1. TO:

EX 08-018

## HAWAII HEALTH SYSTEMS CORPORATION NOTICE OF AND REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

Thomas Driskill, Jr., Chief Procurement Officer

| 2. FROM:   | Orianna Skomoroch,   | Kauai Region CEO  |   |
|--|--|---|---|
| Depar  | tment/Division/Agency  | the Department requests a procur  | ement exemption to purchase the following:  |
| 3. Description of grenovations to part<br>Contractor will prothe construction do<br>subcontract for conhighly recommend<br>RFPs. This RFP n  | goods, services or construction to fexisting Kauai Veterans Me ovide services in preconstruction ocuments, in addition to other nustruction and materials. An RI ded by our project manager/arch method is a two-step process tha  | c: Contract for the General morial Hospital (KVMH) by phase by assisting the Arceeded services. The contract P method will be used to sitect does not fit precisely thas been successfully util   | Contractor to provide construction of new building and building located at West Kauai Medical Center. Chitect in finalizing the design documents and preparing ctor will also act as the General Contractor and will select the General Contractor; however, the exact process into the Hawaii Administrative Rules on construction ized elsewhere in keeping down costs and providing the ded process. See attached for a description of the   |
|  | TDD:   |   | Piles   |
| 4. Name of Vendor  | r: TBD   |   | 5. Price:<br>\$NTE 55,772,768.00 (estimated budget for  |
| Address: TBD   |  |   | fees & construction costs).   |
|  |  |   | 7. Prior Exemption Ref. No.   |
| 6. Term of Contrac   | et: From: upon execution   | To: upon completio (est: May 2010)  | n N/a   |
| the services provices trongly recommend costs by creating a timely manner that with the top scored most success in ke higher total construction offerors in order to form required by the strength of the surface of the services in the services in order to form required by the services in | ded by JBD is assistance with the nds that we follow the process of team of the General Contractor that are in compliance with the solid offeror. JBD has recommended by the sering prices down and selecting uction budget. The existing proposachieve our goal of team build the administrative rules, as the first a methodology set forth in the contraction.  | e selection of the General Coutlined in the attachment be and Architects. This procedutation will be reviewed a contractor because the best contractor because curement rules do not allowing and best price for best and guaranteed maximum prontract. | novation of part of the existing KVMH building. One of Contractor. JBD, a world wide hospital design firm, because it will give us the best price for the construction ess includes competition and all proposals submitted in a and scored. The final contract will involve negotiation ich is gaining popularity on the mainland, as having the se the general contractors fees do not increase with a we enough flexibility for negotiation with the top priority value. In addition, the contract will not be the same as the price for the actual construction will be determined at a |
| 9. Details of the p  | process or procedures to be followed | llowed in selecting the ver   | ndor to ensure maximum fair and open competition as and with a selection team and selection criteria. The RFP   |
| will have an estima  | ated budget included. The budg   | get for the project is set and  | the Guaranteed maximum price will not exceed that   |
| amount. The fees t   | to be charged by the General Co  | ntractor will be a factor in  | the selection process, although not a controlling factor.   |
| Cora Shirai, Senio   | of the agency's internal contr<br>r Contract Manager, and Alice l<br>D consultant. Other executives  | Hall, Kauai Legal Counsel,  | nents for the exempted procurement: will be involved with the RFP and contracting process, tlined below.  |
|  |  |   |   |
| Name   | Position   |   | Involvement in Process  |
| Name<br>Mike Perel   | Position<br>CFO, Kauai Region  | ⊠ Approval  | Involvement in Process  Administration  |

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|---|---|--|--|
| Cora Shirai   | Sr. Contract Manager  | ☐ Approval   | Administration   |
| Alice Hall  | Regional Counsel  | Approval   | ☑ Administration   |
| 12. Direct inquiries to:  | Department: Contracts//<br>Contact Name: Cora Shi<br>Phone Number: 808-338<br>Fax Number: 808-240-2 | irai<br>3-9454   |  |
|   | Agency shall ensure adher   | ence to applicable admini  | strative and statutory requirements  |
| 14. I certify that the info                                     | provided above is   | s, to the best of my knowl   | edge, true and correct.  |
| 11 -1   | mount o   |  |  |
| Department Head   | Date -  |  |  |
| Department Areau  | Date  |  |  |
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|   |   | Application of the Control of the Co |  |
|   |   | engelika en latar  | 15 Date Notice Posted 2-8-08   |
| The Head of the Purchasing this notice to issue an exerc        | g Agency is in the process of   | reviewing this request for ex<br>RS, within seven (7) calenda  | 15 Date Notice Posted 2-8-08  emption from Chapter 103D, HRS. Submit written objections to r days or as otherwise allowed from the above posted date to: |
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## ATTACHMENT TO EXEMPTION REQUEST

The following outline describes an overview of the proposed method in the selection of the General Contractor for the pre-construction and construction services for the West Kauai Medical Center (WKMC).

- 1. The project will be announced publicly via local paper, nationally in other publications, and directly to known interested vendors. Firms will access the Request For Qualification and Proposal (RFQ/P), and drawings with specifications via the internet on a Jonathan Bailey Design(JBD) based FTP site. The contractors will be allowed to ask questions within a specified amount of time. Only written responses will be given by way of addenda.
- 2. The responding construction firms will be evaluated and scored based on specified criteria from their answers to the RFQ/P questions. This is similar to a professional services list screening, with both the general qualifications and qualifications to perform this specific job included. Both design team consultants and WKMC employees will be on the selection team.
- 3. The RFQ/P will be formatted to allow respondents to provide information about previous healthcare projects, previous State of Hawaii experience, the proposed team for this project, financial stability, and several other criteria. In this selection process the contractors will provide an estimate of their pre-construction fees as well as their construction phase service fees or general condition costs. A detailed explanation of the costs and fees will be required, to include equipment costs, labor costs, overhead costs, insurance, etc. This estimate, the qualifications, and the proposed approach to the project will constitute the criteria for scoring and ranking of the offers.
- 4. The top ranked companies will be invited to prepare a presentation to the Selection Committee at the site. Two firms, the "Preferred" and the "Alternate" firms, will then be chosen from the interviewed contractors (priority offerors).
- 5. The Owner, with the assistance of JBD, will then negotiate the pre-construction and construction service fees with the top preferred firm. If the contract is not negotiated to the satisfaction of the Owner, the alternate firm will be approached for negotiation.
- 6. The firm that is selected from the above process will provide pre-construction services at a fixed fee for a lump sum to join the design team in the middle of the Design Development Phase. The contract with the general contractor will include a fee for the preconstruction services. The contract will also detail the process for determining the final Guaranteed Maximum Price (GMP) of the construction phase of the contract and the general contractors fees for the construction and post construction phases of the project. Cost containment measures will be included in the contract to prevent the GMP from escalating beyond the budgeted amount.
- 7. After the completion of the Design Development Phase, the General Contractor will deliver to the Owner the (GMP). The GMP must be satisfactory to the Owner, who will work with the General Contractor to ensure that the GMP is within budget. This price will be the construction cost for subcontractors and materials and the general contractor's contract will be amended to add this figure. The general contractor will enter into subcontracts to obtain the needed services and materials and, working with JBD, will ensure that the project is completed.