



DHHS Update on Construction of New Broughton Hospital

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NEW BROUGHTON HOSPITAL



EXTERIOR

South Elevation as of 6/26/17



General

Existing Broughton Hospital

- Built 1887
- 297 beds
- 900,000 SF

New Broughton Hospital

- 382 beds (85 additional)
- 478,000 SF
- Additional new FTEs required for increase in number of beds

Designer – Perkins+Will (Formerly The Freelon Group)

Surety – Travelers Casualty & Surety Co. of America (Travelers)

Surety's Completing Contractor – Archer Western Contractors (AWC)

Financial Status

Construction Contract as of 10/31/17

- Original Contract Sum \$129,865,700
- Net Change by Change Orders \$ 934,220
- Contract Sum to Date \$130,799,920
- Total Completed and Stored to Date \$124,560,012
- Total Retainage (5%) \$ 6,228,001
- Total Earned Less Retainage \$118,332,011
- Balance to Finish Including Retainage \$12,467,908
- Balance to Finish Excluding Retainage \$6,239,908

Timeline Construction

- **April 2, 2012** Notice to Proceed issued to AWC
- **September 19, 2014** Original Contract Final Acceptance

AWC Revised Final Acceptance Dates:

- **September 30, 2015** based on 12/26/2013 DHHS and AWC executed MOU
- **December 14, 2016** based on 12/16/2015 AWC schedule update
- **March 17, 2017** based on 2/12/16 DHHS & AWC meeting
- **October 10, 2017** based on 2/16/2017 email from AWC to DHHS
- **December 29, 2017** based on 4/3/2017 DHHS, DOJ, P+W, AWC, and Travelers meeting
- **March 31, 2018** based on 6/16/2017 DHHS and Travelers executed Takeover Agreement

Takeover Agreement Between DHHS & Travelers

- **6/16/2017 DHHS and Travelers execute TOA with Travelers specified project Final Acceptance date of March 31, 2018**
- **TOA requirements:**
 - Travelers to hire Completing Contractor (Travelers hires AWC)
 - Travelers to hire Construction Manager (Travelers hires Vertex)
 - Travelers to hire Scheduler (Travelers hires Delta)
 - DHHS conditionally rescinds AWC's default
 - DHHS to hire Owner's Representative (DHHS hires RPA Design)
 - Travelers to provide DHHS with bi-weekly schedule update
 - DHHS' scheduling consultant & Travelers' scheduling consultant to meet bi-weekly
 - Liquidated Damages increased from \$1,200 to \$3,600/day

Delays: Construction

Contractor Main Construction Issues

- Project management and lack of quality control resulting in rework
- Correcting 60% of floors for elevation discrepancy issue
- Removing and replacing 40% of sprayed-on fireproofing
- Lack of site management and protection of soils resulting in:
 - Removing and replacing soils in Segments B, C, & D
 - Removing and replacing framing and soils of Segment E
- Sequencing of subcontractors while performing corrective work
- Inclement weather
- Rework for misalignment of pedestrian bridge at East Staff Entrance
- Rework for removing and replacing improper floor topping in Segment A2
- Rework to correct anchoring of curtain wall system on south elevation of building

Schedule: Construction

- **Travelers is confident they will meet Final Acceptance (FA) by March 31, 2018**
- **DHHS is not confident Travelers will meet FA by March 31, 2018 due to following concerns:**
 - **Testing, Adjusting & Balancing and Commissioning work is behind schedule**
 - **Insufficient time for inspection and testing of fire alarm system**
 - **Continued increase in number of work activities missing scheduled dates**
 - **Significant potential for stacking activities**
 - **Significant number of discrepancy/non-conforming work items**
 - **Potential for significant final punchlist due to Travelers/AWC's decision to work out of sequence**