Columbia County Health System

Dayton Community Hospital
Modernization and Expansion Project

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

Application for Project Approval

Submitted by:
Columbia County Health Systems

September 01, 2015

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

APPLICATION FOR PROJECT APPROVAL

TO USE THE
GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM)
or DESIGN-BUILD (D-B) ALTERNATIVE CONTRACTING PROCEDURE

The CPARB PRC will only consider complete applications. Incomplete applications may result in delay of action on your application. Responses to Questions 1-8 and 10 should not exceed 20 pages (font size 11 or larger). Provide no more than six sketches, diagrams or drawings under Question 9. ***(Note: A Public Body that is certified to use the GC/CM procedure and is seeking approval to use this procedure on a GC/CM project with a total project cost of less than $10 million is not required to submit information for Questions 7 or 8.)***

1. Identification of Applicant

(a) Legal name of Public Body (your organization): **Columbia County Public Hospital District #1 (CCPHD #1)**
(b) Address: **1012 S. 3rd St., Dayton, WA 99328**
(c) Contact Person Name: **Shane McGuire**
Title: **Chief Operating Officer**
(d) Phone Number: **(509) 382-9358** Fax: **n/a**
(e) E-mail: **smcguire@cchd-wa.org**

2. Brief Description of Proposed Project

Dayton Community Hospital Modernization and Expansion project

As a Critical Access Hospital Dayton General was originally constructed in the 1960's as a result of the Hill-Burton Act and continues to serve primary healthcare needs across Garfield, Columbia and Walla Walla counties. The facility has been well maintained and core infrastructure has been upgraded over the last decade. The project will seek to address current code and operational deficiencies within the shell. As a public district they are demonstrating fiscal responsibility by utilizing the existing facility where possible. As a result the interior remodel in a live healthcare environment will be a difficult exercise involving intense phasing, unforeseen conditions, life safety and infection control protocols during construction.

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

A. Project Budget

Costs for Professional Services (A/E, Legal etc.)	$ 470,000
Estimated project construction costs (including construction contingencies):	$ 3,662,780
Equipment and furnishing costs	$ 627,000
Contract administration costs (Owner, CM etc.)	$ 140,000
Contingencies (design & owner)	$ 250,000
Other related project costs (utility fees, permits, bid advertising, moving costs, etc.)	$ 43,115
Sales Tax	$ 292,635
Total	**$ 5,485,530**

B. Funding Status

Please describe the funding status for the whole project.

Project is fully funded currently through a local bond campaign which passed by 2 votes. We believe the GCCM gives us the best opportunity.

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

Please provide:

- The anticipated project design and construction schedule, including (1) procurement; (2) hiring consultants if not already hired; and (3) employing staff or hiring consultants to manage the project if not already employed or hired.

  (See Attachment B for an example schedule.)

- If your project is already beyond completion of 30% drawings or schematic design, please list compelling reasons for using the GC/CM contracting procedure.

The project schedule is summarized as follows:

Architect Selection	Completed
PRC Application Submission	September 1st, 2015
PRC Presentation	September 24, 2015
Issue GCCM RFP/RFQ	September 28, 2015
Select GCCM	October 20, 2015
Begin Design	September 25, 2015
Complete Design and Construction Documents	April 2016
Negotiate GMP/MACC	April 2016
Construction	May 2016 – September 2017

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?

  Note: Please identify functions within the existing facility which require relocation during construction and how construction sequencing will affect them. As part of your response you may refer to the drawings or sketches that you provide under Question 9.
- 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?
- If the project requires specialized work on a building that has historical significance, why is the building of historical significance and what is the specialized work that must be done?
- If the project is declared heavy civil and the public body elects to procure the project as heavy civil, why is the GC/CM heavy civil contracting procedure appropriate for the proposed project?

The Dayton Community Hospital project meets statute criteria as follows:

1) The project is complex

The Dayton Hospital project has several elements of complexity that must be addressed:

- An occupied site and facility requires detailed phasing plans to enable ongoing healthcare operations and promote safety of patients, vendors, public and staff.
- There is a limited laydown and staging area, which will require close coordination with the hospital staff so that operations are not interrupted.
- The remote location of the project compared to the majority of the construction community resources.
- Life safety systems sensitivity and critical nature to maintain operations.

