

**SHERIDAN MEMORIAL HOSPITAL
SPECIAL BOARD OF TRUSTEES MEETING
MINUTES**

Thursday, June 2, 2011

10:00 a.m.

MEMBERS PRESENT: Ron Mischke, Dixie See, Gary Miller, Gene Davis, and Bill Huppert

MEMBERS ABSENT: Michael Strahan, M.D. and Harlan Rasmussen

Others Present: Mike McCafferty

CALL MEETING TO ORDER

Ron Mischke called the meeting to order at 10:00 a.m.

ADMINISTRATION REPORT

The special board meeting was called to discuss the guaranteed maximum price (GMP) received from KWN for the Welch Cancer Center project. Mr. McCafferty explained that in regards to the GMP pricing and a couple of issues that he was not prepared to make a recommendation at the May 25, 2011 Board Meeting. Mr. McCafferty has had discussions with KWN in regards to the GMP and requested further research on the following two items of concern before making a recommendation:

- ✓ Recent soil surveys showed unanticipated expansive and compressive soil and clay on-site that were unanticipated in design estimate. Several options and solutions were provided to the Building Committee. The recommendation of over-excavation and compacted engineered soil will be done and is above and beyond what is on the West campus right now. Mr. McCafferty explained that along with spread-footing foundations and over-excavating engineered soil of the area, the facility will be well supported. This solution is included in a revised GMP and solves the problem. Mr. McCafferty further explained the process. Discussion was held to answer the question as to whether the additional soil work required would increase the cost. Mr. McCafferty explained that the previous price included the footings, but did not include the over-excavation and if more work is necessary, the contractor will complete it with no additional cost. The Building Committee is pleased with the solution and the cost has been rolled into the revised GMP.
- ✓ Rob Forister, Facilities Manager, discussed one other obstacle which was the State of Wyoming Department of Health code for the occupancy of the Welch Cancer Center. Mr. Forister explained that originally we applied for "Business Occupancy" classification but the State changed it to "Ambulatory Health Care" classification, which would have required an additional basement egress. Mr. Forister has worked with the State Department of Health and provided information showing that Welch Cancer Center patients are always capable of self-preservation based on life safety code information. As a result, the State Department of Health has reconsidered their classification and designated the Welch Cancer Center with a "Business Occupancy" classification, which alleviates the basement egress concern.

Originally, KWN's estimate of GMP was \$8.23M with a 10% contingency and was approved on 2/23/2011. Since then, they have been able to put together a GMP on the cost for the project. Design development estimation total was \$8,999,674 and we felt the provided information was higher than anticipated. Our approved recommendation was for \$8.23M to move forward with the project. After working with KWN, they have re-submitted a GMP with construction costs of \$4,890,491.00 and owner incurred costs of \$3,544,674.00 for a project total of \$8,435,165.00. The design development estimation was \$9.M and decreased to \$8.4M. Mr. McCafferty explained that we feel good about the revised GMP, the process, and working with KWN. Mr. McCafferty made a recommendation to the Board to move forward with KWN and the re-submitted GMP and to authorize the difference of \$235,165.00 for the project total. Bill Huppert noted the good job to decrease the square footage cost.

Other discussion was held on site development costs, and the fact that the reduction in the owner contingency amount was due to actual bid costs received for the linear and CT equipment that is associated with the budget.

Randy Warnke will be the project coordinator and was initially involved with the interview process.

Mr. Mischke called for any other questions, and none being presented, noted his appreciation for the time and efforts on this process.

Mr. Huppert made a motion to accept the revised GMP presented by KWN. Dixie See seconded the motion for approval expenditure of \$235,165 for the difference of what was previously authorized. The project total will be \$8.4M. Mike McCafferty noted that he had received a verbal affirmation from Dr. Strahan. The motion passed unanimously.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:30 a.m.

Recorder,
Roxanne Araas

Michael Strahan, M.D., Secretary