



DATE: August 5, 2024

TO: Wade Bryson, Chair
 Public Works and Facilities Committee

THROUGH: Joe Wanner, Bartlett Regional Hospital Chief Financial Officer
 Denise Koch, Engineering and Public Works Director

FROM: Jeanne Rynne, Chief Architect

SUBJECT: Appropriation Request from Bartlett Regional Hospital (BRH) Fund Balance to B55-087 BRH Restricted Emergency Department (ED) Addition

BRH requests an appropriation of \$8.9M from the BRH Fund Balance to B55-087 BRH Emergency Department Addition to move the project forward in a timely manner.

Background:

At the July 23, 2024, BRH Board of Directors (BOD) meeting, the Board approved moving forward with a request to appropriate \$8.9M from the BRH Fund Balance to the Emergency Department Addition and Renovation project.

CIP No.	Fund Source	Funds Available Today	Potential Funding Available
B55-083	BRH Emergency Depart. Addition - Ph 2		
	Reduced Scope	\$1,400,000	
	B55-083 Expenditures Phase 01 (cancelled)	\$739,965	
		\$660,035	
B55-087	RESTRICTED ED Addition	\$2,798,962	
	Denali Commission Grant Request		\$2,000,000
	Federal Request		\$4,000,000
	Total	\$3,458,997	\$6,000,000
	Phase 02 Total Project Cost	\$12,325,000	
	Amount Needed Today	\$8,866,000	
	Grand Projected Total Ph 01 & Phase 02	\$13,064,965	

Figure 1: Funding Summary and Timeline

Current project funding for the BRH ED Addition project is \$3.5M. Please see Figure 1. Of the \$3.5M, \$660,000 is available to spend in CIP B55-083 BRH ED Addition. Additional funding of \$2.8M resides in CIP B55-087 BRH Restricted Emergency Department Addition. These funds will be available to spend once the Certificate of Need (CON) is approved by the Department of Health (DOH).

Projected total expenditures for the ED Addition through completion of construction are \$13.1M. BRH has been pursuing several avenues for additional funding that may address \$6M¹ of the \$8.9M needed. However the timing of the funding is fluid and not all potential commitments have been confirmed.

We are at a point in the project where current funding limits continued progress. [CBJ Procurement Code 9.13](#) requires that obligations must be made against appropriated funds. \$8.9M is needed to move the project forward now to meet the BRH desired spring 2025 construction start date.

In September of 2022, the Assembly approved use of the Construction Manager at Risk (CMAR) procurement method for this project ([Ordinance 2022-51\(am\)](#)). Responses have been received for the first phase of the CMAR selection process, Request for Qualifications (RFQ), and three firms were shortlisted on 6/19/24. The next phase of the CMAR solicitation is the Request for Proposal (RFP) phase. The successful proposer would be awarded the contract for Pre-Construction Services and Construction, requiring a commitment of funds that exceed the current appropriation of \$1.4M. Consequently, the RFP phase has been placed on hold until funding has been secured and the CON has been approved.

Action Requested

Staff requests a motion to appropriate \$8.9M from the BRH Fund Balance to CIP B55-087 be forwarded to the Assembly Finance Committee for approval.

Attachment:

[Memo from Chief Architect Rynne to BRH Senior Leadership Team, June 20, 2024](#)

¹ Current funding efforts of \$6M are comprised of \$4M Federal Grant (Congressionally Directed Spending) and a pending grant application of \$2M to the Denali Commission. See 6/20/24 Memo from Chief Architect Rynne for further detail.