2) 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.
- Due to a tight budget, 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.
- The local surrounding markets are extremely busy and stretching the limits of the local subcontractors. With this in mind, in a traditional design-bid-build, the lowest responsive and responsible bids may exceed allocated funds. Having a qualified GC/CM on board will provide accurate cost estimates throughout the duration of design.
- The community of Dayton is not located close to a major contractor market and in fact sits close to Spokane and Tri-Cities but it is out of the way for most sub-

contractors. Therefore we believe it is crucial to have a GCCM on board and have them help recruit sub-contractors for the project.

6. **Public Benefit**

In addition to the above information, please provide information on how use of the GC/CM contracting procedure will serve the public interest. For example, your description must address, but is not limited to:

- How this contracting method provides a substantial fiscal benefit; or
- How the use of the traditional method of awarding contracts in a lump sum (the "design-bid-build method") is not practical for meeting desired quality standards or delivery schedules.
- In the case of heavy civil GC/CM, why the heavy civil contracting procedure serves the public interest.

GC/CM will benefit the public reducing the overall risks to the hospital

The GC/CM delivery method should help reduce the potential risks to the general public by maintaining a lower risk of critical and essential healthcare services within the hospital district. Unexpected or delayed interruptions pose serious risks to the general public and overall project viability.

GC/CM will benefit the public by increasing predictability and reducing financial risks.

With GC/CM delivery, cost and schedule predictability is much higher than with the design-bid-build method as the contactor is on board throughout design and construction, providing constant cost and schedule information.

Retaining a contractor via the GC/CM method is much more likely to result in predictable cost and broader sub-contractor bid coverage. By working with the GC/CM contractor in the development of a subcontracting plan and leveraging their contacts and relationships, local interest in the project will be heightened, increasing competition and local participation.

Additional fiscal benefit will be gained through using the GC/CM's expertise in value engineering and constructability reviews to assist in developing a complete, understandable and cost-effective construction document set. Collaborating with the GC/CM in building a safe, simple and productive construction phasing plan is critical to the success of this project and minimizing impacts to the hospital's operations.

Design-Bid-Build Increases Fiscal Risks

While delivering this project via the traditional design-bid-build process is possible, the occupied campus and its remote location make the project relatively unattractive when there will be cleaner jobs closer jobs to home to bid. The use of the GCCM process will help resolve potential issues earlier in the process and make the project more attractive to subcontractors to bid. This project is highly needed for the community healthcare system in the area and not having true cost certainty until bids are received is not

desirable. As a 1960's era building it is very likely to encounter concealed and unforeseen conditions that could jeopardize the project budget and schedule.

7. Public Body Qualifications

Please provide:

- A description of your organization's qualifications to use the GC/CM contracting procedure.
- A ***Project*** organizational chart, showing all existing or planned staff and consultant roles.

  Note: The organizational chart must show the level of involvement and main responsibilities anticipated for each position throughout the project (for example, full-time project manager). If acronyms are used, a key should be provided. (See Attachment C for an example.)
- Staff and consultant short biographies (not complete résumés).
- Provide the ***experience and role on previous GC/CM projects*** delivered under RCW 39.10 or equivalent experience for each staff member or consultant in key positions on the proposed project.

  (See Attachment D for an example.)
- The qualifications of the existing or planned project manager and consultants.
- If the project manager is interim until your organization has employed staff or hired a consultant as the project manager indicate whether sufficient funds are available for this purpose and how long it is anticipated the interim project manager will serve.
- A brief summary of the construction experience of your organization's project management team that is relevant to the project.
- A description of the controls your organization will have in place to ensure that the project is adequately managed.
- A brief description of your planned GC/CM procurement process.
- Verification that your organization has already developed (or provide your plan to develop) specific GC/CM or heavy civil GC/CM contract terms.

