

THE  
**University of Vermont**  
MEDICAL CENTER

EXECUTIVE OFFICE

MAIN CAMPUS

Patrick 3  
111 Colchester Avenue  
Burlington, VT 05401

July 24, 2015

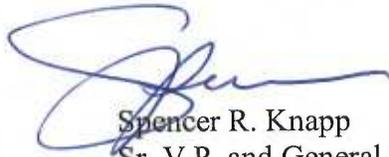
Judith Henkin, Esq.  
Health Policy Director  
Green Mountain Care Board  
89 Main Street  
Montpelier, VT 05602

RE: UVM Medical Center Inpatient Bed Replacement Project  
(GMCB-021-14con)

Dear Judy:

In accordance with paragraph 1 of the Scheduling Order, dated July 21, we submit the attached Motion to Modify Order with Attachments I and II and accompanying verification. This is being submitted electronically in accordance with GMCB Rule 4.103, and per usual practice we are also mailing to Donna three hard copies.

Very truly yours,



Spencer R. Knapp  
Sr. V.P. and General Counsel

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: University of Vermont Medical Center            )  
Inpatient Bed Replacement Project                    )  
  )  
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GMCB-021-14con

MOTION TO MODIFY ORDER

Pursuant to 18 V.S.A. §9444 and GMCB Rule 4.600, the University of Vermont Medical Center (“UVM Medical Center”) hereby moves for approval of a non-material modification to the Statement of Decision and Order, dated July 1, 2015 (the “Order”), which granted a Certificate of Need for the Inpatient Bed Replacement Project described in the Order (the “Bed Project”). The modification to the Order would permit limited site work for the Bed Project to commence immediately in order to accommodate certain adjacent construction projects of the University of Vermont (“UVM”) and to avoid delays and increased costs to UVM. As grounds for this Motion, UVM Medical Center respectfully submits the following:

1. The Order provides that UVM Medical Center may not commence any construction, including Project-related site work, until it has complied with all of the conditions in the Order:

The Applicant Shall Not Commence Any Construction Activity, Including  
But Not Limited To Project Site Preparation and the Purchase and  
Acquisition of Construction Materials, Until It Has Demonstrated to the  
Board Compliance With Each of the Following Conditions. (Order, p.23)

Because of the time requirements in some of the conditions, site work for the Bed Project may not commence until late 2016 at the earliest, following the completion of UVM Medical Center’s 2016 fiscal year.

2. The prohibition on commencing site work will have serious adverse consequences for UVM, which relied upon UVM Medical Center to complete some limited site work related to the Bed Project during 2015 so that UVM could proceed with important projects of its own. As this issue was not raised during the hearing in this proceeding, it is likely the Board was unaware of these consequences for UVM and did not intend them.
3. Planning for the Bed Project was done collaboratively with UVM, as UVM has several nearby contemporaneous projects in process (the “UVM Projects”), including: the

demolition of three dormitories (now nearly complete); the construction of a new student housing complex to replace the demolished dormitories, scheduled to start in October 2015; improvements and upgrades to UVM's Central Chiller Plant, also scheduled to start in October 2015; and the construction of a Science, Technology, Engineering and Mathematics facility. All of the UVM Projects are adjacent to or in close proximity to the construction site for the Bed Project.

