

Capital Improvement Program Target 2012

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Issue Five - August 2009



University Health System

Bexar County Hospital District

An update on the construction projects at University Hospital and University Health Center - Downtown

Hospital construction manager selected CM charged with minimizing disruption during construction

The team of Zachry, Vaughn and Layton (ZVL) will provide construction management (CM) services for the University Hospital portion of University Health System's (UHS) \$899.4 million Capital Improvement program.

"They demonstrated a good understanding of the steps needed to minimize disruption of hospital operations during construction," explained Mark Webb, UHS vice president of Facilities Development and Project Management, during a special meeting of the UHS Board of Managers

held August 18. The ZVL team was recommended following an extensive Request for Qualifications (RFQ) and Request for Proposal (RFP) process that began May 1. Other finalists included:

- Clark, McCarthy and Bartlett Cocke
- Skanska, Thomas S. Byrne and Lyda Swinerton
- Turner and G.W. Mitchell

While all of the teams had excellent qualifications and a great deal of hospital construction experience, ZVL scored highest on the evaluation matrix that

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Putting it into perspective

University Health System's Target 2012: Capital Improvement Program is certainly the largest development project in its history. It is also one of the most significant construction programs ever in South Texas.

Here are a couple of fun facts:

- The total program cost for both University Hospital and University Health Center - Downtown is \$899.4 million. That is more than the Alamodome (\$186 million), SBC Center (\$175 million) and the major expansion of the Henry B. Gonzalez Convention Center (\$218 million) **combined!**

- The new tower at University Hospital will be roughly one million square feet in size, basically **doubling** the size of the existing hospital.

<p>The Architecture Foundation of San Antonio and University Health System are pleased to present:</p>		<p>FREE and open to the public</p>	
<p>Capital Improvement Program Target 2012</p>  <p>University Health System Bexar County Hospital District</p>		<p>Design Challenge Open House Saturday, August 22, 2009 9 a.m. - 1 p.m. Center for Architecture Pearl Brewery, Full Goods Building 200 E. Grayson, Suite 110</p>	
 <p>University Health Center - Downtown</p>	 <p>University Hospital</p>	<p>Come see all of the submissions for University Hospital and University Health Center - Downtown. The Capital Improvement Program Team, as well as the Architecture/Engineer teams for each submission will be on-hand to answer questions.</p> <p>Sponsored by: Jacobs Broadus + Muñoz Parsons Perkins + Will RVK Architects Garza/Bomberger & Associates RTKL Associates Overland Partners Architects</p>	

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ranked the firms on their proposals with regard to:

- Preconstruction planning
- Construction phasing
- Team collaboration & design assist
- Fees, hourly rates, mark-ups
- Community outreach plans
- Controlled insurance program approach

According to the evaluation team, ZVL offered the best planning services and their approach to phasing of the construction project was the most feasible and included a high level of detail. "They also had a strong plan for maintaining cost control," added Webb. ZVL's proposed fee of \$42.9 million, was not the lowest, but did include more personnel dedicated to the project.

ZVL's established mentor/protégé program and strong relationships with trade associations was also impressive, as University Health System officials and Bexar County Commissioners want to assure that local companies have significant opportunity to benefit economically and gain valuable experience through this project. ZVL is projecting that 80 percent of the total construction work will be performed by local subcontractors, with 30 percent of the total construction work going to small, minority, woman-owned business enterprises (SMWBE).

The UHS Board of Manager unanimously approved the recommendation and authorized staff to negotiate a contract with ZVL.

What is a Construction Manager at-Risk?

Construction Management at-risk is the name given to a project delivery method that is different than the traditional public sector method. The Texas Legislature passed a law that enables public entities, such as University Health System (UHS), the opportunity to utilize several different methods for the procurement of construction contracts. Prior to this legislation, the law required UHS to hire the lowest bidder, regardless of past experiences or other factors. This delivery method allows us to hire a qualified firm to provide direction, administration, and management of the construction work based on experience, innovation, and expertise, in addition to cost. Due to the size and scope of our project, we will have two Construction Managers at-risk, one for each location.

This project delivery method has several advantages for UHS. First, it allows the CM to work as a member of the collaborative team. Having the CM on board at an earlier stage means that they are included in budgeting, cost estimating, scheduling, and reviewing project designs, thereby reducing costs. Another advantage to UHS is that the CM will be providing a Guaranteed Maximum Price (GMP). The CM agrees to pay for costs that exceed the GMP and are not a result of changes in the contract documents. Finally, the CM will be coordinating all of the subcontracting. The CM firm will divide the project into appropriate scopes of work for bidding. Then the firm pre-qualifies subcontractors and takes bids for the work. A GMP will be negotiated for each of these contracts, as well.

Have a question?

What is the latest on parking at the hospital?

Construction on a temporary parking lot on Wurzbach Road (next to Walgreens and across from CTRC) will begin before the end of the year. This 600-space lot will be open in the first quarter of 2010. Many staff members will be asked to park in this lot for 18-24 months while a new 3,000-space parking garage is built on the current employee lot at the corner of Merton Minter and Wurzbach.

What will happen to the ExpressMed Clinic, MRI and dialysis clinic at University Hospital?

All of these services will be moving out of the 1987 building, located at the front of the hospital, over the next several months, as that building will be demolished to make room for the new hospital tower.

ExpressMed will be staying on the hospital campus, but moved to another location. MRI is being moved up to radiology. A building in the medical center is currently under negotiation as a new location for the dialysis center.

Is 2012 the correct date?

Yes, several of the construction projects, including the new diagnostic & treatment facility at University Health Center - Downtown will be completed in 2012. The new hospital tower is expected to be completed in 2013. Renovations of existing buildings will continue into 2015.

[Click here to submit a question on the Target 2012 Program.](#)