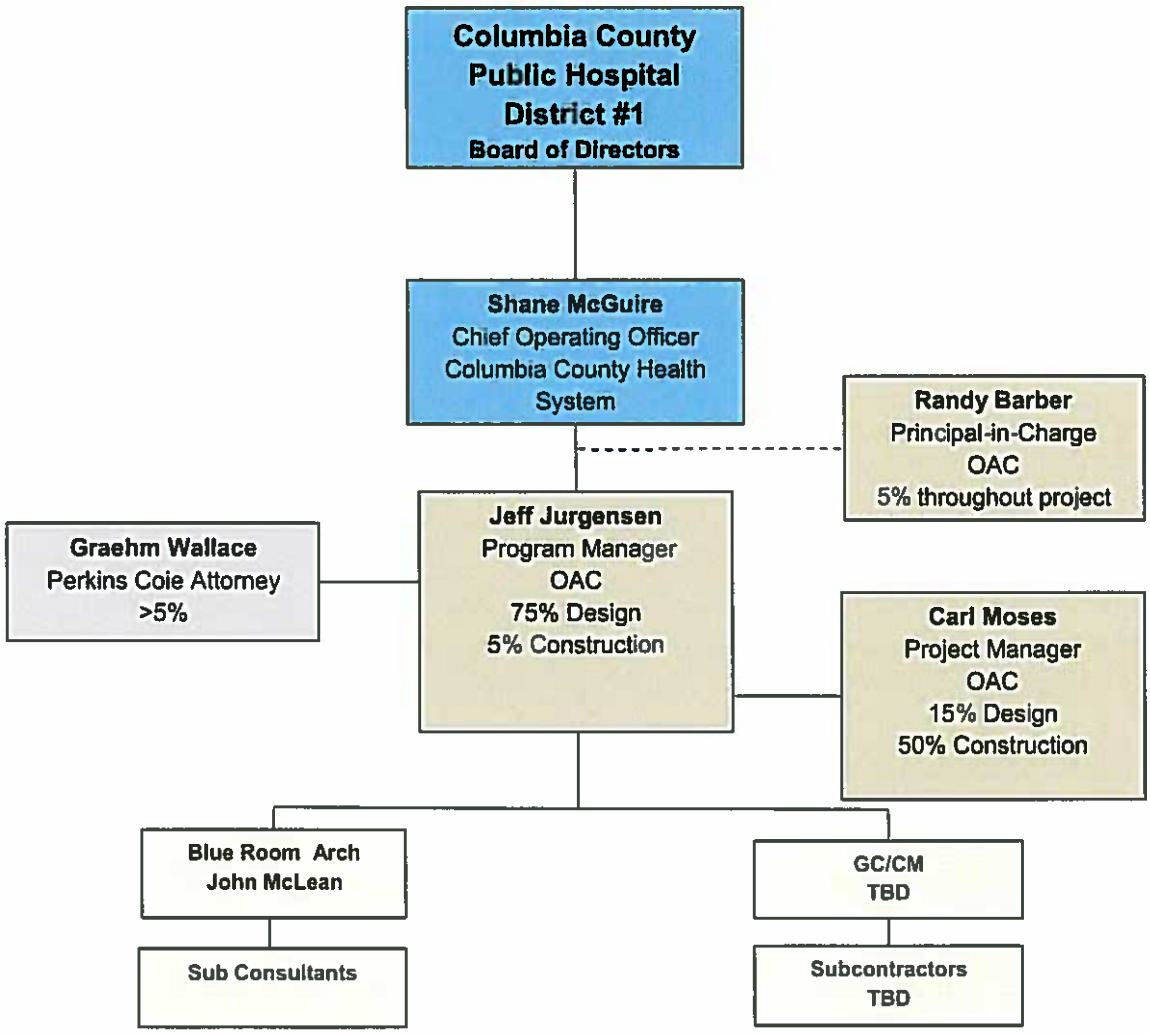
GC/CM Project Manager – Columbia County Health System has retained OAC Services, Inc. (OAC) to provide project and construction management services for their entire 2015 Capital Bond Program. Jeff Jurgensen and Derek Rae will be the Project Managers for the hospital and will provided guidance for the project.

GC/CM Consulting Commitment – With over twenty-seven (27) successful GC/CM projects on their resume, OAC is committed to sharing their GC/CM knowledge and expertise with the District to increase the chances of a successful project throughout all phases: procurement, pre-construction, buyout, negotiation, contract execution, construction, occupancy and closeout.

Value Engineering and Constructability Review Services – The VE/VA process will be led by an independent team while the CR process will be led by the selected GCCM contractor. This will help maximize the level of pre-construction effort for the district.

More on OAC Services Inc. is attached in Appendix B

Project Organization Chart



The Project Team

Shane McGuire – Chief Operating Officer, Columbia County Health System
Mr. McGuire 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. Mr. McGuire and the Columbia County Health System have arranged with the region's top experts to advise him. Mr. McGuire attempted to complete the AGC GC/CM training this past spring, but the class was full, and will be in attendance the next time it is offered to further his understanding of the GC/CM process and the critical role he will play throughout the duration of the project.

