



# Grays Harbor County Public Hospital District #1

Medical Office Building and Site Improvements

State of Washington  
Capital Projects Advisory Review Board (CPARB)  
Project Review Committee (PRC)

## **Application for Project Approval**

Submitted by:  
Grays Harbor County Public Hospital District #1  
Summit Pacific Medical Center, Elma, WA

March 1, 2016 – **Updated March 22, 2016**



Application for Project Approval: Medical Office Building

State of Washington  
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APPLICATION FOR PROJECT APPROVAL TO USE THE GENERAL CONTRACTOR/CONSTRUCTION  
MANAGER (GC/CM) or DESIGN-BUILD (D-B) ALTERNATIVE CONTRACTING PROCEDURE

**1. Identification of Applicant**

- a) **Legal name of Public Body (your organization):** Grays Harbor County Public Hospital District  
#1 dba Summit Pacific Medical Center
- b) **Address:** 600 E Main St. Elma, WA 98541
- c) **Contact Person Name:** Renée Jensen  
**Title:** Chief Executive Officer
- d) **Phone Number:** (360)346-2244  
**Fax:** (360)346-2160
- e) **E-mail:** reneej@sp-mc.org

**2. Brief Description of Proposed Project**

**GENERAL OVERVIEW:**

A new multi-story 30,000+/- SF medical office building is to be located at the current Summit Pacific Medical Center (designated CAH) Campus. Specific site footprint location shall be determined as a result of project predesign efforts but is generally anticipated to be built NW of the current CAH. The building is anticipated to serve outpatient care needs including emphasis on primary care, specialty care, behavioral health as well as general administrative, support and conference/group care needs. The building is intended to be flexible and adapt to the changing needs of rural healthcare and CAH designation within a demographic anticipated to see growth and increased demand for outpatient services for the foreseeable future. Ambulatory surgical needs have not been identified.

The building design and construction elements are anticipated to replicate the current SPMC facility to allow for consistency in materials, systems, maintenance and operational efficiencies.

Specific challenges of the project have currently been identified as sensitive site conditions including environmental, operational and maintained facility access requirements during the construction period. Systems interconnectivity and restricted site access are also key concerns with work occurring in a live healthcare environment.

**3. Projected Total Cost for the Project**

**A. Project Budget as of January 2016**

Costs for Professional Services (A/E, Legal etc.)	\$ 700,000
Estimated project construction costs (including construction contingencies):	\$ 9,075,000
Equipment and furnishing costs	\$ 453,750
Contract administration costs (Owner, CM etc)	\$ 260,000
Contingencies (design & owner)	\$ 500,000
Other related project costs (permits, bid advertising, utility fees, DOE)	\$ 100,000
Sales Tax	\$ 544,500
<b>Total</b>	<b>\$11,633,250</b>

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**B. Funding Status**





The District ended 2015 with 167 days cash on hand. The District will put a cash deposit of 20 to 25 percent and finance the remainder from a bank issuer, secured with a revenue bond.

**4. Anticipated Project Design and Construction Schedule Targets**

Item	Task	Schedule-Target dates
	Project Predesign and Financial Feasibility Study/Market Analysis	Completed (Jan/Feb 2016)
1	GCCM PRC Application	March 1, 2016
2	Architect RFQ	March 2, 2016
3	Architect Selection	March 22, 2016
4	GCCM PRC Presentation	March 24, 2016
5	GCCM Delivery Approval	March 25, 2016
6	Official State Authority Notice	April 7, 2016
7	GCCM RFP	April 21, 2016
8	GCCM Selection	June 10, 2016
9	Schematic Design Complete	May 28, 2016
10	Baseline Estimate	July 5, 2016
11	FFE Vendor Confirmation	July 20, 2016
12	MEPS Design Review	July 30, 2016
13	GCCM Budget-50% DD	July 30, 2016
14	VE/Constructability	August/September 2016
15	Design Development Complete	August 30, 2016
16	GCCM MACC 90% CD	October 31, 2016
17	Construction Docs 100%	November 22, 2016
18	Submit Permit	November 22, 2016
19	Site Mobilization	February 2017
20	Construction	March 2017
21	Substantial Completion	March 2018
22	Closeout	March 2018

**5. Why the GC/CM Contracting Procedure is Appropriate for this Project**

*Please provide a detailed explanation of why use of the contracting procedure is appropriate for the proposed project. Please address the following, as appropriate:*

-  • If implementation of the project involves complex scheduling, phasing, or coordination, what are the complexities?
-  • If the project involves construction at an existing facility that must continue to operate during construction, what are the operational impacts on occupants that must be addressed?
-  • If involvement of the GC/CM is critical during the design phase, why is this involvement critical?
-  • If the project encompasses a complex or technical work environment, what is this environment?