4. In a Real Estate Agreement, dated June 19, 2014, which is included in the record of this proceeding, UVM and the UVM Medical Center agreed "to collaborate with each other in good faith on construction planning and logistics" for these various projects.
5. Utilities serving both UVM Medical Center and UVM are currently located in the footprint of the proposed Inpatient Bed Building. These include electrical lines and services supplied by Burlington Electrical Department ("BED"), storm and sanitary sewer lines, and city-owned potable water supply lines. All of these utilities must be relocated and upgraded in order to accommodate the Bed Project and the UVM Projects.
6. To accomplish this, UVM Medical Center and UVM developed a coordinated plan for joint site work (the "Joint Site Work") in accordance with the Real Estate Agreement and in collaboration with the City of Burlington and BED. The purpose of the Joint Site Work plan is to minimize costs, coordinate resources, and minimize disruption.
7. UVM reasonably assumed that the UVM Medical Center's share of the Joint Site Work could be completed before the end of the fall construction season during 2015 and reasonably relied upon these assumptions. (*See* the Letter from Thomas Sullivan, UVM's President, attached as Attachment I.)
8. If UVM Medical Center's portion of the Joint Site Work is not done before winter 2015, construction of the UVM Projects will be delayed while alternative plans to relocate and upgrade utilities are developed. UVM estimates that this will result in substantial increased costs and cause considerable disruption. (*See* Attachment I). Even a slight delay in UVM's housing project "will likely result in the loss of 700 undergraduate beds for an entire year," and an alternative plan for electrical service to UVM's Chiller Plant would require excavation across Burlington's Main Street, the primary access route to the downtown, with enormous impacts on City traffic circulation.
9. These increased costs and delays can be avoided entirely, if UVM Medical Center does the limited scope of site work described in Attachment II (the "Limited Site Work") prior to the end of 2015. The Limited Site Work is a portion of the site work approved in the

Order and is the minimum site work necessary to allow the UVM Projects to proceed as planned.

10. To complete the Limited Site Work during 2015, it is necessary to begin this work by August 15.
11. The total cost of the Limited Site Work is \$5,935,094, as reflected in Attachment II. The scope and cost of all of the Limited Site Work is included in the site work budget for the Bed Project and is approved as part of the Order. None of these costs are "new" costs to the project.
12. The requested modification to the Order does not involve any material change to the Certificate of Need for the approved Bed Project (GMCB Rule 4.600(2)), and is within the Board's broad statutory authority to administer the CON program and modify CON orders, 18 V.S.A. §9433(a), and to review changes to an approved project. 18 V.S.A. §9444(b)(2); GMCB Rule 4.600.

For all of these reasons, the UVM Medical Center respectfully requests that this Motion be granted administratively without the need for further hearings.

Dated at Burlington this 24th day of July, 2015.

THE UNIVERSITY OF VERMONT MEDICAL CENTER

By: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Spencer R. Knapp", is written over a horizontal line. The signature is stylized and cursive.

Spencer R. Knapp  
Sr. Vice President and General Counsel

## ATTACHMENT 1



The University of Vermont

**E. Thomas Sullivan**

*President*

July 23, 2015

Alfred Gobeille, Chair  
Green Mountain Care Board of Vermont  
Montpelier, Vermont

Dear Chairman Gobeille:

I am writing to describe the impacts on two University of Vermont projects due to the delay in the UVM Medical Center Project.

UVM and the University of Vermont Medical Center have been working in collaboration over the past eighteen months to develop a logistics plan for our major capital projects that will promote the most efficient use of resources. Our joint planning effort has been successful particularly in implementing utility infrastructure designs that complement each institution's requirement for electrical, storm water, water and sanitary sewer services. The staff of both institutions have been meeting regularly to coordinate these major investments and logistics, as well as attending one another's regulatory hearings to support their respective projects.

The recent ruling by the Green Mountain Care Board which delays the construction process for the Inpatient Building also delays the infrastructure improvements that unfortunately will adversely impact two major capital project initiatives underway at the University of Vermont. The First Year Student Housing and Dining project and the Chilled Water Plant Expansion project are both in the latter stages of design and scheduled for construction starts in the October/November period of this year. Infrastructure improvements which were originally scheduled for this summer for the Inpatient Building were designed also to accommodate the needs for both of the University's projects. The delay in these improvements will have significant negative financial and schedule impacts to both projects. Alternatives will have to be developed to service our projects, and preliminary estimates reveal the additional costs will minimally exceed \$3.0 million. Moreover, even a minor delay in our student housing project construction schedule likely will result in the loss of 700 undergraduate beds for an entire year, further impacting the already tight housing market in the area, with substantial financial implications.

The University strongly supports the Medical Center's attempt to complete its infrastructure improvements on the schedule that was originally planned in order to avoid the increased costs and schedule delays that will result with our impacted projects. The University and Medical Center worked for months to determine the most advantageous solutions to address their program needs, and we are concerned that any alternative solutions implemented by the University in the short term would need to undergo costly reconstruction in the future to fully realize the value of the design of the original plan.