Jeff Jurgensen, CCM, PMP, DBIA, CPE, Program Manager, OAC Services Inc.
Mr. Jurgensen and OAC Services Inc. were selected by CCHS to serve as the overall project manager directly overseeing all aspects of the design and construction of their

capital bond program. He and OAC will lead the GC/CM selection process through design, construction and closeout. Jeff has over 24 years of construction industry experience. His experience includes projects throughout the northwest, using a variety of delivery methods including GC/CM, design build and design-bid-build. Below is a list of several alternative delivery method projects he was involved with.

Project	Project Value	Tasks Performed	Delivery Method
Lakeside Elementary/Nine Mile Elementary Schools, Spokane WA	$19.0M	Project Management	GCCM
Central Service Maintenance, City of Spokane, Spokane, WA	$15.0M	Project Management	Design Build
Northside Residence Hall, WSU, Pullman, WA	$30.0M	Project Management	Design Build
Central Valley School District, Spokane Valley, WA	$140.0M	Project Management	GCCM
Mullan Road Elementary, Spokane School District, Spokane, WA	$16.0M	GCCM Selection Consultant	GCCM
Hutton Elementary, Spokane School District, Spokane, WA	$24.0M	GCCM Selection Consultant	GCCM
NEWTECH Skills Center, Spokane School District, Spokane, WA	$13.0M	GCCM Selection Consultant	GCCM

Graehm Wallace, Partner, Perkins Coie

Although Perkins Coie is not the CCHS 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 districts across the State on the details and aspects of alternative delivery methods.

Randy Barber, PE, Principal, OAC Services Inc.

Mr. Barber has 30 years on construction experience and will serve as the Principal-in-Charge for this project. He will be involved throughout the construction phases for guidance and overall support. His work history includes assisting four districts with GC/CM project. He also is very familiar with the GC/CM process and the RCW 39.10 in which it is based upon.

Carl Moses, Sr. Project Manager, OAC Services Inc.

Mr. Moses has been with OAC for one year. He has worked on multiple GC/CM projects and negotiated cost contracts while working the last 25 years with a General Contractor. He also will be taking the AGC GCCM training class when it is offered again.

John McLean, Principals – Blue Room Architecture

Mr. McLean has practiced architecture for 25 years and been a principal of healthcare design for 10 years specializing in critical access hospitals throughout the western

United States. He is also planning on attending the AGC GCCM training class when offered again.

Project Name	Project Value	Tasks Performed	Delivery Method
SWHS Replacement Critical Access Hospital (USDA/ND)	$25M	Architect of Record	GCCM
CCNW Valley Treatment Center (Private/WA)	$10M	Architect of Record	Team Build
Dayton General Hospital ER Remodel (PHD/WA)	$300K	Architect of Record	DBB
Kittitas Valley Community Hospital (PHD/WA)	$300K	Architect of Record	DBB
SCRHD Critical Access Hospital (PHD/WY)	$5M	Architect of Record	TBD
KCHD #2 – Urgent Care (PHD/WA)	$5M	Project Architect	DBB
Kennewick Primary Care and Imaging Center (Private/WA)	$6M	Architect of Record	Team Build

Organizational Controls

Mr. Jurgensen will work with the District personnel to develop the controls and reporting systems to effectively manage the scope, schedule, and budget for the project. He will utilize OAC's standard project budgeting tools, and project management websites to manage communications, monitor progress in order to meet school district requirements. OAC will share their experience in managing GC/CM projects with the district and will proactively consult on issues and concerns. Schedule progress will be tracked on a monthly basis against the master schedule for the program. The project budget will be tracked against the approved baseline budget on a monthly basis.

Planned GC/CM Process

The owner and OAC are planning on using a modified AIA 133 GC/CM – Owner Agreement along with the modified AIA 201 General Conditions developed in close coordination with their legal counsel. In addition, the district is planning on a comprehensive Pre-Construction Services scope of work and General Requirements (Division 01) that will be coordinated thoroughly with the modified AIA documents for the GC/CM construction procurement within Washington State.

Preparation of the GC/CM RFP and selection process will be based on an OAC standard document modified to lessons learned from other public owners and past OAC GC/CM projects including but not limited to Spokane Public Schools, Clover Park, Central Valley and Tahoma School Districts, as well as Washington State University. The process will include the selection criteria, interviews, scoring, and final selection evaluations.

8. Public Body (your organization) Construction History:

Provide a matrix summary of your organization's construction activity for the past six years outlining project data in content and format per the attached sample provided: *(See Attachment E)*

- Project Number, Name, and Description
- Contracting method used
- Planned start and finish dates
- Actual start and finish dates
- Planned and actual budget amounts
- Reasons for budget or schedule overruns

Listed on the next page.

