

February 25, 1992  
HMCLRCIP.MOT (SS:clt)

Introduced by: Ron Sims

Proposed No.: 92 - 73

MOTION NO. ~~8536~~

A MOTION amending the project management  
plan for administration of Harborview  
Medical Center's Long-Range Capital  
Improvement Plan.

WHEREAS, Harborview Medical Center is considered an  
essential medical facility serving the entire State of  
Washington, and

WHEREAS, in 1987 the Council approved a Long-Range Capital  
Improvement Plan (CIP) for Harborview Medical Center, and

WHEREAS, in 1990 the Council approved a facility program  
plan for the trauma center, nursing bed replacement, ambulatory  
care, public health laboratory and tuberculosis clinic  
projects, and

WHEREAS, the facility program plan includes a project  
management plan outlining staffing needs for the administration  
of these projects, and

WHEREAS, the Long-Range CIP is one of the largest and most  
complex capital projects in region, and

WHEREAS, the Long-Range CIP project requires major new  
construction and renovation within a 24-hour operating  
facility, and

WHEREAS, the Executive has revised the staffing plan to  
ensure effective management of the project scope, schedule and  
budget, outlined in the executive and council-approved facility  
program plan, as amended, and

WHEREAS, the cost of the proposed staffing plan is 4.5  
percent of the total project budgets, which exceeds the ceiling  
of 2.39 percent approved in the project management plan for  
administration of the project, and

WHEREAS, the proposed staffing plan is essential for  
claims mitigation, and

WHEREAS, the existing project budget supports the proposed  
increased cost through distribution of contingency funds, and

1           WHEREAS, approval of the proposed staffing plan and  
2 increased administrative cost ceiling requires amendment to the  
3 project management plan contained in the facility program plan,

4           NOW, THEREFORE BE IT MOVED by the Council of King County:

5           1. The project management plan for administration of  
6 Harborview Medical Center's Long-Range Capital Improvement Plan  
7 is hereby amended to provide for staffing in accordance with  
8 the staffing plan contained in Attachment A.

9           2. The Executive is hereby authorized to increase the  
10 budget for the administration of Harborview Medical Center's  
11 Long-Range CIP to an amount not to exceed 4.5 percent of the  
12 total project budgets, in accordance with the revised financial  
13 plan contained in Attachment B.

14           3. Both the staffing plan and financial plan are subject  
15 to annual review and approval by the Council.

16           PASSED this 2<sup>nd</sup> day of March, 1992.

17           KING COUNTY COUNCIL  
18           KING COUNTY, WASHINGTON

19           Audrey Lurger  
20           Chair

21           ATTEST:

22           Geoff A. Peterson  
23           Clerk of the Council

## ADMINISTRATIVE BUDGET COMPARISON

1-6-91

PROJECT	PERCENTAGE
KING COUNTY JAIL	4.80%
OPEN SPACE	10.00%
SEATTLE ART MUSEUM	5.00%
PRIVATE CONSTR. MGMT FIRM	6.00%
HMC-LRCIP	2.39%

NOTE: The Proposed Legislation would increase the HMC-LRCIP administrative budget to 4.5%



**HMC-LRCIP TOTAL PROJECT FINANCIAL PLAN**

Trauma Center, Bed Replacement, Ambulatory Care, King County Lab, TB Clinic  
January 3, 1991

Task	Budget	Act Expend 1988-1990	Proj Expend 1991	Proj Expend 1992	Proj Expend 1993	Proj Expend 1994	Proj Expend 1995
001 A&E	7,604,049	1,959,208	1,720,006	5,228,405	674,000	674,000	674,000
003 Construction	92,944,378	0	10,000	3,100,000	38,000,000	25,917,189	25,917,189
004 Equipment	27,716,238	165,434	240,428	1,000,000	5,000,000	5,000,000	16,310,300
005 Contingency	16,597,322	0	0	0	0	0	0
006 Art	975,108	3,882	73,864	607,254	198,900	18,800	72,400
009 Admin Staffing		595,032	432,766	670,075	812,924	875,838	909,500
Supplies/Services		168,079	82,279	605,542	526,942	526,942	520,000
Total Admin	3,625,508	763,111	515,045	1,275,617	1,339,866	1,402,780	1,429,600
<b>PROJECT TOTAL</b>	<b>149,462,603</b>	<b>2,891,635</b>	<b>2,559,343</b>	<b>11,211,276</b>	<b>45,212,766</b>	<b>33,012,769</b>	<b>44,403,500</b>

