

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

1. It appears as if the GC/CM RFQ has been issued already and SOQ's are due on December 4, 2020. If so, where in your application did you inform the PRC committee this was the case? Also, why did you not mention in the RFQ that PRC approval was still pending?

Under Section 3 of the Hospital's PRC Application, "Anticipated Project Design and Construction Schedule," we noted that the GC/CM RFQ was posted on 8/30/20 and revised on 9/20 and 10/23. We also noted on page 9 of the same document, under the bullet "A brief description of your planned GC/CM procurement process," that the Hospital has posted the RFQ. Finally, Section 10, "Subcontractor Outreach," also notes interest the Hospital has received from potential GC/CM candidates. On reflection, however, the Hospital acknowledges that this information could have been more clearly stated. Please note that there was absolutely no intent to hide this information or mislead the PRC or proposers.

Regarding the second question, page 1 of the RFQ states, in summary, that approval of the PRC is required before statements of qualifications will be reviewed and accepted. We understand that beginning the selection process prior to PRC approval is not preferred but it was the only option to maintain the project schedule and engage a GC/CM early enough in the design process to maximize the benefits of RCW 39.10 and to gain insight to real-time pricing to support the USDA loan application process.

2. What RCW 39.10 experience does NV5 have? *The requirements are different in the state of Washington.*

NV5 does not have specific RCW 39.10 experience, but its team does have extensive experience with the successful implementation of GC/CM project delivery processes and contracts, supporting multiple owners in locations across the country. These clients include both public and private healthcare facilities that all have unique and state-specific requirements for procurement and implementation.

The Hospital recognizes that RCW 39.10 is unique and is committed to becoming a student of the procedure. To that end, the Hospital has engaged Perkins Coie to provide guidance on specific details for procurement, contracting and management of RCW 39.10 requirements throughout the GC/CM procurement and implementation period. Andrew Greene of Perkins Coie has extensive experience in this regard and has been an invaluable resource to the project team in the development of the RFQ, proposed Contract, and supporting documentation.

NV5 representatives also believe that their extensive experience on similar projects using similar (but not identical) delivery methods provides them with a unique perspective and discipline that each project and process, while similar, require. In support of this effort, NV5 representatives have been working extensively with Perkins Coie to understand the specific and unique requirements of RCW 39.1, especially as it relates to the procurement and management of a GC/CM process.

3. The Committee would like to hear more on the procurement process. *The application write up was vague.*

In addition to the schedule and general outline for procurement provided in the Hospital's PRC Application, the Hospital team has been actively soliciting both local and national GC/CM contractors with the experience and expertise to provide services to support a project of this size and complexity. To date, there have been twelve (12) teams that have expressed an interest in the project, and the Hospital believes that ten (10) will provide a Statement of Qualifications submittal. Of these, there is a mix of local (Tri-Cities), regional (Seattle, Spokane, and Yakima), and national companies. Most of the interested firms have completed similar work in the State of Washington, and in the Tri-Cities market.

Critical information that the Hospital team expects to consider during the selection process, as stated in the RFQ, includes firms' experience on similar types of projects; their proposed staff; their GC/CM experience; budget control methodology; schedule control processes; estimating methodology; experience with USDA funding processes; documentation management; and overall project approach, including safety. The RFQ also includes a proposed form of agreement and general conditions based off the current AIA A133 / 201 documents, modified to include appropriate RCW 39.10 and other specific Hospital requirements.

Once received, the Statements of Qualification will be reviewed and evaluated by an internal team consisting of the Owner, Hospital Board representatives, the Design Team, Perkins Coie, and NV5 representatives. Through this process, four (4) firms are likely to be selected for in-person (if allowed) or electronic interviews, which will be conducted by the same group noted above, after which sealed proposals will be requested. The proposals will be publically opened, and an presumptive selection will be made based on the established selection criteria.

Assuming that no issue arises, a recommendation will be presented to the Hospital board for award, and the selected GC/CM will join the Project Team.

4. Please detail the funding status further. How much funding is currently secured? How much is being pursued through Rural Development, Direct Loans, and community philanthropic campaign. What is the timing on each unsecured funding source aside from details provided related to Rural Development?

At this point in the process, the Hospital has committed \$12.7M, or over 20% of the anticipated Project Cost, of strategic capital in support of the new campus development, including the \$1.7M purchase of the land completed in 2017. In addition, a goal of \$2M has been set for a community philanthropic campaign. The balance of the project budget (which is \$45.315M), including Capitalized Interest and Bond Issuance fees, will be funded by a combination of a USDA Rural Development Direct Loan, a USDA Guarantee Loan and Limited Tax General Obligation Bonds.

The Hospital is currently in conversations with the USDA and has a consultant in place to coordinate this effort. Based on early indications, the Hospital is optimistic that a loan approval can be achieved in 2021. As a backup, however, the Hospital believes that the expected USDA funds are well within the Hospital's borrowing capacity, and one of the priorities for the Project Team will be meeting specific timelines required for the USDA approval process over the next year in order to lock current favorable interest rates.

CAPITAL PROJECTS ADVISORY REVIEW BOARD

PROJECT REVIEW COMMITTEE

QUESTIONS RE: PROJECT APPLICATION

Meeting Date: December 3, 2020

5. As an owner new to GC/CM, what local owner(s) are you working with to mentor your staff, share best practices, and lessons learned?

The Project Team has been working closely with Perkins Coie to understand the requirements of RCW 39.10, develop the GC/CM RFQ, and prepare supporting contract documents. The Hospital has also consulted with one of Kennewick School District's former Project Manager who has extensive GC/CM experience in conjunction with the District's recent renovation projects.

6. To what extent will the proposers' Fee make up the percentage of total score?

The Hospital expects that the proposed Fee and the as bid Specified General Conditions will be weighted as 25% of the overall score.