Project Name	Project Description	Total Project Cost	Method of Delivery	Lead Design Firm	General Contractor /GCCM	Planned Constr. Start	Planned Finish	Actual Start	Actual Finish	Original Construction Budget	Final Construction Cost	Reason for Cost Overrun
Hospital Construction	Built new hospital	$750,000	D-B-B	John W. Maloney Architects	Vern Johnson	1964	1965	1964	1965	$750,000	$750,000	N/A
Booker Convalescent Annex	Rest home annex on hospital	$500,000	D-B-B	John W. Maloney Architects	Jenson-Green	1969	1970	1969	1970	$500,000	$500,000	N/A
Booker Rest Home	New rest home separate site from existing hospital	$1,494,593	D-B-B	Smith Mosman Associates	Hazen & Clark, Spokane	1990	1991	1990	1991	$1,494,593	$1,494,595	N/A

9. Preliminary Concepts, sketches or plans depicting the project

To assist the PRC with understanding your proposed project, please provide a combination of up to six concepts, drawings, sketches, diagrams, or plan/section documents which best depict your project. In electronic submissions these documents must be provided in a PDF or JPEG format for easy distribution. Some examples are included in attachments E1 thru E6. At a minimum, please try to include the following:

- A overview site plan (indicating existing structure and new structures)
- Plan or section views which show existing vs. renovation plans particularly for areas that will remain occupied during construction.

Note: applicant may utilize photos to further depict project issues during their presentation to the PRC

Appendix A, Attachments 1 – 4, located after the signature page show the existing plan with possible phasing and schematic plans.

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.

No Audit Findings

Caution to Applicants

The definition of the project is at the applicant's discretion. The entire project, including all components, must meet the criteria to be approved.

Signature of Authorized Representative

In submitting this application, you, as the authorized representative of your organization, understand that: (1) the PRC may request additional information about your organization, its construction history, and the proposed project; and (2) your organization is required to submit the information requested by the PRC. You agree to submit this information in a timely manner and understand that failure to do so shall render your application incomplete.

Should the PRC approve your request to use the GC/CM contracting procedure, you also understand that: (1) your organization is required to participate in brief, state-sponsored surveys at the beginning and the end of your approved project; and (2) the data collected in these surveys will be used in a study by the state to evaluate the effectiveness of the GC/CM process. You also agree that your organization will complete these surveys within the time required by CPARB

I have carefully reviewed the information provided and attest that this is a complete, correct and true application.

Signature: Shane McGuire Digitally signed by Shane McGuire DN: cn=Shane McGuire, o=Columbus County Health System, ou=cchd local, email=smcguire@cchd-wa.org, c=US Date: 2015.08.31 14:34:29 -07'00'

