2017
Emergency Generator Installation	December 2016	January 2017
Emergency Distribution System Upgrade	February 2017	March 2017
Programming, Set Up, Testing	April 2017	May 2017
Site Clean Up	May 2017	June 2017

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results;

The nature of the task will require project benchmarks and outcomes to be designated before the construction phase, during which the KMC construction team, facilities management, and relevant contractors will consistently review the construction and installation plans of the proposed emergency generators. Subsequent testing of the generators following their installation will provide the confirmation of the maximum capacity and reliability of the generators.

4. **List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.**

Once the funds are released and available, the expending agency will be able to evaluate the progress of the KMC Emergency Generator Project by monitoring the applicant's capacity to adhere to the project timeline as described in the table above (Section II.2) KMC does not anticipate any material deviations from either the project's tasks or its timeline, however KMC will make quarterly progress reports to the expending agency if necessary, in order to avoid any delay in the expenditure of allocated funds.

III. Financial

Budget

1. **The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**

See Attached "Budget Request by Source of Funds".

2. **The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2017.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$1,000,000	\$350,000	\$150,000	\$0	\$1,500,000

3. **The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2017.**

Not Applicable.

4. **The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.**

Not Applicable.

5. **The applicant shall provide a listing of all federal, state, and county government contracts and grants it has been and will be receiving for program funding.**

Not Applicable.

6. **The applicant shall provide the balance of its unrestricted current assets as of December 31, 2015.**

As a 501(c)(3) not-for-profit organization, KMC's assets are restricted.

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

GARY KAJIWARA, President & Chief Executive Officer, has been with KMC since 1976, and in 1990 was appointed to lead the entire Kuakini Health System, which includes the subsidiaries of Kuakini Medical Center; Kuakini Geriatric Care, Inc.; Kuakini Support Services, Inc. and Kuakini Foundation.

GREGG OISHI, Senior Vice President & Chief Administrative Officer, has been with Kuakini since 2000, and has served in his present capacity since 2003. His job duties and responsibilities cover the operations of Kuakini Health System.

KEVIN MATSUKADO, Managing Director, Facilities, is responsible for the planning, organizing, staffing, directing and controlling of Biomedical Engineering, Communications, Maintenance, Plant Operations, Security, Environmental Services, and Transport in accordance with established standards and policies of Kuakini Health System, the Joint Commission and other applicable regulatory agencies, and coordinating construction projects as directed.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Kuakini Medical Center is one of the subsidiaries of Kuakini Health System, which also includes Kuakini Geriatric Care, Inc., Kuakini Support Services, Inc. and Kuakini Foundation. These subsidiaries are similarly located on the 10-acre Kuakini campus, which includes the following six major structures, all of which are ADA-compliant:

- The 5-story Kuakini Medical Center, which is licensed as a 212-bed acute care hospital;
- The 9-story Hale Pulama Mau building, in which Kuakini Geriatric Care, Inc. provides long-term inpatient care services including skilled nursing, intermediate care and assisted living, and additional outpatient services for older adults; and further houses outpatient and support services for KMC, as well as the UH John A. Burns School of Medicine’s Hyperbaric Treatment Center and Geriatric Medicine Department.
- Two (2) physician condominium office buildings that are 11 and 9 stories high, respectively; and
- Two (2) parking structures, one for Kuakini employees and the other for the public, including visitors, patients and the families and caregivers, and physicians / tenants in Kuakini’s facilities and office buildings.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

Not applicable.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

See Attached KMC Organizational Chart.

C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

See Attached: "Budget Justification – Personnel Salaries and Wages."

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

Not Applicable.

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

Kuakini Medical Center is a 212-bed, acute care hospital that is fully licensed by the Hawaii State Department of Health, and is fully accredited by the Joint Commission, and federally certified by the Centers for Medicare and Medicaid Services (CMS).

C. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

Not Applicable.

D. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2016-17 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2016-17, but**

If the grant-in-aid is fully funded, KMC will seek no further funding for this project.

- (2) Not received by the applicant thereafter.**

In the event that Kuakini Medical Center's GIA request is denied by the State of Hawaii, the balance of funding for this emergency generator project will have to be obtained through the further solicitation of donations from individuals, organization, private foundations, and the use of KMC operational funds, resulting in a delay of the project.

E. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2015.

See attached Certificate of Good Standing dated January 15, 2016.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2016 to June 30, 2017

Applicant: Kuakini Medical Center

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Site Preparation/Construction	475,000			1,329,349
10. Planning, Design, & Permitting				133,000
11. Emergency Generator Installation	525,000			525,000
12. Auto Transfer Switch Installation				500,000
13. Contingency				508,757
14. Emergency System Distribution Upgrade	500,000			802,315
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	1,500,000			3,798,421
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	1,500,000			3,798,421
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,500,000	BRIAN NAGAMINE (808) 547-9296		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested	3,798,421	January 21, 2016		
TOTAL BUDGET	5,298,421	GARY K. KAJIWARA, President & CEO Name and Title (Please type or print)		

