

## **LHD MAINTENANCE**

**American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF)**



12/29/2021

## **Table of Contents**

Report Mandate	3
Context for ARPA Initiatives	3
Executive Summary	3
Objectives	4
Overview of Quarterly Progress (Oct – Dec 2021)	4
Comments on Alignment to plan submitted in September 2021	5
Anticipated Next Quarter Activities (Jan – March 2022)	6
Risks and Risk Management	6
Change Management Considerations	7
Project Budget	7

## **Report Mandate**

Chapter 1 Enactment Clause 1, paragraph B.2.m.6., of the amended 2021 Acts of Assembly states, “The department shall communicate a detailed plan and implementation schedule to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget by September 30, 2021. Additionally, the department shall report quarterly to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget on progress made, with the first progress report to be delivered not later than December 31, 2021.”

## **Context for ARPA Initiatives**

The Virginia Department of Health (VDH) is excited about the opportunity presented by the appropriation of ARPA State Fiscal Funds in the August 2021 Special Session II of the General Assembly to improve public health in Virginia. VDH views this investment as a once in a generation opportunity and VDH will work tirelessly to maximize use of funds to create and sustain these initiatives. Simultaneously, VDH is fully engaged in responding to COVID-19 and protecting the health of Virginians. Currently, VDH is creating project plans to minimize the impacts of the public health emergency on local health departments in the first year and will be flexible in the implementation of these initiatives as dictated by the emergency response. Modifications to VDH’s plans will be reflected in future quarterly reports.

## **Executive Summary**

The VDH and Local Health District (LHD) Maintenance initiative focuses on implementing solutions to address facility maintenance needs that have impacted VDH’s ability to provide services that address COVID-19’s impact on the Commonwealth of Virginia. The Commonwealth’s residents who are served by the community-based clinics that are part of the public health system rely on the LHD facilities. Lack of appropriate facility upgrades, such as touchless technology for doors and restrooms and cold storage for vaccines, exacerbated the disproportionate impact of COVID-19 on populations that rely on public health systems. This initiative focuses on employee safety and addressing qualifying maintenance needs in the local health districts. It will enable each location to comply with distancing and ventilation guidance to minimize the spread of COVID-19.

These projects will enable VDH to protect the health and promote the well-being of all people in Virginia, while simultaneously ensuring that VDH employees are able to work in a safe environment that enables social distancing and COVID-19 prevention measures. They ensure VDH’s employees, contractors, and volunteers can continue to work towards the agency’s mission of becoming the healthiest state in the nation.

Over the last three months, VDH has identified LHD sites in need of upgrades. These sites were scored by equity and income rankings which were then weighted to produce a sorted list. This list was broken down by health district and used to create an installation sequence, prioritizing sites that have the greatest

need. Planning for improvements at office buildings (James Madison, OVR, OEHS) is ongoing with vendor procurement for preliminary upgrades taking place.

## **Objectives**

The goal of this initiative is to make core building and LHD upgrades to mitigate the impact of infrastructure challenges hindering VDH's ability to reach at-risk communities. The following are objectives to achieve this goal:

- Determine most-needed LHD infrastructure repairs and make upgrades in LHDs across the state in a systematic fashion, prioritizing the most outdated LHDs with the greatest number of needed updates. Infrastructure repairs include physical plant improvements to public hospitals and health clinics, or adaptations to public buildings to implement COVID-19 mitigation tactics.
- Procure and install adequate refrigeration units and generators to support storage of COVID-19 vaccinations.
- Procure and install negative pressure ventilation to support ongoing efforts to combat COVID-19. Ventilation improvements may occur in congregate settings, health care settings, or other key locations.
- Upgrade building furniture and improve layout of offices to allow for adequate social distancing and cleaning measures to protect employees against COVID-19.
- Invest in hands free facility solutions that support ongoing efforts to combat COVID-19.
- Procure and install teleconferencing equipment to adapt to the modern digital workplace and provide robust telehealth services.

## **Overview of Quarterly Progress (Oct – Dec 2021)**

Since developing an initial workplan that was submitted in September, VDH has conducted numerous activities that have advanced the LHD Maintenance Initiative and positioned VDH to begin upgrading LHD and VDH facilities in the coming months. The key activities that have been accomplished so far are summarized below:

- Local Health District Sites
  - Identified and confirmed facility upgrade needs (HVAC, generators, and cold storage) at LHD sites, verifying that the initially identified upgrade needs remain unmet and had not been addressed using other VDH funding streams or local government funding.
  - Planned the sequencing and timing of the projects based on criteria that includes facility status and upgrade equipment, as well as surrounding community health equity

considerations. Confirmed the project sequencing with LHD business managers to determine an order of facility improvement installations that prioritize those facilities and communities with the greatest need.