Name: (please print) Shane A. McGuire

Title: Chief Operating Officer

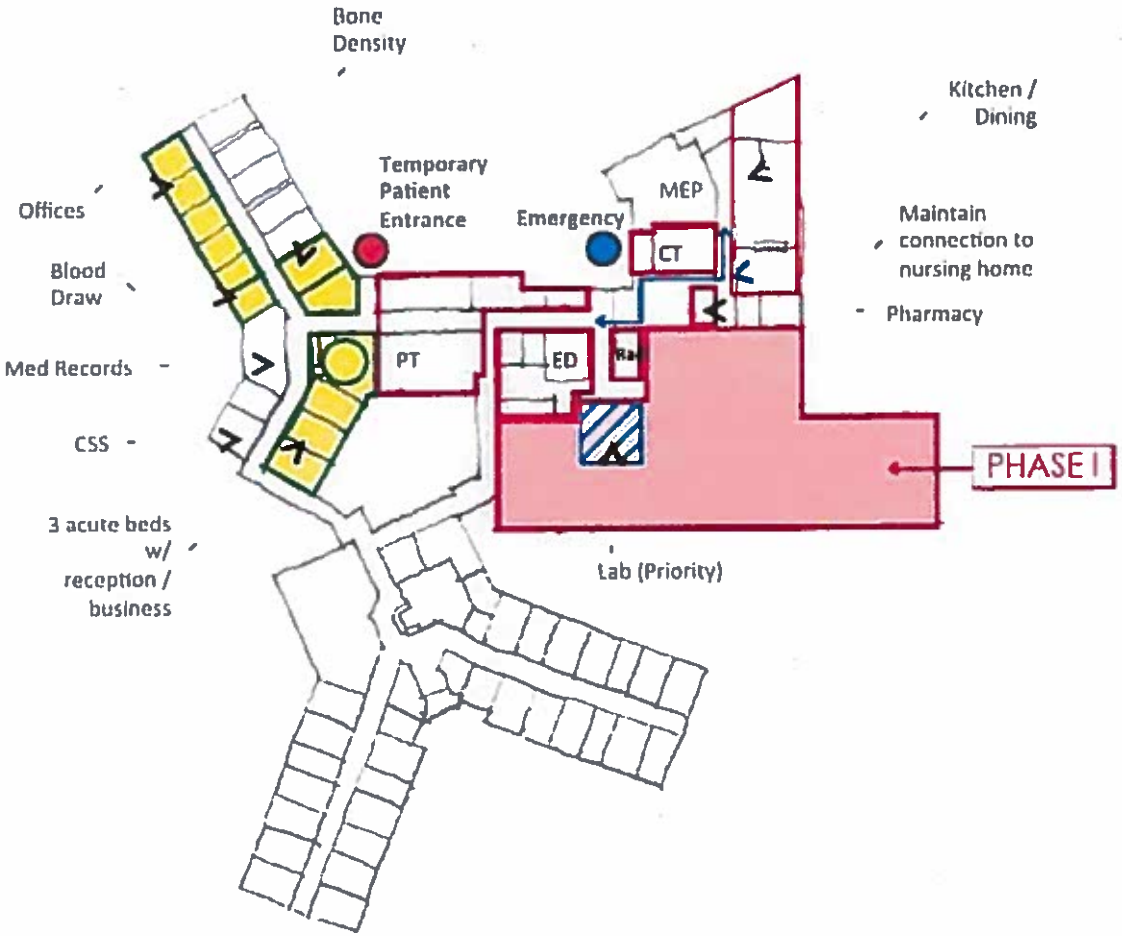
Date: 08/31/2015

APPENDIX A

The following sketches are what possibilities for the phasing plans are. Of course this is all dependent on the input from the GCCM contractor chosen.