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The Summit Pacific Medical Center project meets statute criteria as follows:

**A) The project is technically complex.**

The Summit Pacific project has several elements of complexity that must be addressed:

- An occupied site and maintained facility access requires detailed phasing plans to enable ongoing healthcare operations and promote safety of patients, vendors, public and staff.
- Site and environmental conditions will require extensive planning, maintenance and preparation for any potential disaster response scenarios during the construction period.
- There is a limited laydown and staging area, which will require close coordination with the hospital staff so that operations are not interrupted.
- The environmentally sensitive nature of the project area will require extensive hospital and general contractor coordination.
- Life safety systems sensitivity and critical nature to maintain essential healthcare operations throughout the construction period.

**B) Involvement of GC/CM is critical during design**

Involvement of the GC/CM during design is critical for the following reasons:

- Development of phasing plans for the safety of patients and staff to minimize the total cost of construction and disruption to operations.
- Involvement early in the design process to ensure materials/systems selections and project scheduling are well-prepared to address seasonal weather conditions and overall schedule maintenance.
- Having a GC/CM throughout the design phase will provide accurate and detailed cost information as the design progresses. The GC/CM will also provide input into the products and materials used to optimize the return on investment.
- Having a qualified GC/CM on board will provide accurate cost estimates throughout the duration of design and help to address the ability to recruit and capitalize on current market conditions for well-qualified subcontractors.
- Design needs to allow constructability and schedule management by integrating thoughtful systems, site integration and overall jurisdictional and design team performance. These are all benefitted with the integration of a GC/CM.
- Design remains at a pre-design/schematic level and the timing is ideal to introduce a GC/CM to this project.



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## **6. Public Benefit**

The GCCM alternative contractive method provides a significant benefit to the public entity in the surrounding geographic area in terms of delivering an essential, modern, and accessible medical office building in a schedule required for public uses at the earliest possible time. This enhanced delivery schedule is supplemented by the team of Project Manager, AOR and GCCM to completely define the project scope and costs of construction early in the design phase and the ability to select subcontractors based on competitive and qualified bid responses. The construction industry is currently at a peak load throughout the western US and it is very difficult to find available and competent sub trades in many contract categories of construction expertise in the near term. The SPMC MOB will benefit from the ability to select the contracting entities based on a qualified selection criterion.

In summary the GCCM will provide SPMC MOB the following benefits as compared to the traditional DBB method of contract delivery:

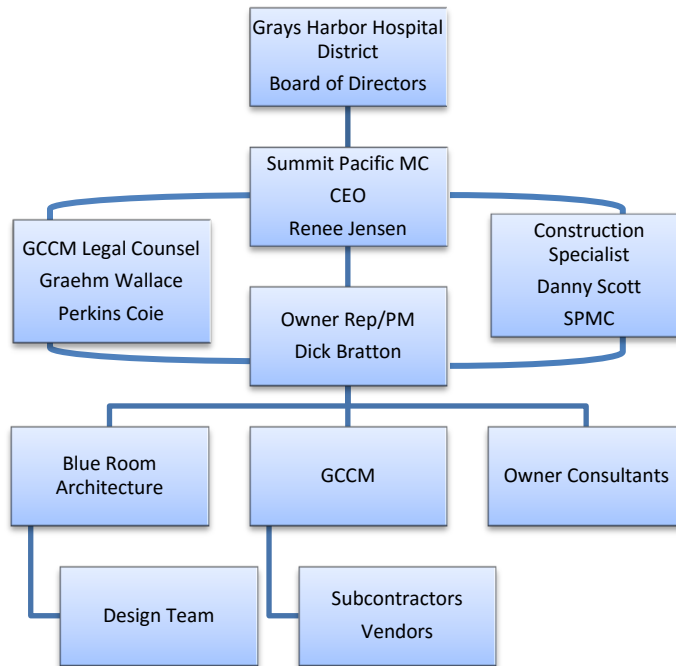
- Scope review and constructability analysis from the GC during the preconstruction phase
- Design details reviewed by the GC team during design development, unknowns are mitigated
- Cost budget information at the DD phase of design
- Early establishment of a MACC for financing control
- Reduce RFIs and potential change orders
- Public agency funding budget control will be established at the outset of early schematic design estimate prepared by the GCCM team and tracked and elaborated throughout the design phase to the implementation of a GMP MACC contract amount.
- Early contractor input relevant to logistics critical in building next to an operating hospital facility
- Critical MEPS input during design development
- GCCM selected on the basis of qualifications and not simply a low lump sum bid

