

## **PROSSER PUBLIC HOSPITAL DISTRICT – GC/CM PROJECT – *PROSSER MEMORIAL HOSPITAL REPLACEMENT***

1. Based on your current schedule, you will be at 90% DD at approximately the same time you bring the GC/CM on for preconstruction services, yet your application states their involvement during the design is critical. Please describe how you will engage with the GC/CM on the activities described in your application and specifically how you will use them to validate estimates used for grant applications within 1 month of onboarding.

*First and foremost, we recognize the tight timelines we have identified, and have made adjustments since our original submittal (which sought PRC approval in December, before the completion of schematic design) in order to best accommodate the work of the GC/CM, while maintaining the overall project schedule. Our team has been working very collaboratively and we look forward to integrating the GC/CM into the team as quickly as possible.*

*Our current schedule notes the following critical dates:*

- *2/19/21 – 50% Design Development*
- *2/25/21 – Board approval of the GC/CM pre-construction contract*
- *3/19/21 – Estimate prepared for USDA Loan Application*
- *3/26/21 – Deadline for Initial USDA Loan Initial Application*

*At the completion of 50% Design Development documents, the team's third-party estimator will be performing an independent estimate for the work and will work with the selected GC/CM estimate to validate and reconcile the GC/CM's estimate. It is our belief, which has been confirmed via discussions with interested GC/CM firms, that the selected GC/CM will be to quickly get-up-to-speed and prepare a detailed estimate based on the 50% Design Development submittal.*

*Through coordination with the financing team members, we also have flexibility in the level of drawing development and associated timing so, while we intend to hold the submission date(s) we have established, we do have a little flexibility in the submission. Additionally, onboarding a GC/CM at 50% DD will still allow for the GC/CM to provide both insights and input into the design elements of the project, and high level VE as needed.*

*We also expect the GC/CM to support coordination and phasing, which are key elements to the project, at the appropriate time during DD. In fact, based on the project team's experience, we believe that 50% DD and later is the proper time to develop the detailed phasing plan and coordination elements required for project success.*

**CAPITAL PROJECTS ADVISORY REVIEW BOARD**

**PROJECT REVIEW COMMITTEE**

**QUESTIONS RE: PROJECT APPLICATION**

Meeting Date: January 28, 2021

2. Should grant funding not come through in the full amount, have you prepared contingency plans for scope reductions that would allow the project to continue while maintaining the required owner contingencies?

*The project team has been working closely with its financial consultants for over one year to determine and confirm the Hospital's overall borrowing capacity, and coordinate the project budget projections to be below the maximum value(s) identified. One of the critical issues driving the schedule is the fact that interest rates being offered by the USDA Loan Program are at historic lows, which in turn provides the Hospital with the ability to build out the maximum program area. This potential savings is the reason the team is pushing to coordinate a USDA Design Submission as soon as possible.*

*All interested GC/CM teams have been made aware of the financial parameters that are driving the project, and the selected GC/CM will be expected to assist the project team with the continued tracking of the construction area and associated costs. On the basis of the initial USDA submittal, the team should have a clear understanding of the potential project metrics moving into Construction Documents, and will work to maintain the project boundaries, and a linear development process through the final USDA submittal later in the year. In support of this effort, the Hospital has committed funding to complete both design and pre-construction services required.*

*Outside of the construction budget, and as a potential method of controlling costs, the team is looking at ways that equipment procurement, which is substantial for a Hospital, could be deferred, or equipment could be leased to potentially mitigate the overall budget if required. There are also several program areas that could be shelved, but, ongoing projections indicate that the Hospital's borrowing capacity can accommodate the overall area(s) included in the current project program.*