Phase 1

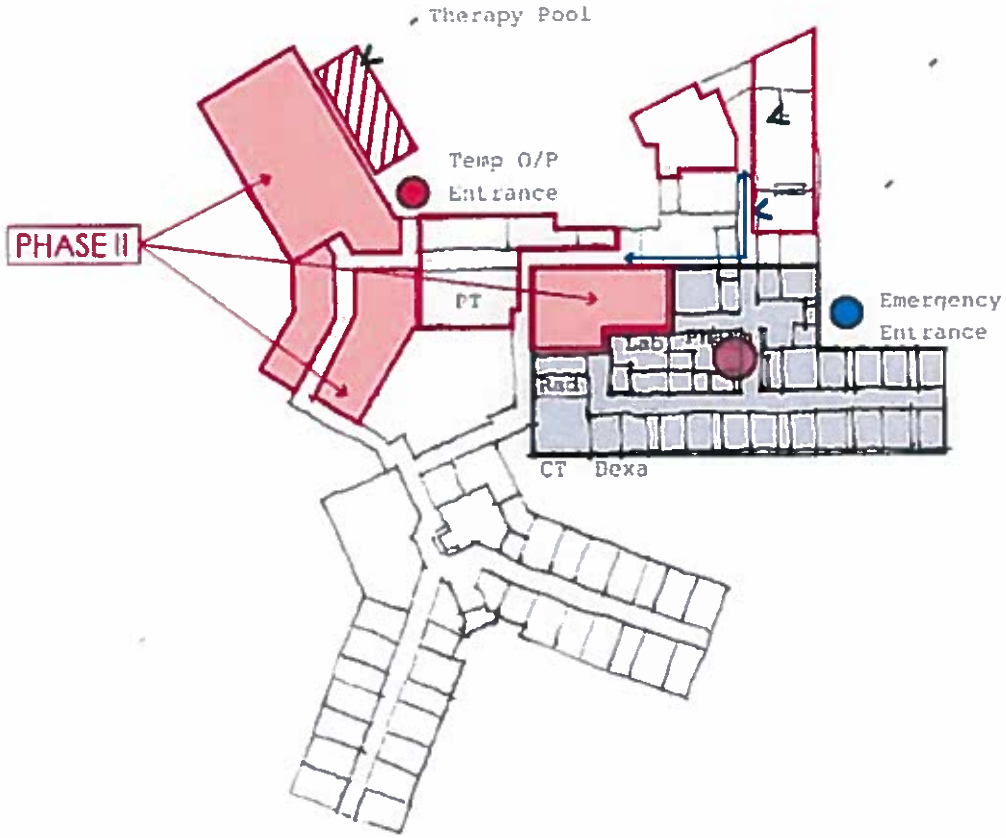
STROUDWATER



- Phase I work is concentrated in the new clinical core
- Emergency room, CT and radiology remain until new space is complete
- Lab remains until new space is complete
  - Create a separate phlebotomy station outside the area (or in the clinic) to eliminate patient traffic amidst renovation
- Main hospital location moved to north part of building
- Acute and swing bed services are temporarily relocated to the Booker annex, maintaining 3 beds and utilizing the existing nursing station
- Booker annex also used for additional support services and offices

Phase 2

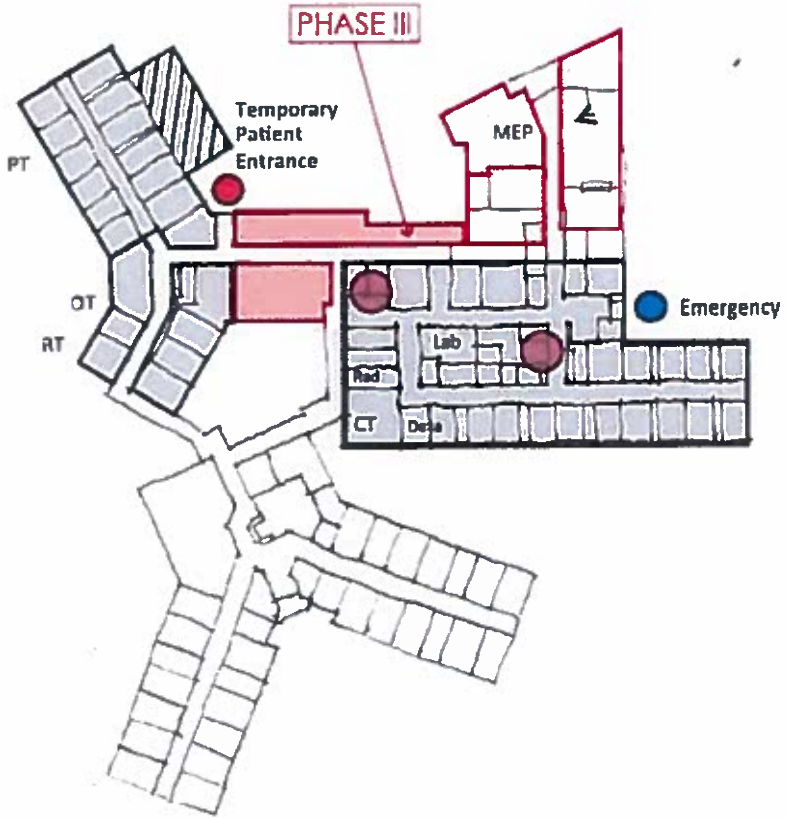
STROUDWATER



- Phase II work commences as the emergency room entrance is relocated
- Phase II builds out the expanded PT space, adds new RT and OT spaces and finishes the renovations in the new clinical core with the overflow rooms and the OP registration area