### OFFICE OF THE PRESIDENT

349 Waterman Building  
85 South Prospect Street, Burlington, VT 05405  
(802) 656-7878 • thomas.sullivan@uvm.edu

Equal Opportunity/Affirmative Action Employer

I have asked Tom Gustafson, UVM Vice President of University Relations and Administration to be available at your convenience to address any questions you may have with respect to these issues. It is very important that the Medical Center be approved to complete this site work to implement effectively the infrastructure components associated with the University's long planned project needs.

The University and the Medical Center have worked together closely and cooperatively on this plan, with a strong commitment to applying our assets effectively, minimizing disruption for local residents and visitors, and furthering the success of both of our institutions. Delays in infrastructure preparation work will have significant negative consequences for both institutions.

Thank you for your consideration.

Respectfully,

A handwritten signature in cursive script that reads "Tom Sullivan".

Tom Sullivan

**ATTACHMENT II  
LIMITED SITE WORK**

The majority of the site work will be confined to UVM property and will include only the work that is necessary to support the utility needs of UVM's adjacent construction projects. The work will include the installation and relocation of underground utility lines (Burlington Electric Department power lines, storm water lines, sanitary sewer lines, and water lines) along the south side of the Emergency Department access road from the intersection of Hospital Drive and Mary Fletcher Drive, south through the Converse parking lot and continuing to the Given building. The work will also involve upgrading the hospital's electrical service from the Centennial field substation to the electrical service switchgear, which is adjacent to the McClure Garage. Upgrading the Centennial field substation is necessary to provide additional capacity to support both the Inpatient Bed Project and the expansion of UVM's Central Chiller Plant.

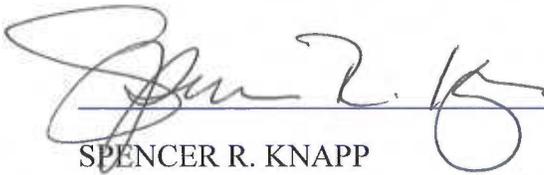
Performing the modifications to the underground utilities requires significant excavation of utility lines in multiple areas on UVM's campus. In order to do the excavation, we will need to construct a temporary access road, with accompanying pedestrian access and lighting. The temporary access road will serve construction vehicles to ensure that the utility work does not disrupt access to the Emergency Department, and it will be used by UVM students to access UVM buildings. The parking lot supporting Converse Residence Hall will also be excavated for the utility work, and then re-paved upon completion. The above-described site work could commence as early as mid-August 2015 (if the request to perform this work is approved), and would be completed by mid-November 2015.

The site work to be performed by Whiting-Turner Contracting Company will be subject to a "Guaranteed Maximum Price" (GMP) contract in the amount shown below based on design documents at 100% Construction Document level. Other costs of the work are itemized below and include: (a) costs to Burlington Electric Department, based on estimates provided by BED; (b) zoning permit fees; (c) costs of testing and inspection services; (d) costs of construction administration services by architects and engineers; and (e) an owner's contingency of 12 percent to cover remediation of any hidden conditions that may be discovered during the site work. All of these items, both scope of work and cost, were included in the overall CON budget submitted with the CON application. These are not new expenses to the project. A complete breakdown of expenses for this work follows directly below.

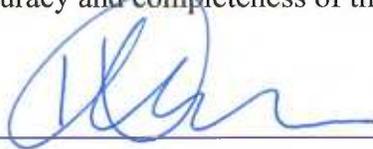
Whiting Turner GMP for Site Work	\$ 2,607,000
Burlington Electric	\$ 2,082,191
Zoning Permit	\$ 520,000
Testing and Inspections	\$ 25,000
Construction Administration	\$ 40,000
Misc. Way Finding Allowance	\$ 25,000
<u>UVM-MC "Owner's Contingency"</u>	<u>\$ 635,903</u>
<b>Total</b>	<b><u>\$ 5,935,094</u></b>



verification as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

  
\_\_\_\_\_  
SPENCER R. KNAPP

On July 24, 2015, SPENCER R. KNAPP, Esq., appeared before me and swore to the truth, accuracy and completeness of the foregoing.

  
\_\_\_\_\_

Notary public

My commission expires on 2-10-2019

