

MEMORANDUM

TO: Petersburg Borough Assembly

FROM: Philip Hofstetter, Petersburg Medical Center, CEO

SUBJECT: WERC Building – NTP to Dawson Construction for 65% GMP – Full Construction

DATE: May 28, 2024

CC: Steve Giesbrecht, Borough Manager
Jody Tow, Finance Director
Debbie Thompson, Borough Clerk
Jerod Cook, PMC Board Chair

Borough Resolution 2023-04 authorized PMC to execute a CM/GC contract with Dawson Construction for pre-construction services for the new hospital project. The resolution also stipulated that the Borough Assembly must authorize GMP amendments (modifications) or NTP for construction services.

Progress Update:

Site development for the WERC building is nearing completion, and the concrete foundation is well underway. Detailing of the steel structure and preparations for steel fabrication are ongoing, consistent with the update and schedule provided in PMC's February 23, 2024 memo to the Assembly, based on previous authorization with NTP early work package for concrete, steel, underground, and long-lead materials. Dawson will focus on continuing foundation work and starting underground utilities in June to prepare for steel structure erecting in July, utilities from the site work through Gjoa will also start in July for tying into existing Petersburg Utility Infrastructure.

Construction Schedule: As indicated in PMC's February 23, 2024 memo to the Assembly, the primary objective is to get the roof installed no later than the end of September with the building enclosed and "dried-in" by October. Completion is planned for the end of July 2025.

WERC Building total GMP: The Dawson cost estimate (attached) details the full GMP amount for Dawson Construction of \$14,698,948, this includes the previous NTPs for foundation and long-lead procurement. A detailed summary prepared by Dawson is attached for reference. Please note the following information below is related to the cost estimating and comparisons of the HMS estimate against the Dawson estimate.

- Dawson obtained competitive bids from subcontractors and made selections based on the best qualifications and the best value for the project.
- Dawson obtained competitive quotes for all materials and equipment as the basis for cost estimates.
- The GMP negotiations and subsequent contract amendment will include all previously made modifications.
- All materials and equipment procured under the authority of the NTP will go through a submittal approval process by the design team.
- For direct construction labor, Dawson is required to use State prevailing wage rates.
- Labor rates for Dawson supervision were established via a competitive RFP process in January 2023 and are within industry standards

- Dawson’s OH&P rate was also established via the competitive RFP process; it is 5.5% which compares very favorably with the 10% rate being used by HMS in their independent estimates, a value when compared to HMS as a benchmark.
- The architect performed an independent analysis of the Dawson cost estimate amount, and it was found to be in alignment and less than the cost estimate prepared by HMS when adjusted for the difference in scope.
- As further evidence that it is reasonable to issue the proposed NTP, Dawson’s estimate for full construction when compared with the HMS estimate is summarized below and Dawson is 6% below the independent estimate.

	<u>HMS</u> ³	<u>Dawson</u>
Full Construction GMP ^{1,2}	\$15,678,636	\$14,698,948

¹ Total WERC building construction through Final Completion, Including the previous NTP (foundation and long-lead procurement).

² Does not include site development.

³ Amount based on adjustments for scope alignment between estimates.

Design and Contract Schedule: 65% documents for the WERC building were published by the architect, Bettisworth North, on March 22nd. Their independent estimator (HMS, Inc.) prepared a full estimate for the building. Concurrently, Dawson prepared a formal GMP proposal based on 65% documents, including updated subcontract bids and vendor procurement quotes. Using both cost estimates, PMC, Arcadis, and Bettisworth North have conducted open book negotiations with Dawson to establish a final overall Guaranteed Maximum Price (GMP) for the project to obtain the most cost-efficient systems, and best-valued quality products available, while also delivering the project within the budget constraints of the grants.

The steps and sequence of events summarized above are consistent with the CM/GC project delivery method approved by the Assembly via Resolution 2023-04.

Funding Source: Funds for the NTP are available via the \$20 million Department of Treasury grant which was awarded to PMC in December 2023.

RECOMMENDATION: Requesting that the Borough Assembly authorize PMC to issue a Notice to Proceed to Dawson Construction for full construction of the WERC building which would adjust the total GMP to **\$14,698,948**.

Thank you for your consideration.

