



Petersburg Medical Center

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To: Petersburg Borough Assembly

From: Philip A. Hofstetter, CEO
Petersburg Medical Center

Re: State Bond Issue for Large Projects

The Master Plan for the new hospital rebuild was completed one year ago. PMC is requesting that the Borough Assembly present for funding under the State Bond the rebuild of the Hospital as the number one priority for capital project allocations. \$16.2M will achieve construction ready status; PMC requests funding from the State Bond in order for that to happen. The funding would be used for the following.

- Complete the Planning Phase
- Prepare Final Design Documents
- Complete Site Development Work

The result would be a site that is ready for the foundation and construction of the building. Construction ready is not only a tangible potential investment for private and federal funders, but it also impacts the ability for the public to become engaged in the process of supporting the project. The activities surrounding the process of clearing the land alone, makes the new hospital a reality, and with the design documents finalized, funding opportunities for the construction phase of the hospital would be more imminent.

The *attached spreadsheet* provides backup for the funding request. Milestones are summarized below:

Planning Phase

The Master Plan was completed by NAC Architecture (now NAC-Trinity) with funding from the Denali Commission. The Master Plan included the initial planning analysis of design / construction alternatives and potential program and service line changes. To complete the Planning Phase PMC will accomplish the following:

- Finalize services, space requirements, and staffing for the new facility through a COVID lens; particular attention will be given to Long-Term Care and Home Health
- Research options for the new hospital design, including a two-story structure
- Collect preliminary geotechnical information necessary for final site selection
- Prepare detailed geotechnical data, survey and environmental documentation for the selected site
- Finalize a space program and conceptional design for the project

Design

PMC will contract with NAC-Trinity to complete construction ready design plans and specifications for the project.

Site Development Work

Site development work will prepare the site for actual building construction, i.e., make the project truly shovel ready. PMC will issue a construction contract to complete the following:

- Construct off-site utility improvements and extensions needed to support the new hospital
- Clearing, removal of muskeg and placement of structural fill on the site
- Construction of on-site utilities needed to support the new hospital

Petersburg Medical Center Replacement Project
Estimate for Borough/State Bond Package

*Prepared By JAF, LLC
22 January 2021*

line	Phase/Item	Budget	
		Amount	Basis/Notes
1	Final Planning		
2	Preliminary Geotechnical Investigations	\$75,000	June 2020 PDC estimate
3	Site Selection	\$30,000	note 1
4	Site Acquisition	off budget	Borough in-kind contribution
5	Surveying and Environmental Documentation	\$75,000	Estimate by JAF
6	Final Space Programming and Conceptual Design	\$58,750	8 January 2021 NAC/Trinity proposal
7	Final Site Specific Geotechnical Investigation	\$64,000	June 2020 PDC estimate
8	Subtotal	\$302,750	\$289,500 pending grant application at Denali Commission
9	Design		
10	Schematics	\$800,000	note 2
11	Design Development	\$1,200,000	
12	Construction Documents	\$2,000,000	
13	Subtotal	\$4,000,000	
14	Site Development		
15	Off-Site Improvements	\$1,386,000	note 3
16	Site Preparation	\$6,720,000	note 4
17	Foundation Preparation	\$1,050,000	note 5
18	Permits, Testing and Inspections	\$45,780	0.5% of lines 15+16+17
19	A/E Construction Administration	\$183,120	2% of lines 15+16+17
20	Construction Contingency	\$1,831,200	20% of lines 15+16+17
21	Subtotal	\$11,216,100	
22	Other		
23	Professional Project Management Support	\$232,783	1.5% of lines 8+13+21
24	General Contingency	\$430,275	10% of lines 8+13
25	Community Outreach and Capital Campaign Implementation	\$210,000	Assume one fully burdened FTE @ \$105,000/year for 24 months
26			
27	Subtotal	\$663,058	
28	Total	\$16,181,908	
29	Rounded Total	\$16,200,000	

Notes:

1. Assume a joint effort by PMC staff, NAC/Trinity and JAF Project Management. NAC and JAF services based on 160 hrs total professional time; PMC staff time is off budget.
2. Assume total fee = approximately 8.5% of 75% of \$62M total construction cost (RLB estimate dated 20 January 2020). The RLB includes a location factor of 1.25 to account for construction costs in Petersburg vs. Seattle); \$4M total design phase fee = 6.5% of \$62M. These fees are on par with the recent Ketchikan Hospital Addition Project based on percentage of construction costs. Assume 20% of total fee for Schematics, 30% for Design Development, and 50% for Construction Documents.
3. Reference estimate/allowance prepared by RLB dated 20 January 2020 for the green-field sites; escalated 8.4% + 5% to 2023.
4. Reference RLB estimates dated 20 January 2020 for the green-field sites; escalated 8.4% +5% to 2023. Includes clearing, all earthwork and on-site utilities; does not include demolition of existing hospital building.
5. Reference RLB estimates dated 20 January 2020 for the green-field sites; escalated 8.4% +5% to 2023. Includes excavation and imported fill at building footprint.