



Petersburg Medical Center

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August 14, 2023

Petersburg Borough Assembly

RE: New Hospital Project – Dawson Contract Amendment for Sitework

Dear Assembly Members:

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 Guaranteed Maximum Price (GMP) amendments to the contract for any service that does not constitute a pre-construction service. The CM/GC contract was executed on May 5, 2023, and Dawson has been providing pre-construction services in support of the project since that time.

PMC is now ready to execute a GMP amendment to the Dawson contract to prepare the site for construction. Starting sitework is important for two reasons; (1) site preparation is required before construction of the new hospital facility itself can begin, and (2) completing the sitework will make the overall project truly shovel ready which will help attract additional partners to complete the funding stack for the project.

On July 27, 2023 the PMC Board passed the following motion; The Petersburg Medical Center Board of Directors, assuming a competitive bid is received that is reconciled against an independent estimate, authorizes the CEO to, (1) identify the most appropriate funding source(s) for the site work, (2) negotiate a sitework package with Dawson Construction, (3) present a contract amendment to the Borough Assembly for approval, and (4) execute a contract amendment with Dawson Construction.

Sitework plans and specifications were prepared by the Architect/Engineer team for the project (Bettisworth North Architects and Planners) dated July 20, 2023. Dawson Construction initiated a public bid process for an earthwork subcontractor on July 21st. Two bids were submitted on August 9th. The low bidder was Rock-N-Road Construction, Inc. from Petersburg. The proposed overall GMP Amendment, which includes Rock-N-Road subcontract costs, Dawson direct costs, and other related costs is \$5,898,643. This amount is within 1.4% of an independent estimate for the work. The \$5,816,900 independent estimate was prepared by Estimations, Inc., who is a subconsultant to Bettisworth North.

The source of funds for the sitework GMP amendment will be the pending Department of Treasury grant and/or the HRSA grant which was awarded to PMC in August 2022. After the GMP Amendment is executed, PMC will work with Dawson to determine an NTP date and

detailed schedule for the work, pending a final determination on the source of funding and once all permits and clearances are obtained. Note that the USACE 404 Permit was issued on August 2, 2023, and PMC expects final NEPA clearance by early September.

RECOMMENDATION: That the Borough Assembly authorize PMC to execute a GMP Amendment to the Dawson Construction contract for sitework, in an amount not to exceed \$5,898,643.

Thank you for your consideration.

Sincerely,



Phil Hofstetter

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