

December 16, 2020

Capital Projects Advisory Review Board
Project Review Committee
Talia Baker
Administrative Support
talia.baker@des.wa.gov
PRC@des.wa.gov

Re: Whidbey Health Island Public Hospital District
Application for Project Approval
GC/CM Contracting Procedure

Dear Project Review Committee

Please find attached the subject application and supporting documentation for your review and approval to utilize RCW 39.10 GC/CM Alternative Contract Delivery for the development and construction of improvements to and renovation of portions of the Whidbey Health hospital facility in Coupeville.

The Whidbey Health team is well qualified to manage another project utilizing the RCW 39.10 GC/CM alternative contracting procedure. Our previous experience being the Whidbey General Hospital Addition and Renovation project completed in 2018. Our project delivery team includes several hospital personnel that successfully managed that project. Although this will be the first RCW 39.10 project for our project manager and architect, both have scores of successful GC/CM hospital project experience and have reviewed RCW 39.10 extensively to assure that this project is in full compliance.

Thank you for considering the merits of our application. Please contact Tim Waldner, Executive Director of Facilities and Plant Engineering at (360)678-7656 ext. 5205 if there are questions or requests for clarification regarding this submittal.

Sincerely,



Ron Telles
CEO
WhidbeyHealth

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)
Alternative Contracting Procedure*

Identification of Applicant

- a) Legal name of Public Body: **WhidbeyHealth Island Public Hospital Distract
d.b.a. WhidbeyHealth**
b) Address: **101 N. Main Street, Coupeville WA 98239-3413**
c) Contact Person Name: **Ronald Telles**
d) Title: **Chief Executive Officer**
e) Phone Number: **360-678-7656 extn. 4007**
f) E-mail: **teller@whidbeyhealth.org**

1. Brief Description of Proposed Project

- a) Name of Project: **WhidbeyHealth - Project Sea Lion**
b) County of Project Location: **Island County**
c) Please describe the project in no more than two short paragraphs. *(See Example on Project Description)*

- MEP Upgrades - Boilers, Chillers, AHU's, Generator, Transformer & Distribution Panels
24,500 SF of Heavy Interior Renovation as follows:
- New C-Section Suite
- Public Lobby.
- Relocate Oncology.
- Dedicated Infusion Therapy.
- Radiology
- Education
- Behavioral Health Holding Rooms.

2. Projected Total Cost for the Project:

A. Project Budget

Costs for Professional Services (A/E, Legal etc.)	\$ 1,760,000
Estimated project construction costs (including construction contingencies):	\$ 16,227,000
Equipment and furnishing costs	\$ 1,640,000
Off-site costs	\$ N/A
Contract administration costs (owner, cm etc.)	\$ 367,000
Contingencies (design & owner)	\$ 749,000
Other related project costs (surveys, permits, tests, signs, asbestos abatement)	\$ 295,000
Sales Tax	\$ 1,429,000
Total	\$ 22,467,000

B. Funding Status

Please describe the funding status for the whole project. *Note: If funding is not available, please explain how and when funding is anticipated*

On April 14, 2020, Whidbey Health received the USDA Rural Development's Letter of Conditions for a \$35,711,000 Community Facility Direct loan for project funding. Whidbey Health will provide \$1,000,000 of the funding.

3. Anticipated Project Design and Construction Schedule

Please provide:

The anticipated project design and construction schedule, including:

- a) Procurement;
- b) Hiring consultants if not already hired; and
- c) Employing staff or hiring consultants to manage the project if not already employed or hired.

GC/CM Procurement

12/16/20	GC/CM Application Submitted To PRC
1/28/21	GC/CM Project Presentation to PRC
1/29/21	GC/CM Issue RFQ
2/19/21	GC/CM RFQ Due
3/2/21	GC/CM Announce Shortlist & Issue RFP
3/8/21	GC/CM Sealed Proposals Due
3/8/21	GC/CM Interviews
3/9/21	GC/CM Selection and Notification
3/16/21	GC/CM Protest Period Closes

Procurement of Other Project Delivery Team

Nov 2020	Owner Project Manager
Dec 2020	A/E Team
Dec 2020	Medical Equipment Planner
Dec 2020	Land Surveyor
Jan 2021	Asbestos Testing Lab
Jun 2021	Construction Materials Testing Lab

Design & Construction Phase

8/3/20	Master Plan/Programing Complete
9/30/20	Owner approved Ph1 – Sea Lion to proceed
4/5/21	Schematic Design Complete
7/27/21	Design Development Complete
10/29/21	Construction Documents Complete
2/8/22	Complete AHJ Plans Reviews/Start Construction
11/22/22	Construction Substantial Completion

4. 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?