Attachment:

1. Dawson Construction 65% Cost Estimate

Project: Petersburg Medical Center - WERC	Estimate Date: May 23, 2024
Estimate: Updated 65%	Estimate Revision: 0

Sub Division	Description	Current Estimate	Cost / SF	Comments
2.1	Site Layout & Surveys	\$45,000	2.36	
2.2	Snow Control	\$20,000	1.05	Contract Allowance
3.1	Concrete Footings	\$146,011	7.66	
3.2	Concrete Walls & Pilasters	\$158,515	8.32	
3.3	Concrete Slab on Grade	\$157,202	8.25	
3.4	Mechanical Building Housekeeping Pads	\$5,267	0.28	
3.5	Electrical Building Housekeeping Pads	\$5,709	0.30	Excludes Hospital Generator pads
3.7	Concrete Slab on Deck	\$79,215	4.16	
3.8	Concrete at Stair Pans & Landings	\$5,622	0.30	
3.9	Foundation Insulation	\$10,333	0.54	
3.11	Rigid Insulation below Snow Melt Sytem	\$3,094	0.16	
5.1	Structural Steel Materials	\$416,505	21.86	
5.3	Structural Steel Erection Including Stairs & Landings	\$221,978	11.65	
5.7	Metal Decking Material	\$61,000	3.20	
5.9	Metal Ladder Installation	\$1,212	0.06	
5.11	Elevator Guide Rail Backing columns Install	\$2,020	0.11	
5.13	Elevator Pit Ladder	\$606	0.03	
5.14	Elevator Sump Pit Grating	\$404	0.02	
5.15	Steel Handrails Installation	\$3,030	0.16	
6.1	Nails, Bolts & Fasteners	\$38,100	2.00	
6.2	Job Consumables	\$66,675	3.50	
6.3	Rough Carpentry	\$24,930	1.31	
6.4	Backing/Blocking	\$19,666	1.03	
6.5	Finish Carpentry	\$0	-	NIC (none found)
7.1	Waterproofing	\$30,360	1.59	
7.4	R11 & R19 Batt Insulation	\$24,255	1.27	
7.5	R25 Batt insulation	\$21,062	1.11	
7.6	Visqueen Vapor Barrier	\$14,762	0.77	
7.7	Spray Foam insulation at Roof Drains & Roof Curbs	\$18,080	0.95	
7.9	Temporary Weather Protection	\$45,000	2.36	Contract Allowance
7.10	Exterior Mineral Wool Insulation	\$75,732	3.98	
7.11	Weather Barriers	\$36,180	1.90	
7.12	Metal Building Siding & Flashings	\$176,552	9.27	
7.16	Fiberglass Z-Furring & Hat Channel System	\$48,862	2.56	
7.18	Single Ply EPDM Roofing	\$394,000	20.68	
7.21	Firestopping	\$7,040	0.37	
7.22	Exterior Joint Sealants	\$7,254	0.38	
8.1	Timely Hollow Metal Door Frames	\$32,073	1.68	
8.2	Welded Hollow Metal Frames	\$9,022	0.47	
8.3	Hollow Metal Doors	\$13,020	0.68	
8.5	Wood Doors	\$41,090	2.16	
8.7	Access Doors	\$3,612	0.19	Allowed for 12
8.8	Overhead Doors	\$79,215	4.16	Includes \$12K budget per door for elev door fire doors
8.9	Fiberglass Windows	\$62,956	3.30	
8.11	Door Hardware	\$107,569	5.65	

Estimate Sub-Division Report

Project: Petersburg Medical Center - WERC	Estimate Date: May 23, 2024
Estimate: Updated 65%	Estimate Revision: 0

