CAPITAL PROJECTS ADVISORY REVIEW BOARD PROJECT REVIEW COMMITTEE

QUESTIONS RE: GC/CM PROJECT APPLICATION

Meeting Date: November 30, 2017

KING COUNTY PUBLIC HOSPITAL — EVERGREEN HEALTH SEISMIC IMPROVEMENT GC/CM PROJECT

1. Please identify Derek Rae's GC/CM experience (owner, project, date, cost, and how similar). (Page 11)

Attachment D in the GC/CM application further defines related project experience.

Derek Rae's RCW 39.10 GC/CM experience includes 3 major projects and one private CM At Risk project:

- Mason General Hospital Campus Renewal Project. Owner is Mason General Hospital, Public Hospital District No. 1. Directly similar to the EH seismic and infrastructure project, the project was an infrastructure upgrade that included structural upgrades, major existing mechanical upgrades, two new main electrical services to replace existing service and mission critical service expansions and renovations such as surgical, radiological, emergency, intensive care, and birthing areas of the hospital. This project completed two months early in 2013 and was \$500K under budget finishing at \$36.5 million.
- Mason General Hospital Medical Office Building. Owner is Mason General Hospital, Public Hospital District No. 1. This project is scheduled to complete in 2019 and is presently in design. GC/CM RFQ issued and selection underway. The project is budgeted at \$35 million.
 Similar to the EH infrastructure project, this project is adjacent to the existing main hospital and will tie into existing mechanical and electrical infrastructure.
- Asian Art Museum. Owner is City of Seattle/Parks and Rec. This project is directly similar to the EH infrastructure project. This museum project includes structural and infrastructure upgrades and expansion to the existing 1931 building. The GC/CM has been selected, MACC contract in place and awaiting permits. It is scheduled to complete in 2019 and is budgeted at \$54 million.

Relevant Similar GC/CM like experience:

 Virginia Mason Jones Pavilion Bond Projects. Owner is Virginia Mason. Not state GC/CM as VM is a private entity, but directly similar to EH infrastructure project. This project involved eight separate projects within an existing hospital tower finishing at \$98M, \$2M under the original budget. Work included addition of major mechanical and electrical systems to support the new projects, structural upgrades, and installation of a tunnel and utilities to the existing main hospital.

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PROJECT REVIEW COMMITTEE

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2. Please identify Melissa Teichman's GC/CM or similar experience (owner, project date, cost, and how similar). If no GC/CM experience, how will that be provided during times Derek Rae is not on the project?

Melissa Teichman has extensive experience working in operating acute care environments using negotiated, cost-reimbursable contracts similar to GC/CM. She is familiar with RCW's, Chapter 39.10, has access to prior AGC workshop materials, and will be attending GC/CM training this spring. She also has direct access to all 24 OAC staff members with GC/CM experience including Dan Chandler, OAC's most experienced GC/CM practitioner.

Ms. Teichman has over \$400m in relevant negotiated-delivery healthcare experience (very similar to GC/CM) including:

- Swedish Tallman Ambulatory Care and Medical Office Building in Ballard. This new build MOB with Emergency and Imaging functions, also included tenant improvements, connection to existing hospital, major equipment relocation, and infrastructure upgrades (similar to the EH project). This was a GC/CM private negotiated project in 2010, totaling approximately \$23m of shell/core and tenant improvements.
- Providence Regional Medical Center Everett. This project included demolition and new build of a 400+ bed acute care hospital with connections to existing MOB, cancer center, and parking garage. Existing acute care operations were ongoing during this project, similar to the EH project. This was a GC/CM private negotiated project that completed in 2012, totaling approximately \$300m.
- Providence Everett Regional Medical Center OR Expansion. This project consisted of an operating room build-out in existing shell space, adjacent to functioning operating rooms and clean core. This project is similar to the EH project as it relates to operational acute care environments. This was a GC/CM private negotiated project in 2014, totaling approximately \$2m.
- Puyallup Integrative Medicine Building. This project consisted of full-scale re-cladding of enclosure system, infrastructure upgrades, including tenant improvements for cancer center, compounding pharmacy, labs, and infusion, while fully operational. This project is directly similar to the EH project. This was a Design/Build private negotiated project in 2015, totaling more than \$14m.
- Swedish Ballard Pharmacy: Full-scale renovation and new build of compounding Pharmacy in existing hospital, with infrastructure improvements (similar to the EH project). This was a GC/CM private negotiated project in 2016, totaling \$3.8m.
- Swedish Cherry Hill Short Stay. This project included full-scale renovation and new build of patient bed unit, including infrastructure upgrades. The project was adjacent to operational Emergency Department and above a fully operational Imaging department. This project is similar to the EH project as it relates to operational acute care environments. This was a GC/CM private negotiated project in 2017 which totaled approximately \$4.5m.