## **7. Public Body Qualifications**

Grays Harbor Public Hospital District #1, dba Summit Pacific Medical Center is located in Elma, WA.

Representing Summit Pacific Medical Center (SP) are CEO Renee Jensen and Dick Bratton Project Management [DBPM]. Both have worked consistently together for years including the development of SPMC's new CAH and collectively provide the Owner applicant (Grays Harbor Public Hospital District) a proven level of project management expertise and understanding of the GCCM process that will benefit the public district with exemplary results in terms over overall strategic planning, design control, cost and schedule control and QA/QC protocols.

## Project Organization Chart



### The Project Team:

**Owner:** Renee Jensen, - Chief Executive Officer, Summit Pacific Medical Center

Renee Jensen will be the overall project lead and retain decision making authority on all matters related to the design and construction as delegated by the Board of Directors. Mrs. Jensen and the Summit Pacific Medical Center leadership team have arranged with the region's top experts to advise them through the process. Mrs. Jensen has attempted to complete the AGC GC/CM training this past spring, but the class was full, and will be in attendance the next available opportunity to further her understanding of the GC/CM process and the critical role she will play throughout the duration of the project. Ms. Jensen is a Fellow of the American College of Healthcare Executives and is the Chief Executive Officer of Summit Pacific Medical Center in Elma WA. In 2010, Ms. Jensen was responsible for securing the first USDA loan for hospital construction in Washington State for \$21.5 million. In February 2013 the \$23 million, green-field build of Summit Pacific Medical Center was completed on time, under budget, and open to the public. Ms. Jensen was a very engaged owner assuming many of the owner's project management responsibilities. She provided oversight for the initial NEPA, SEPA, logging contract and stream restoration ground work. She worked very closely throughout the project with all the key team members including the local jurisdictions, design team, civil engineering, mechanical electrical plumbing (MEP), and contractor to make critical decisions throughout the project. Ms. Jensen had direct involvement in review and processing of RFI related change orders, review and acknowledgement of both short term schedules and long term schedules related to contract requirements, buyout and long lead items directly purchased by Owner. She was also directly responsible for strategic planning for risk mitigation in the overall project key performance factors for QA/QC, cost and schedule control.



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**Owner’s Rep/Project Manager:** Dick Bratton, Dick Bratton Project Management (DBPM)

DBPM was established in 2003 for the expressed purpose of providing building Owners specific Owner Representation and Construction Management for the successful development and completion of projects in the construction community throughout the western US. Mr. Bratton’s past experience includes a combination of General Contracting, Construction Management and Project Management, with experience in the health care, commercial, retail, industrial and institutional sectors of the building industry over the past 40+ years. Notable projects include commercial headquarters, large stand-alone health care MOBs, and developments, green field hospitals and hotels, retail malls and centers, multifamily new and renovation developments. The majority of Mr. Bratton’s project management has been for Design Build and Construction Management at Risk project deliveries over the past twenty years.

**Counsel:** GraehmWallace, Partner, PerkinsCoie

Although Perkins Coie is not the SPMC attorney, they will be utilizing Perkins Coie and Graehm Wallace to assist them with GC/CM related issues for this project. Mr. Wallace and his firm are highly respected throughout the industry for their knowledge in RCW 39.10. They have advised school and hospital districts across the State on the details and aspects of alternative delivery methods.

**Architect of Record:** John McLean, Blue Room Architecture

Blue Room Architecture is providing AOR services for the Dayton Community Hospital which received authorization for the State GCCM alternative delivery for a major facility expansion. Blue Room has utilized the concept of GCCM since it was founded in private markets and has completed the Washington State Enterprise Services formal GCCM Workshop Training.