\* Project contingency balance to be used for site prep construction and project construction

HMC-LRCIP PROJECT ADMINISTRATION

The construction phases of the HMC-LRCIP will begin this year. During the projected three year construction schedule the hospital will remain operational 24-hours daily. Medic One will continue to be based on-site, Airlift Northwest will continue to land on-site, the Trauma Center and all nursing wings will remain operational and outpatient facilities will continue receiving patients. Maintaining the hospital's service capacity without interruption will require extensive coordination and diligent project administration through all phases of construction.

HMC's steadily increasing patient population will continue to rise during the years of construction. Ensuring safety, accessibility and appropriate direction for patients, contractors, public transportation vehicles, students, trucks, ambulances, medical staff, automobiles, helicopters, taxis, visitors, and neighborhood residents are some of the unique challenges of this project.

Errors have the potential of being life-threatening.

"This project is by far the most complicated job to be built in the city... You can't go into this job without adequate project staff.."

Jerry Hainline  
Construction Claims Consultant  
Claims Prevention Workshop  
September, 1991

"The contractor who is awarded the project will staff with professional project managers, engineers, supervision and support staff. The County is mandated to staff the project with professional managers with the same concerns, objectives and goals as the contractor..... The staffing must match the contractors or exceed if required, i.e., - project manager right on through support staff - person for person....."

Louis B. Rowley  
Consulting/Construction Management  
Ad Hoc Advisory Group Member  
March, 1991

"The owners task is becoming more difficult because of changes the current litigious climate has made.... Our recommendation is that field personnel be used to gather specific information useful to the owner in defending specific potential claims--information which is often difficult or impossible to obtain later....."

All too frequently the contractor's side has a virtual monopoly of eye witnesses and can only be refuted as to details, to the extent a written record exists. This problem greatly increases the cost of defending contractor claims and the exposure to such claims. In any major project the additional cost of matching the contractor's claims team is probably less than a few months of legal and expert fees in later litigation."

Independent Audit, King County Jail  
Construction Contract Administration  
July, 1987

HMC-LRCIP Project Administration  
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The proposed motion will increase the HMC-LRCIP administrative budget allocation to 4.5% and support a staffing plan which will provide additional project staff resources in the following areas

#### CONSTRUCTION MANAGEMENT

A project construction manager will coordinate and supervise project elements in conjunction with or at the direction of the Project Director.

#### FIELD ENGINEERING

The Field Engineers will be responsible for day-to-day monitoring of all on-site activity, and direct communication with contractor. They will generate daily reports, including video and photographic documentation. This information is critical to owner and architect decisionmaking. In addition, daily reports will create a documentation trail which can be relied upon in legal disputes.

#### SCHEDULE MANAGEMENT

The project schedule represents the most important management tool. However, the schedule also represents the area most vulnerable to legal dispute. The HMC-LRCIP schedule will include 3,000-4,000 activities. An as-built schedule should be generated regularly. Tracking all activities is tantamount to effective project management.

#### DOCUMENTATION TRACKING

All submittals must be logged, appropriately responded to, tracked and archived. Submittals represent all documentation received by the Project Office. Submittals are transmitted by the architect, and the contractor. They include such items as plan revisions, change requests, requests for information and daily correspondence. In addition, the Project Office will receive correspondence and documentation from King County Departments, Harborview Medical Center, City of Seattle agencies, neighborhood groups and others. The Office is expected to receive over 100,000 submittals during the course of the project.

#### CLAIMS MITIGATION

As evidenced by recent major public construction projects, the construction environment is claims oriented. The Washington state Convention Center experienced in excess of \$12 million in claims. The Seattle Art Museum's initial claims were \$20 million. Providing a sufficient level of project administration, and implementing management systems and approaches which will facilitate coordination, monitoring information flow, is a prudent claims mitigation approach.

The administrative budget, as proposed will create a proactive management environment coupled with a response system, available should legal disputes occur.