A substantial portion of the project's scope is the replacement of major components of the hospital's main mechanical and electrical infrastructure that provide the life safety systems vital to all patient treatment areas within the hospital. The critical service interruptions necessary to perform this work and

maintain the construction schedule cannot be successfully executed without careful planning and coordination. Having early design input from a qualified GC/CM regarding the placement of equipment and routing of service lines will be essential to minimizing the number, duration and impact of these shutdowns.

- 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 8.

Here are two examples. Keeping the HVAC systems operating properly to maintain correct relative air pressures between spaces is vital for infection control within a hospital, especially while renovating Oncology. Hospital patients are often non-ambulatory and exposure to the elements could be life threatening, so in emergency situations patients are typically sheltered in place rather than being evacuated. To provide patient life safety, codes require hospitals to be separated into zones by barrier walls capable of resisting the passage of fire and smoke. This protects the occupants in adjacent zones while the danger is suppressed in the involved area. It is vital that these barriers are properly constructed and constantly maintained, which is especial challenging during construction in an operating hospital. The degree of success at maintaining a constantly high level of performance of these, and many others unique to hospital construction, will depend primarily on the knowledge and experience of the construction managers in charge.

- If involvement of the GC/CM is critical during the design phase, why is this involvement critical?

The GC/CM will provide input on constructability and phasing that can reduce the overall project schedule and save cost. Their experience and knowledge of the construction market can aid the design team in the selection of the best, most economical construction materials and methods. Involvement during the design phase also provides the GC/CM with a detailed knowledge of the project at the very outset of construction when decisions are made that impact its overall success.

- If the project encompasses a complex or technical work environment, what is this environment?

Like most renovation work inside operating acute care hospitals, this project will involve unique and specialized systems not typically found in other types of buildings. These include emergency and isolated power, medical gasses, high efficiency HVAC systems for sterility and infection control, medical telecommunications, and others. At completion, this facility must be in full compliance with over 300 IBC codes, 250 Life Safety codes, 300 AIA guidelines and some 20 constituency groups, and not just at final inspection but for the life of the facility!

- 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?

N/A

- 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?

N/A

5. 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;

GC/CM is an essential element of “integrated project delivery”, which is a refined working relationship between members of the traditional design and construction team. By creating an environment where the GC/CM, Architect and Owner work together from the inception of a design and construction project, traditional barriers are removed and team members are empowered to work together in an atmosphere of mutual trust and respect. The unique issues of professional liability and financial responsibility that traditionally confront the GC/CM, Architect and Owner are not totally eliminated but everyone’s expectations are more clearly defined and “surprises” minimized. By flushing much of the risk of a lump sum construction project, while maintaining the competitive bidding aspects of the traditional process, the GC/CM can concentrate on providing professional services to the team and not be required to speculate on cost to be awarded the construction project. Since the GC/CM process is completely “open book”, the Owner need not worry that games are being played with the numbers. The net result is a better, more economical project that addresses everyone’s expectations. With the GC/CM, Architect and Owner working together as a team, bringing their individual experience to bear, asking questions, exploring alternatives and defining expectations, many problems are resolved before they develop. The process focuses the primary attention of every team member on superior management of quality, time and cost. It clearly defines expectations, assigns each team member’s responsibilities for meeting these expectations and monitors performance which maximizes opportunities for cost control and quality improvement throughout the project, from initial design to construction completion.

- How the use of the traditional method of awarding contracts in a lump sum is not practical for meeting desired quality standards or delivery schedules.