Phase 3

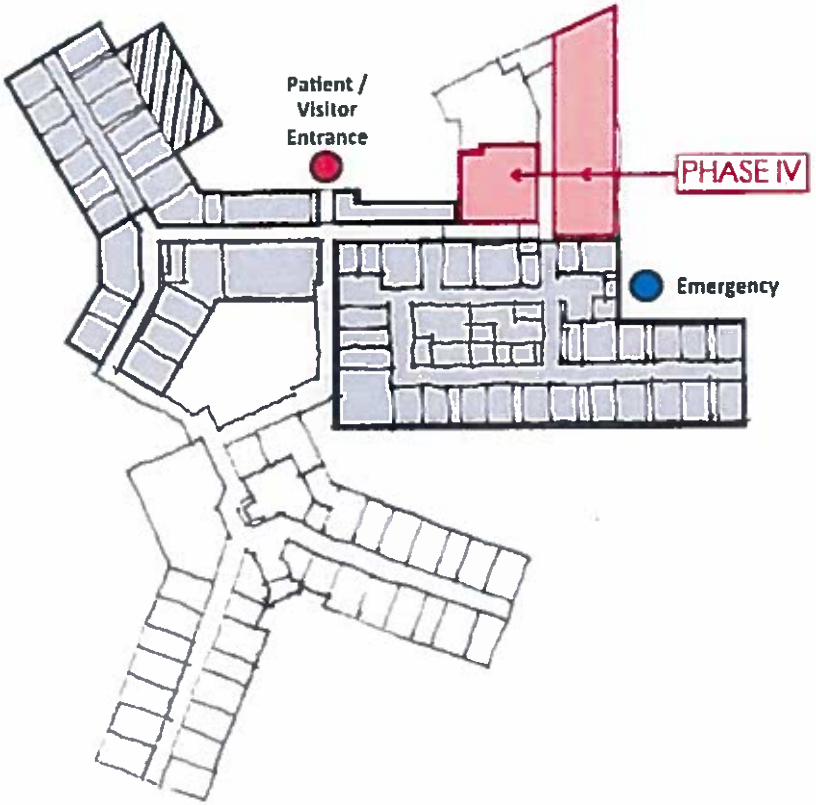
STROUDWATER



- Phase III creates support spaces (waiting, bathrooms) along the new OP corridor

Phase 4

STROUDWATER



- Phase IV creates the new patient / visitor entrance support spaces no changes to dietary or dining spaces

Snohomish County Courthouse (GC/CM)
Everett, WA

WSU Visitors Center (Design-Build)
Pullman, WA

Kenmore City Hall (GC/CM)
City of Kenmore, WA

Olympia City Hall (Design-Build)
Olympia, WA

Mason General Hospital (GC/CM)
Shelton, WA

APPENDIX B
Firm Profile - OAC Services, Inc.

Founded in Seattle in 1955, OAC Services, Inc. (OAC), provides project and construction management (PM/CM) consulting services to public, private, and not-for-profit owners through our offices in Seattle and Spokane, Washington, and San Jose, California.

With approximately 76% of our business coming from repeat clients, OAC's professionals provide a high level of service on every engagement—from strategic guidance on project delivery method selection to the details of project closeout. Led by four principals, OAC's staff members range from Senior Program Mangers overseeing $1 billion programs to Project Engineers and Interns just beginning their careers.

Proud of our involvement in the advancement of Alternative Project Delivery methods, OAC's professionals have managed or consulted on 45 separate GC/CM and Design-Build projects since 2007 in Washington, Alaska, and Montana. In addition, OAC professionals have testified to the Washington Legislature, served on Project Review Boards and Committees, written white papers, and presented to professional organizations representing healthcare, education and public sector owners.

OAC Principal, Dan Chandler, served on the Public Hospital District Project Review Board from 2004 -2007 and the Project Review Committee from 2007-2014.

Alternative Public Works Experience

OAC Project Managers and Principals have submitted more Project Review Committee applications and completed more Alternative Public Works projects than any other PM/CM firm in Washington since 2007.

- 27 GC/CM projects--$2.4 billion in value
- 13 Design-Build projects--$500 million in value (eight for agency-certified WSU)

In addition to Washington experience, OAC's Project Managers have led five alternative delivery public projects in Montana and Alaska.

Private Sector Negotiated Delivery Experience

Virtually all of OAC's private sector projects are delivered using cost-reimbursable, negotiated delivery, including our extensive work for Microsoft, BECU, and Providence Hospital—equal to approximately 50% of our annual volume. We leverage this highly collaborative experience on behalf of our public clients every day. Serving Microsoft continuously since 1997, OAC has helped build what we believe to be one of the most collaborative, innovative, and integrated delivery models in our region.

Mason County PUD3, Johns Prairie Operations Center (GC/CM), Shelton, WA

OAC By the Numbers

Current Staff:

- 58 total employees
- 42 PM/CM staff members
- 22 AGC GC/CM trained
- 18 GC/CM experienced
- 7 Design-Build experienced
- 2 DBIA certified

Spring Creek Pedestrian Bridge (Design-Build) Winthrop, WA

Current Project Workload:

- 36 individual Clients
  - 21 Public Clients
  - 11 Private Clients
  - 4 Not-for-Profits
- 104 Active projects ($100k-$1.4B)
- 12 GC/CM projects
- 6 Design-Build Projects

Clover Park School Dist., Hillside Elementary School (GC/CM) JBLM/Lakewood, WA

OAC Services, Inc.

Current Projects Staffing and Commitments