CAPITAL PROJECTS ADVISORY REVIEW BOARD PROJECT REVIEW COMMITTEE

QUESTIONS RE: GC/CM PROJECT APPLICATION

Meeting Date: November 30, 2017

3. Please clarify the division of responsibilities between OAC. (From Page 13)

- OAC will provide GC/CM oversight, with initial focus on GC/CM selection in close coordination with John P. and EH CM. Such documents will include the GC/CM RFQ, advertisement, field inquiries, set up the Pre-Submittal conference, manage the bidding process, collect SOQ's, initiate interview agenda, correspond with bidders, manage AIA contract review between internal review parties (EH, David Alskog (legal), John Palewicz, OAC), issue scoring sheets, issue cost responsibility matrix for team review, issue addendums, and issue short list. OAC will work alongside EH Construction Management Department, thoroughly engaged in the preconstruction/design and construction process. EH CM, Dan Perry, will be primarily responsible for day-to-day management, communication and coordination with EH internal departments, design team and the GC/CM.
- EH and OAC have an ongoing relationship dating to 1996 where OAC project managers have supplemented EH staff, consulted on special assignments, or managed individual projects. All projects to date at EH have been D/B/B.
- OAC will be providing training, document templates and consulting to assist EH in building up GC/CM expertise in house for future projects.

4. What role will Evergreen Health staff, including contracts, play in the GC/CM procurement prior to contract award?

- It is EH's standard process to be a lead player in close coordination with assigned and knowledgeable consultants on vetting any contracting team whether it is due diligence on general public bid or small works roster and now into GC/CM selection and contracting.
- EH CM views procurement prior to award as a collaborative effort with OAC and David Alskog. OAC will be lead regarding RFQ template and process, with EH CM department providing editing and input. David Alskog will be lead regarding contract type and language. OAC will provide input regarding the contract as well. The EH Selection Committee made up of EH staff, OAC, and project team members will evaluate SOQ's, with EH CM overseeing the scoring process. The Selection Committee with interview qualified GC/CM's. Scoring of interviews will be led by EH CM, with OAC input. EH CM will recommend to EH Board of Commissioners a qualified GC/CM. The EH Board of Commissioners will evaluate our process and approve or deny our recommendation.
- The contracting format is from outside legal counsel and is well vetted in GC/CM via almost identical format used at Lake Washington School District and other public agencies our legal counsel also advises. EH internal legal staff defers to outside legal counsel on construction matters and will not add a second layer of legal or contracting complexity. EH staff will manage issuance of contracts with full legal counsel oversight and will manage day to day compliance thereto in close coordination with OAC and the architect. EH's Manager of Construction Services, Carolyn Reeves, resides within the CM department and sits immediately next to Ty Heim. She has over ten years of experience in the role at EH and handles all matters related to regulatory compliance, contracts and records subject to legal review and audit. GC/CM and project issues that require escalation or a higher level of experience and expertise is one of the reasons Mr. Palewicz's services were sought-- to provide an extra layer of executive level expertise with a deep and broad understanding of the GC/CM process and regulatory intent as well as the perspective of a major public institution with healthcare as a major component.

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- 5. During GC/CM contractor outreach, what opportunity will there be for potential GC/CM's to provide input on the structure of the proposed GC/CM agreement and allocation of risk? (Page 14)
 - There will be a GC/CM pre-proposal meeting at EvergreenHealth to tour the facility and become directly knowledgeable with the hospital. Subsequently the GC/CM will have opportunities to ask questions pertaining to this project to better clarify any potential construction risks. They will receive a copy of the proposed AIA 133 contract with the RFQ and will have opportunity to submit any proposed contract edits with qualifications. The contracting format is provided by David Alskog, outside legal counsel, and is well vetted in the GC/CM industry. The AIA 133 is currently being used at Lake Washington School District and other public agencies our legal counsel also advises.
- 6. Please explain what is intended or included in the dotted line relationship between Ty Heim, OAC and the GC/CM. (Attachment A)
 - Ty Heim's daily project related communications will be with EH Design & Construction Management staff (solid line). The dotted line indicates EH's standard process of executive level interface with the similar leaders of key project participants. Ty Heim informally partners with his counterparts from the contractor, architect/engineers and other consultants like OAC. He will be communicating with the OAC team and GC/CM on an as needed basis throughout the project.

7. How will John Palewicz interact with the team?

- While EH has an in-house CM team with 45 years of successful history doing highly complex public works projects in its mission critical healthcare environment and has capable GC/CM experienced consultants in the SRG Partnership and OAC, we recognize that the perspective from an in-house position of a public owner in GC/CM is something hard to inform and is a key component to success. It is our intent to have John by our side as that sage counsel for GC/CM process and procedure with that unique in-house public agency experience we need to become proficient practitioners in the GC/CM realm. Unlike CM PM staff, OAC, SRG and the GC/CM, John will not be in the day to day of the project design and construction, but rather work in a guiding and executive advisory level on process. He has already provided valuable insights to the GC/CM process EH needs to internalize and will continue to help us structure the selection process, participate in the selection, contracting and general risk mitigation and problem solving. Our intent is to have John be with us as we get the GC/CM into place and then be a monthly or so check in to tour the site, attend a project meeting, review change items and issues, and provide counsel when needed on process.