For one thing, hospitals are huge investments that require decades of beneficial service to be financially viable. As with all facilities, ageing causes the performance of systems to decline, but with hospitals, the minimum level of acceptable performance is substantially higher. It is therefore imperative that hospital systems begin service at their maximum performance level, not just the minimum necessary to pass on final inspection. That goal isn’t a high priorities in the traditional hard bid process, where terms of the standard lump sum contract place the Contractor in a defensive role and create an adversarial relationship between them and the Architect and Owner.

- In the case of heavy civil GC/CM, why the heavy civil contracting procedure serves the public interest.
N/A

6. Public Body Qualifications

Please provide:

- A description of your organization’s qualifications to use the GC/CM contracting procedure.

WhidbeyHealth’s Board President, CEO and Finance Director all gained significant Washington RCW 39.10 GC/CM experience as part of the management team of Whidbey Health Medical Center’s first PRC approved project, the Patient Wing Replacement project completed in 2018. The current Executive Director of Facilities has extensive experience in the execution of major GC/CM hospital projects in a similar role at another healthcare institution in Wyoming. To supplement the internal team, WhidbeyHealth has retained American Health Facilities Development as Project Manager. In the past thirty years AHFD has provided project management leadership to over 100 hospitals in 46 state, successfully completing nearly a billion dollars of construction. Almost all their past projects utilized a GC/CM alternative delivery process, modified as required to be in full compliance with the laws and requirements of each state. Following a thorough review of RCW 39.10, the modifications required to fully comply are being made to the RFQ, RFP and AIA A133-2019 Owner/CM contract documents and to the GC/CM process to be utilized for the WhidbeyHealth project. The finished documents will be made a part of the PRC presentation.

- 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 Example on Project Organizational Chart)*

See attachment: [A - Team Organization Chart](#)

- Staff and consultant short biographies (*not complete résumés*).

WhidbeyHealth:

Ron Wallin, President of the Board of Commissioners – Ron has 47 years of commercial construction experience and has served on the WH Board since 2008. Ron gained RCW 39.10 experience serving on the Building Committee for the Whidbey Health Medical Center Addition and Renovation project completed in 2018 years and will chair the Hospital committee that will oversee this project.

Ronald Telles, CEO - Ron has over 25 years of experience in leadership roles with acute care facilities. In the past 5 years with WH, Ron helped develop sustainable financing and lead the Whidbey Health Medical Center Addition and Renovation project completed in 2018, WH's first RCW 39.10 project. As COO and CFO of Carson-Tahoe Hospital in Nevada for almost 10 years, Ron oversaw the successful execution of a 144 bed, \$ 110 M replacement hospital.

Jake Kempton, Chief Legal Officer – Jake has served as WhidbeyHealth's inhouse General Counsel for 5 years and assisted with the Whidbey Health Medical Center Addition and Renovation Project completed in 2018.

Timothy Waldner, Executive Director of Facilities - Tim has over 20 years of experience managing hospital facilities, including acute care hospitals in Wyoming and Minnesota. Tim has an in depth knowledge of both hospital systems and of the regulations that must be met in hospital operation and construction.

Jennifer Reed, Director of Finance – Jennifer has been with WH for 10 years and gained RCW 39.10 experienced with her participation in the Whidbey Health Medical Center Addition and Renovation project completed in 2018.

AHFD:

John Albert, CEO - John has over 40 years of experience in successful hospital project management for more than 50 hospitals in 25 states. He has provided project management services for public and not-for-profit hospitals exclusively since 1982 and every project but two utilized a GC/CM alternative delivery process.

JJCA:

David E. Johnson, AIA, NCARB, EDAC, Principal, Project Architect – David is a healthcare focused architect with 35+ years' experience on more than 300 healthcare projects. These include 8 replacement hospitals, 4 free standing EDs, 96 expansions and 81 renovations. David has also provided design solutions for over 230 healthcare facility master plans. A majority of his healthcare projects utilize the GC/CM alternative project delivery process.

Jason Putnal, RA, CDT, Associate, Project Manager – In a 20 year career, Jason has participated in the design of over 70 healthcare projects. These include 3 replacement hospitals, 4 MOBs, 17 expansions and 27 renovations, most of which were GC/CM equivalent.