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2016 to June 30, 2017

Applicant: Kuakini Medical Center

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2014-2015	FY: 2015-2016	FY:2016-2017	FY:2016-2017	FY:2017-2018	FY:2018-2019
PLANS	66,500		-			
LAND ACQUISITION	-		-			
DESIGN	66,500		-			
CONSTRUCTION	900,000		375,000			
EQUIPMENT	2,765,421		1,125,000			
TOTAL:	3,798,421		1,500,000			
JUSTIFICATION/COMMENTS:						

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

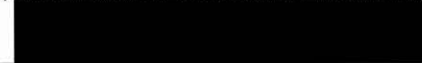
- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

KUAKINI MEDICAL CENTER

(Typed Name of Individual or Organization)



(Signature)

January 21, 2016

(Date)

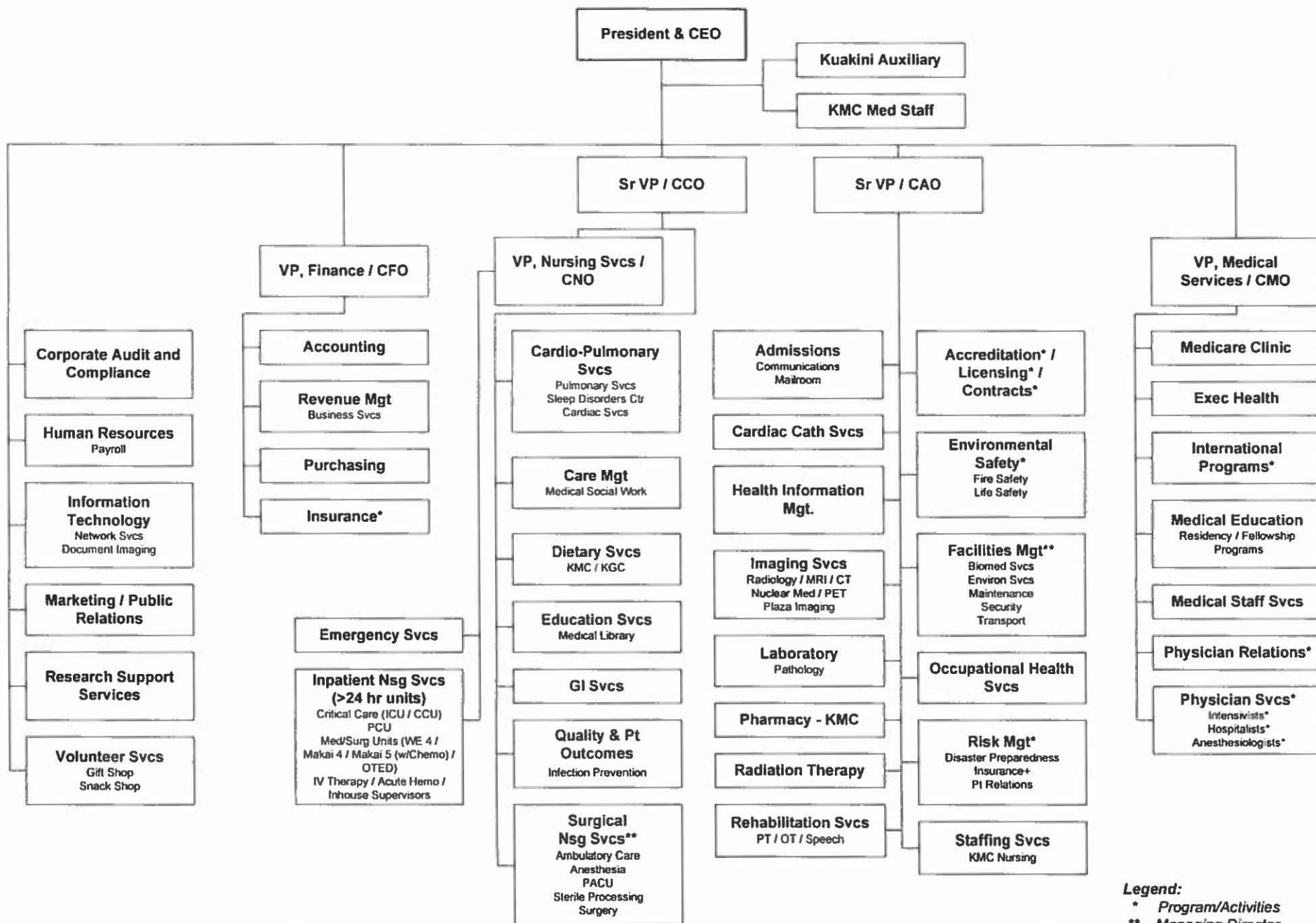
GARY K. KAJIWARA

(Typed Name)

President & Chief Executive Officer

(Title)

Kuakini Medical Center Organizational Chart April 15, 2014



Legend:
 * Program/Activities
 ** Managing Director
 + Transfer Pending



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

KUAKINI MEDICAL CENTER

was incorporated under the laws of Hawaii on 10/30/1899 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 15, 2016



Director of Commerce and Consumer Affairs