Sub Division	Description	Current Estimate	Cost / SF	Comments
8.12	Access Control Door Hardware	\$21,275	1.12	
8.13	Automatic Door Entries	\$18,232	0.96	
8.14	Glazing & Window Film	\$16,954	0.89	
8.15	Louvers	\$1,505	0.08	
9.1	Cold Formed Structural Metal Wall Framing	\$124,533	6.54	
9.3	Non Structural Metal Framed Walls	\$155,623	8.17	
9.4	Shaft wall Metal Framing including Core Board	\$15,920	0.84	
9.5	Non Structural Metal Framed bulkheads	\$1,312	0.07	
9.6	Non Structural Metal Framed Ceilings	\$18,798	0.99	
9.8	Exterior Gypsum Sheathing (Densglass)	\$41,160	2.16	
9.9	GWB Hanging	\$93,362	4.90	
9.11	Abuse Resistant & Impact Resistant GWB Hanging	\$96,969	5.09	
9.12	Cement Backer Board	\$8,643	0.45	
9.18	Acoustical Ceilings	\$131,772	6.92	Acoustic Wall Panels NIC (none found)
9.21	Acoustical Ceiling Repair for Trade Damage	\$5,000	0.26	Contract Allowance
9.23	Floor Prep	\$19,050	1.00	
9.24	Flooring Protection	\$17,126	0.90	
9.25	Flooring, Base, Ceramic Tile & Floor Sealer	\$171,255	8.99	
9.36	Rigid Vinyl Panel Wall Coverings	\$62,092	3.26	
9.37	Multi-Story Graphic Acoustic Wall Panels at Main Stair	\$0	-	NIC (In Owners Budget)
9.38	Painting & GWB Taping	\$270,000	14.17	
9.39	Painting & GWB Patching for Trade Damage	\$15,000	0.79	Contract Allowance
9.41	Temporary Heat	\$90,000	4.72	Contract Allowance
10.1	Visual Display Boards	\$5,232	0.27	
10.2	Dimensional Letter Signage	\$31,844	1.67	Allowed for 50 letters per specs
10.3	Panel Signage	\$10,042		
10.4	Plastic Toilet Partitions	\$12,011	0.63	
10.5	Cubicle Curtains & Tracks	\$2,816	0.15	Allowed for one in each Exam room (2 total)
10.6	Corner Guards	\$7,338	0.39	
10.8	Toilet Accessories	\$14,682	0.77	Quantities per plans, not accessory schedule
10.9	Fire Protection Specialties	\$3,254	0.17	
10.10	Phenolic Laminate Lockers	\$5,432	0.29	
11.1	Refrigerator	\$404	0.02	Owner Furnished, Contractor Installed
11.2	Microwave	\$101	0.01	Owner Furnished, Contractor Installed
12.1	Roller Shades	\$17,478	0.92	
12.2	Casework	\$213,817	11.22	
12.5	Solid Surface & Stainless Steel Countertops Installation	\$13,433	0.71	
12.6	Solid Surface Window Sills Installation	\$11,514	0.60	
14.1	Hydraulic Elevator	\$133,050	6.98	
23.0	Mechanical	\$1,943,830	102.04	Based upon 65% mechanical & Mt Baker summary
26.0	Electrical	\$2,102,227	110.35	Based upon 65% electrical & coordination with RSA
	Building Subtotal:	\$8,663,876	\$ 454.27	
31.0	Earthwork	\$330,490	17.35	
32.0	Site Concrete	\$355,208	18.65	

Estimate Sub-Division Report

Project: Petersburg Medical Center - WERC		Estimate Date: May 23, 2024		
Estimate: Updated 65%		Estimate Revision: 0		
Sub Division	Description	Current Estimate	Cost / SF	Comments
32.1	Site Furnishings	\$27,818	1.46	
32.2	Landscaping	\$85,930	4.51	
33.0	Utilities	\$542,359	28.47	
	Sitework Subtotal:	\$1,341,805	\$ 70.44	
1.3	Travel, Per Diem & Housing Costs	\$589,300	30.93	
1.31	Management and Administration	\$543,900	28.55	
1.32	Site Supervision & Safety	\$493,140	25.89	
1.5	Temporary Utilities, Equipment and Controls	\$879,036	46.14	
1.7	Mobilization, Freight, Demobilization and Close-out	\$456,969	23.99	
0.0	Insurance, Bonds & Taxes	\$301,166	15.81	
Total Estimated Construction Costs		\$13,269,192	\$ 697	
2.0%	Estimate Contingency	\$265,384	13.93	
3.0%	Contractor Construction Contingency	\$398,076	20.90	
5.5%	Fee	\$766,296	40.23	
Estimate Total		\$14,698,948	\$ 772	