Meredith Cheatham, NCARB, CDT, Project Coordinator – Meredith has 8 years of experience in architecture, including a new hospital facility for Madera, CA.

- 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 Example Staff\Contractor Project Experience and Role. The applicant shall use the abbreviations as identified in the example in the attachment.)*

See attachment: B - Team Experience Chart

- The qualifications of the existing or planned project manager and consultants.

For project management services WhidbeyHealth has engaged American Health Facilities Development, a nationally recognized healthcare facility planning and project management firm. John Albert, who has successfully managed AHFD projects for 53 acute care hospital clients in 25 states, will serve as Project Manager.

- 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.

As stated above, WhidbeyHealth has engaged American Health Facilities Development, Inc. to provide project management services throughout the project and sufficient funds are included in the budget.

- A brief summary of the construction experience of your organization's project management team that is relevant to the project.

See above. Of the Project Manager's 53 hospital replacement, expansion and renovation projects, all but 2 were GC/CM.

- A description of the controls your organization will have in place to ensure that the project is adequately managed.

The proposed scope, budget and schedule have been established by the project delivery team and approved by WhidbeyHealth's Administration and Board. All three will be carefully evaluated and tested upon completion of each design phase and must be reapproved before the design process can continue. During the construction phase the project budget and schedule will be updated and evaluated monthly by the project delivery team and reviewed with Administration and the Building Committee. During construction AHFD maintains a log to identify and project the cost every potential change that will likely impact the project contingency. This log is updated monthly by the full project delivery team and incorporated into the monthly project budget report to hospital leadership. This Change Projection Log is the most effective "early warning" system to keep the Hospital and all members of the project delivery team aware of every potential problem and focused on early resolutions which helps control, if not totally avoid, unnecessary additional costs.

- A brief description of your planned GC/CM procurement process.

The WhidbeyHealth project delivery team has prepared an RFQ for all interested GC/CM firms, which will be publicly advertised. Potentially qualified local and regional firms will be actively solicited. All

Statements of Qualifications received will be objectively evaluated and scored in accordance with the selection criterion provided in the RFQ. A short list of the highest scoring firms will receive an RFP containing the format and requirements of the formal cost proposal. These firm will be invited to a formal interview with WH's selection committee. Interview scores will be combined with qualifications scores from the RFQ and cost information scores from the sealed RFP responses to determine the highest scoring firm, which will be recommend for selection by the WhidbeyHealth Board.

- Verification that your organization has already developed (*or provide your plan to develop*) specific GC/CM or heavy civil GC/CM contract terms.

The project delivery team has prepared a modified AIA Document A133-2019 Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price. This contract was modified specifically to comply with all requirements of RCW 39.10 and USDA.

7. 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 Example Construction History. The applicant shall use the abbreviations as identified in the example in the attachment.*)

- 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

See attachment: C – Construction History Matrix

8. 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. (*See Example concepts, sketches or plans depicting the project.*) At a minimum, please try to include the following:

- An 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.

See attached preliminary floor plans:

MP-SL1 Lower Floor Plan - Project Sea Lion

MP-SL2 Upper Floor Plan - Project Sea Lion

9. Resolution of Audit Findings on Previous Public Works Projects

If your organization had audit findings on **any** project identified in your response to Question 7, please specify the project, briefly state those findings, and describe how your organization resolved them.

WhidbeyHealth is not aware of any audit findings related to previous construction projects at the Hospital.

10. Subcontractor Outreach

Please describe your subcontractor outreach and how the public body will encourage small, women and minority-owned business participation

A part of the GC/CM's qualifications evaluation score will be determined based on the firm's detailed plan for soliciting and encouraging participation of minority and underrepresented firms. Whidbey Health actively supports fair hiring and contracting practices and encourages participation of small, women and minority owned firms. A copy of Whidbey Health's Business Equity Plan will be provided at the interview.

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 may delay action on your application.

If the PRC approves 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. Additionally, responding to the 2013 Joint Legislative Audit and Review Committee (JLARC) Recommendations is a priority and focus of CPARB. Data collection shall include GC/CM project information on subcontract awards and payments, and if completed, a final project report. For each GC/CM project, documentation supporting compliance with the limitations on the GC/CM self-performed work will be required. This information may include, but is not limited to: a construction management and contracting plan, final subcontracting plan and/or a final TCC/MACC summary with subcontract awards, or similar.