**DBPM Project Examples under Alternative Contracting Methodology**

Project	Size-SF	Role/Firm	Contract	Location	Entity
Department of Ecology HQ	500,000	Principal in Charge General Contractor/CM	D/B	Lacey	Public
UW Head Injury Clinic	40,000	CM/PM General Contractor/CM	GCCM	Seattle	Public
Pediatric Care Center	12,000	Principal in Charge DBPM	D/B	Kent	Public
Lincoln Square	1,200,000	Principal in Charge DBPM	GCCM	Bellevue	Private
FDA Lab/Testing	37,500	CM/PM General Contractor/CM	D/B	Bothell	Public
Empress Theater	8,000	Owner Rep/PM DBPM	GCCM	CA	Public
N-Habit Mixed Use	80,000	Owner Rep/PM DBPM	GCCM	Seattle	Private
St Joseph Hospital	250,000	CM/PM General Contractor/CM	GCCM	CA	Private
St Dominic Hospital	90,000	CM/PM General Contractor/CM	GCCM	CA	Private





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**DBPM Project Examples with Applicant – Summit Pacific Medical Center**

Project	Size SF	Role/Firm	Contract	Completed
Site Logging/ Stream Construction	20 acres	Owner Rep/PM DBPM	DBB	2011
New Mark Reed Hospital	45,000	Owner Rep/PM DBPM	DBB	2013
Expand Parking/Walk Path Scope: Managed design and construction for general contractor bid lump sum contract	20,000	Owner Rep/PM DBPM	DBB	2015
Medical Clinic Scope: Managed program, design and developer selection and contract negotiations, construction mgmt	8,500	Owner Rep/PM DBPM	Developer/GCCM	2016

**GCCM Procurement**

SPMC will contract for GCCM services in accordance with the process outlined by RCW 39.10.210 through 39.10.410. The RFP will be advertised in local publications and will require responses based on a select set of criteria and consistent with RCW 39.10. An informational meeting will be held and proposals submitted for SPMC review. Notification of most qualified firms will be extended for shortlisting firms to receive the final Request for Proposal, RFP. Selection of the GCCM firm will be based on highest total score.

The selected firm will be required to enter into a GCCM agreement based on the AIA 133 GC/CM-Owner Agreement with modified AIA 201 General Conditions.

**8. Summit Pacific Medical Center Construction History**

Project	Description	Contract	Start	Finish	Schedule Overrun	\$ Cost	\$ COs	Cost/schedule impact
Mark Reed Site Prep	Clear/log and stream modifications	GC Fee	9/2011	11/2011	0	285K	0	NA
Mark Reed Hospital [SPMC]	New 42,000 SF Acute Care Facility	D/B/B	9/2011	2/2013	1 MO	12.9M	\$1M	Export volume unsuitable material, Owner initiated changes
Shop	New shop	GC negotiated	3/2015	4/2015	0	58K	0	NA
Parking Addition	42 spaces plus trail	D/B/B	7/2015	8/2015	0	269K	0	NA
New Clinic McCleary	8500 SF Clinic	Developer GC	7/2015	3/2016	0	lease	0	NA