- Engaged with Department of General Services (DGS) Bureau of Real Estate (BRES) to ensure that necessary landlord approvals are being considered at each facility where hardware installation or structural updates may need to be made, and to understand the process to obtain a Tenant Improvement Agreement (TIA). Additionally, ensured that opportunities to obtain rent credits from building upgrades are being pursued when possible.
- Office of Vital Records
  - Coordinated procurement of a heavily discounted high density storage system from a different state agency.
  - Issued contacts to vendors to install the new high density storage system and improved access control (card readers) at the Office Vital Records.
- Office of Environmental and Health Services
  - Solicited and received proposals from vendors for the removal of a lab incubator from the Norfolk field location.
  - Initiated conversation with the landlord to obtain a TIA to allow for renovation work to commence.
- AV Upgrades
  - Developed and initiated a pilot program for videoconferencing upgrades, initially selecting three LHD sites and the James Madison Building to receive the initial updates. This initial pilot will serve as an example and baseline for subsequent AV upgrades, helping to inform best practices for equipment selection, installation, and utilization. These lessons-learned will allow the team to identify the best equipment and installation techniques for the videoconferencing equipment before implementing these upgrades at facilities across the Commonwealth.

***Comments on Alignment to plan submitted in September 2021***

The September 2021 plan indicated automatic door installation and initial LHD upgrades would begin this quarter. While these installations have not yet occurred, over the past three months the VDH team has begun preparation for and planning of these upgrades and anticipates that they will still be completed in the timeframe outlined in the September workplan.

## Anticipated Next Quarter Activities (Jan – March 2022)

The following outlines the activities and tasks planned from January through March 2022:

- James Madison Building
  - Procure vendors for site upgrades, including touchless fixtures, automatic doors, and new cubicles and furniture. Following procurement, installation will begin.
- Office of Vital Records
  - Work with BRES to obtain Tenant Improvement Agreement (TIA) for upgrades.
  - Begin vendor procurement and subsequent installation once the TIA is obtained.
- Office of Environmental Health Services
  - Work with BRES to obtain TIA for upgrades at Norfolk and Accomack locations.
  - Begin vendor procurement and subsequent installation once the TIA is obtained.
- Local Health District Sites
  - Work with BRES and regional business managers to obtain TIA for upgrades.
  - Begin vendor procurement and subsequent installation once the TIA is obtained.
- A/V Upgrades
  - Install upgrades for sites identified as part of the pilot program.
  - Assess strengths and opportunity areas from initial pilot installation, and incorporate lessons learned into the A/V upgrade strategy for the remaining sites.
  - Begin vendor procurement and subsequent installation for the remaining facilities.

## Risks and Risk Management

- **Risk 1:** Managing the project to stay on schedule and within budget as VDH works with outside vendors to meet project goals.
  - **Mitigation Strategy:** The project implementation team will review budget and expenditures regularly to identify any oversights and potential financial challenges as soon as possible to mitigate the impact of funding concerns.
- **Risk 2:** Identifying and procuring the contractor and construction support to work on the designated projects.

- **Mitigation Strategy:** Establish frequent checkpoints with vendors to discuss project progress and prepare brief reports for stakeholders (with special attention to the concerns of property managers and VDH leadership) to keep all parties abreast of the completion timeline.
- **Risk 3:** Getting approvals from and agreements between property owners and the real estate department that controls the LHD assets (the Division of Real Estate).
  - **Mitigation Strategy:** The initiative will continue to collaborate closely with property stakeholders to collaborate on upcoming projects and obtain approvals in a timely manner.

## Change Management Considerations

VDH understands that transformation initiatives are successful not only with the right technology, processes, and resources, but also with people who are properly equipped for the changes. Successfully navigating transformation in a highly complex environment requires effective management of business process changes, communications, and stakeholder management to create buy-in at early stages.

As indicated in the Completed Activities section above, VDH has developed and begun implementing a change management and communications strategy to establish employee understanding of the LHD Initiative and the impacts it will have to their individual jobs. The strategy includes communication of the goals of the upcoming changes, preparation and alignment of the changes, and an overall building of confidence in the benefits of the changes.

Though the LHD Maintenance Initiative will not directly transform most business processes, VDH still plans to develop and implement an effective change management and communications strategy to establish employee understanding of the impacts and benefits of the facility upgrades. The strategy will include communication of the goals of the upcoming changes, preparation and alignment of the changes, and an overall building of confidence in the benefits of the changes. Additionally, the VDH team will continue to utilize a change control board to ensure the proper management of changes throughout the initiative lifecycle.

## Project Budget

*The following budget has been revised from project categories defined in the work plan submitted on 9/30/2021. The projects have been sorted to categories of spend to central office, LHD, OEHS, and OVR to aggregate the progress rather than individual project spend. Please refer to the work plan for the individual projects per category.*

**Total Budget:** \$30,000,000

Cumulative Expenditures, Obligations, and Budget, through November 30, 2021

Project Group	Current Expenditures	Current Obligations	Projected FY22 Budget	Total Budget
Central Office Upgrades	\$0	\$126,565	\$1,855,500	\$4,538,000
LHD Upgrades	\$0	\$253,132	\$5,509,500	\$24,918,000
OEHS Upgrades	\$0	\$0	\$85,000	\$339,000
OVR Upgrades	\$0	\$0	\$50,000	\$205,000
<b>Total</b>	<b>\$0</b>	<b>\$379,697</b>	<b>\$7,500,000</b>	<b>\$30,000,000</b>