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

Signature:  _____

Name Ronald Telles

Title: Chief Executive Officer

Date: 12-16-2020

A - Team Organization Chart

WhidbeyHealth	
Ron Wallin - Board President	
Ronald Telles - CEO	
Jake Kempton - Chief Legal Officer	
Timothy Waldner - Exc Director Facilities	
Jennifer Reed - Director of Finance	

American Health Facilities Development	
John Albert - Project Manager	
SD - 40 %	DD - 40 %
CD - 30 %	CA - 25 %

Johnson Johnson Crabtree Architects, PC	
David Johnson - Project Architect	
SD - 20 %	DD - 15 %
CD - 10 %	CA - 10 %
Jason Putnal - Project Manager	
SD - 25 %	DD - 50 %
CD - 40 %	CA - 25 %
Meredith Cheatham - Project Coordinator	
SD - 30 %	DD - 50 %
CD - 70 %	CA - 40 %

Architectural Sub-Consultants	
ICE - Civil Engineers	
EMC - Structural Engineers	
Envision - MEP Engineers	

GC/CM	
TBD	

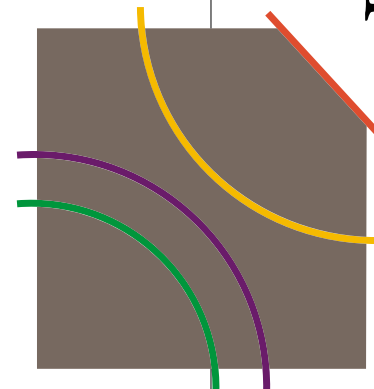
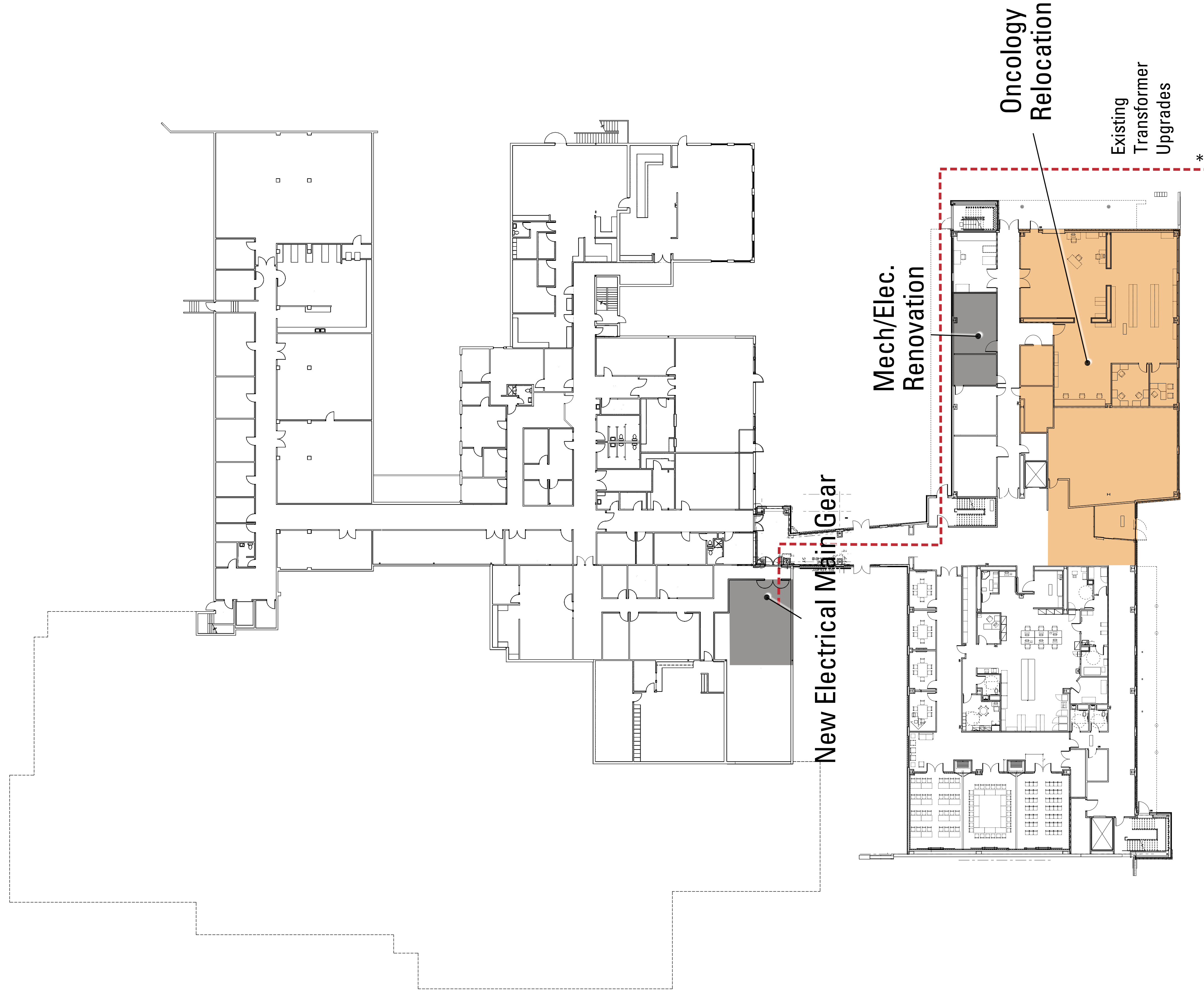
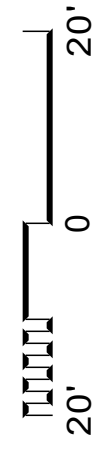
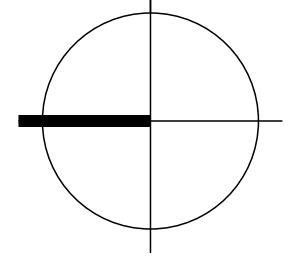
SUBCONTRACTORS	
TBD	