**9. Preliminary Concepts, sketches or plans depicting the project**

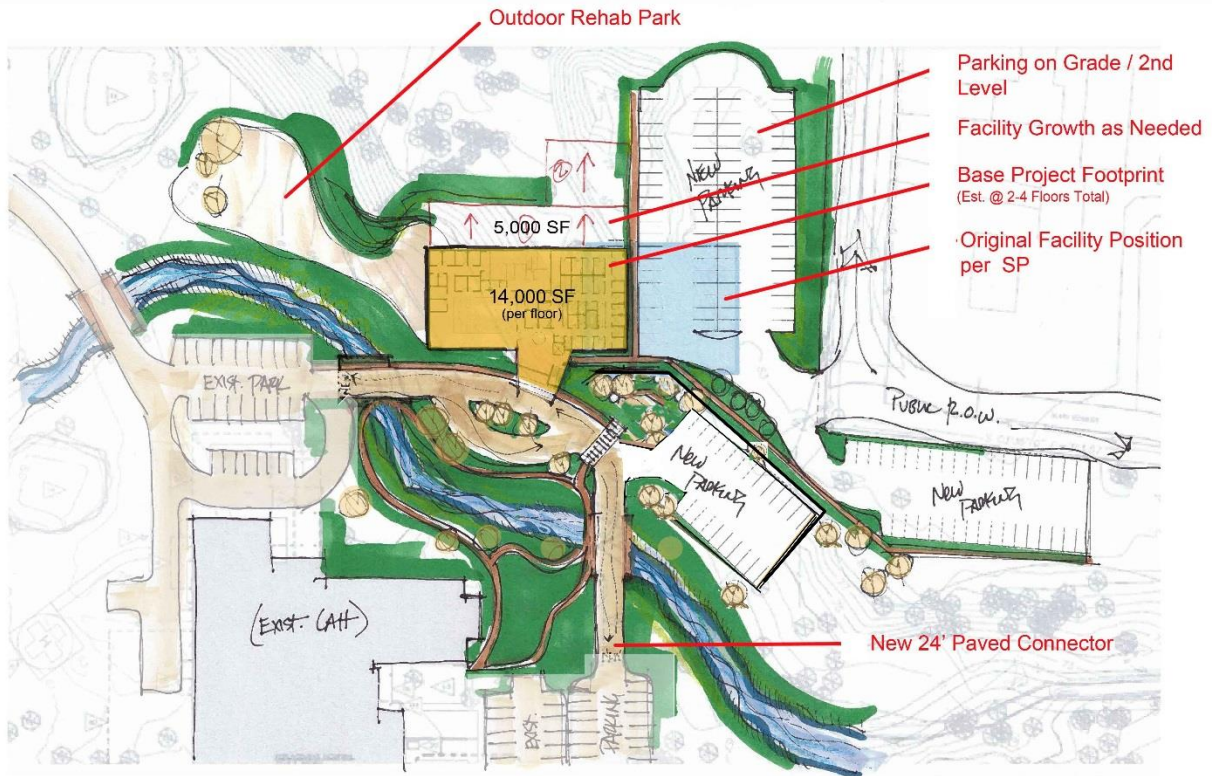
Predesign materials have been completed for the proposed project and are attached below for review. Formal architectural selection is anticipated to be complete prior to the PRC Interview and will be presented along with professional qualifications at that time.

Overall Site Plan: Current Conditions and Proposed Improvements



The existing CAH facility is located to the southern boundary of the site (page left). Topographical information shows approximately a 12' elevation gain to the west of the existing creek and additional buildable property for SPMC. Two preliminary site locations are identified (in blue) and will be further developed during schematic design. For purposes of predesign, the western site studies are attached. The new multi-story building is intended to be built where elevation gain occurs to serve as both retaining wall and connector between the two primary levels of the campus, affording on-grade access and parking to patient populations utilizing either building or a combination of both in patient referral scenarios.

While the creek is a technical challenge and will require the full collective attention of owner, A/E and GCCM during design and construction, the opportunity to positively engage a creek within a healthcare environment is an asset and value added to the healing process. Management and protection of the resource is essential to the success of this project and will require team collaboration.



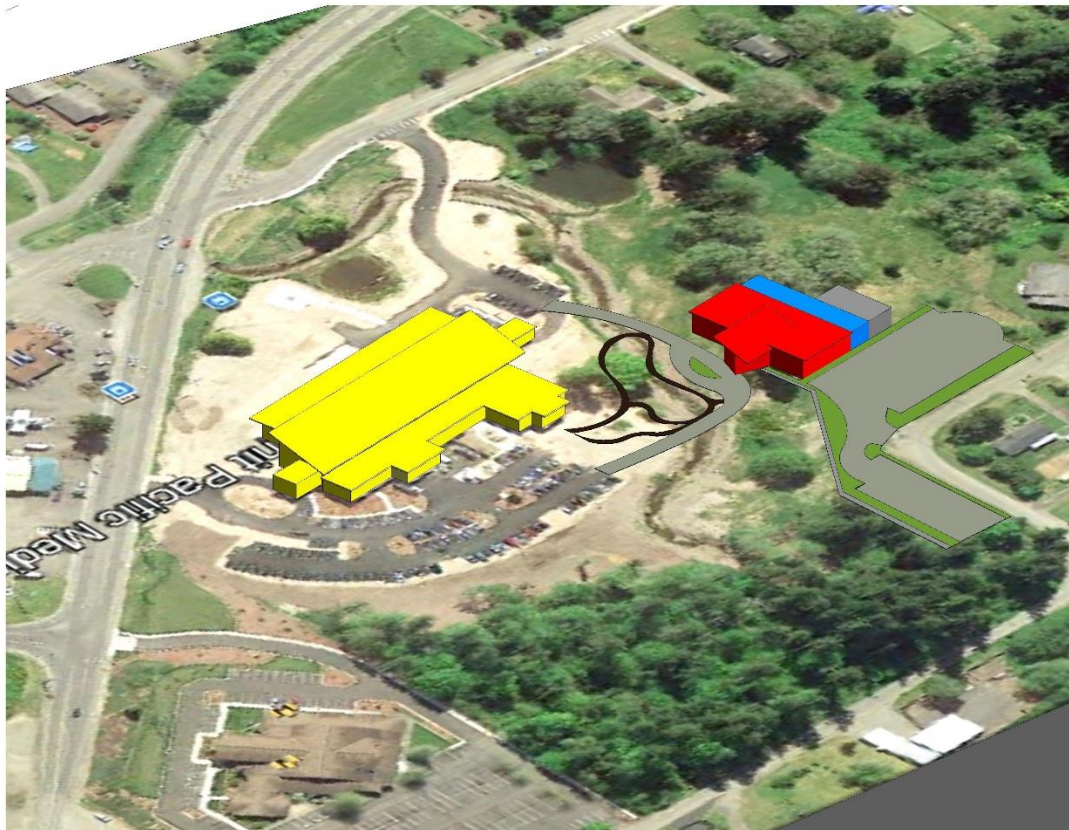
Visible in this concept sketch, the site currently has a year-round creek flowing through it, cutting off east and west portions of a common campus. This project seeks to unite the campus by carefully spanning the creek to improve both vehicle and pedestrian access from the existing CAH to additional patient services to be located within the new facility. Management of the existing waterway during construction will require a high level of teamwork, preparation and coordination.



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*Anticipated public view/concept of SPMC campus with new MOB visible in the background.*



*Aerial view of existing and proposed campus improvements.*



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## 10. Resolution of Audit Findings on Previous Public Works Projects

*If your organization had audit findings on any project identified in your response to Question 8, please specify the project, briefly state those findings, and describe how your organization resolved them.*

In 2010 the District was awarded a \$19 million loan from the USDA to fund hospital construction in Elma, WA. Internal control deficiencies in the District's compliance with requirements for its major federal program were reported during a Washington State audit, September 30, 2013. The District did not qualify as a low-risk auditee under OMB Circular A-133 CFDA No. 10.766 Program Title Community Facilities Loans and Grants Cluster- Community Facilities Loans and Grants. Federal grants prohibit contracting with or making sub-awards to parties suspended or debarred from doing business with the federal government. Auditors tested five vendors to determine if the District had checked to see if the vendor was suspended or debarred prior to making purchases exceeding \$25,000.

Recommendation was made by auditors to establish and follow adequate internal controls to ensure all contracts and purchases meet federal suspension and debarment requirements. The District did not agree with auditor findings. When receiving the loan from the USDA, the District had signed a certification titled *Certification Regarding Debarment, Suspension, and Other Responsibility Matters*. That certification noted that each participant may, but is not required to, check the Nonprocurement List. Put another way, the USDA certificate indicated that checking for suspension or debarment was not required. During the audit, the auditors were in agreement that there is some confusion as to what requirements are applicable for federal loans versus federal grants. Never-the-less, the auditors and the District retroactively checked vendors and noted none were suspended or debarred. The District had used over 70 vendors for replacement hospital – of those, 20 exceeded \$25,000.

The District implemented a new process to inspect the Excluded Parties List System site on an annual basis to check the status of vendors if the annual payments to the vendors are expected to exceed the \$25,000 threshold. The District began documenting, maintaining and filing the results of the annual search.

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## 11. Additional Information

### A. Response to Application Questions

#### Grays Harbor County PHD #1 GC/CM application questions

1) The schedule shown in paragraph 4 of the application shows the GC/CM RFP being issued on 4/7/16 and the GC/CM being selected on 4/17/16 (which includes an interview process). This is insufficient time to utilize this process. Please clarify how the selection process requirements of RCW 39.10 will be followed.

Answer: The schedule in Section 4 of the application has been revised and updated to represent the following milestone target dates for the GCCM selection process and in accordance with the guidelines provided in RCW 39.10

Issued GCCM RFQ: April 21, 2016

GCCM Selection: June 10, 2016

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2) The schedule also shows that after selection of the GC/CM on 4/17/16 that the first schematic estimate is to be submitted by 4/30/16, only 2 weeks of working time. This is also insufficient to produce a quality product. Please advise.