C - Construction History Matrix

#	Project Name	Project Description	Contract Method	Planned Start	Planned Finish	Actual Start	Actual Finish	Planned Budget	Actual Budget	Reason for Budget or Schedule Schedule Overrun
1	Whidbey General Hospital Addition and Renovation	Patient Room Wing Replacment plus Pre-Op, Laboratory and Pharmacy Renovation	GC/CM	Sep-15	Apr-17	Aug-16	Apr-19	\$38.9 M	\$41 M	Scope Increase, Unforseen Existing Conditions

Project Sea Lion

Lower Floor Plan



DEJA

David E. Johnson
Architect

451 Trousdale Drive
Nashville, TN 37204

tel 615.837.0656
fax 615.837.0657

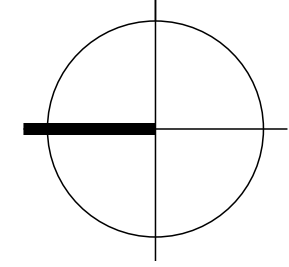


PROJECT NUMBER
20832.01
DATE
Current as of 11/18/2020

MP-SL1
Lower Floor Plan
Project Sea Lion

Project Sea Lion

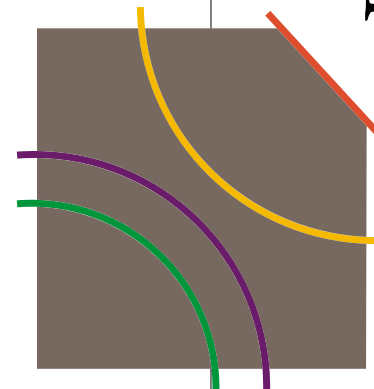
Upper Floor Plan



20' 0 20'



C-Section Suite Renovation



DEJA

David E. Johnson
Architect

451 Trousdale Drive
Nashville, TN 37204

tel. 615.837.0656
fax. 615.837.0657



WhidbeyHealth
Coupeville, Washington

PROJECT NUMBER
20832.01
DATE
Updated 11/18/2020

MP-SL2
Upper Floor Plan
Project Sea Lion