Answer: The schedule in Section 4 of the application has been revised and updated to represent the following milestone dates for design phase tasks:

Schematic Design Completion: May 28, 2016  
Design Development Completion: August 30, 2016  
Contract Documents Completion: November 22, 2016

3) The schedule does not show a date for completion of CD's. Please provide a date.

Answer: Contract Documents Completion: November 22, 2016

4) Line 14 of the schedule has a description of "GCCM Soft GMP – 50% DD". What is the meaning of a "Soft GMP"?

Answer: Line 14 has been revised to read GCCM Budget 50% DD and now is line 13 in the schedule.

5) Under paragraph 6 Public Benefit, the 8th bullet states "Critical MEPS input during design development" as a benefit. Explain how you anticipate this will happen since the projects most likely not qualify for utilizing the MCCM and/or ECCM process?

Answer: Although the MCCM and ECCM process may not be available it is common for experienced GCCM firms with in house resources to provide MEPS review and analysis during the design phase based on past project representations and lessons learned. SPMC would anticipate the opportunity to engage the selected GCCM to contribute in MEPS systems review during the design phase.

6) Under DBPM's list of project experience on alternative contracting methodology, please provide the location of the projects mentioned, which ones were public projects, year completed and who Mr. Bratton worked for on the projects listed.

Answer: Please refer to the revised chart in the application information for updated information relevant to this request

7) Also provide the year completed and description for the 2 GC/CM projects listed as DBPM experience with the client.

Answer: Please refer to the revised chart in the application information for updated information relevant to this request

8) Has Mr. Bratton had experience or training with the Washington GC/CM process?

Answer: Mr. Bratton does not have specific experience or training with the Washington GC/CM process. Mr. Bratton will attend the next available GC/CM Workshop. In addition Mr. Bratton is experienced as Principal in Charge in the State Alternate Delivery process having provided the management for a design build project solicited by the State which required understanding and meeting specific design scope and charrettes, schedule and \$40M MACC budget guidelines and protocols issued by the State for the successful project development and completion, which was one of the first undertaken by the State. A letter written from Governor Gregoire in 2011 referencing Mr. Bratton's role and the project development and success is available upon Request.

9) What percentage of time will Mr. Bratton spend on the project during preconstruction and construction? Has this been contractually committed? What backup resources are available in the event he is not available?

Answer: Mr. Bratton will commit 70% time during design and 100% time during construction. Mr. Bratton is currently under contract with Summit Pacific Medical Center (SPMC). The SPMC Facility Manager, Danny Scott, will provide backup resources for daily inspections and QA/QC



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reviews. In addition both SPMC and DBPM have several third party resources obtainable in the unlikely circumstance should this backup asset need occur.

10) Under the paragraph titled "GCCM Procurement" on page 11:

Please Note: This section has been rewritten in order to fully explain the GCCM selection process in relation to corroboration of RCW 39.10

a. the second line lists "GC/CR Outline" What does GC/CR stand for?

Answer: GC/GR represents General Conditions/General Requirements

b. The paragraph includes the statement "A short list of three (3) firms will be selected to respond to a RFP to include: Fee Structure, Preconstruction Fee, GC/GR Outline, Schedule, Value Added Benefits, Interview. A firm will be selected on weighed factors judged by a panel to include the Owner (CEO/CFO), Owner Rep/PM, AOR and Facility Manager". Please explain the how the requirements of RCW 39.10.360 will be followed

Answer: SPMC will contract for GCCM services in accordance with the process outlined by RCW 39.10.210 through 39.10.410. The RFP will be advertised in local publications and will require responses based on a select set of criteria and consistent with RCW 39.10. An informational meeting will be held and proposals submitted for SPMC review. Notification of most qualified firms will be extended for shortlisting firms to receive the final Request for Proposal, RFFP. Selection of the GCCM firm will be based on highest total score.

The selected firm will be required to enter into a GCCM agreement based on the AIA 133 GC/CM-Owner Agreement with modified AIA 201 General Conditions.

11) Under paragraph 8 listing SPMC's project history the first project "Mark Reed Site Prep" lists the contract type as "GC Fee". Please explain what type of contract this was

Answer: Lump Sum Fixed Fee Contracts separate for logging and stream construction