

**REQUEST FOR PROPOSALS (RFP)**  
**For A Qualified Design/Build Contractor to Construct a New Power Plant**  
**At Claxton Hepburn Medical Center**

**INTRODUCTION TO THE RFP:** The Claxton Hepburn Medical Center in Ogdensburg, NY is seeking a qualified Design/Build contractor to build a replacement power plant for the Hospital. The new power plant will be built on land owned by the Hospital while the existing plant continues to be operated by the Hospital to provide the Hospital's thermal energy requirements. This RFP outlines the basic requirements for the new plant, including the requirement to include an alternative fuel (biomass) boiler as part of the new plant. This RFP outlines information that must be included in the RFP that will assist the selection committee in selecting the best qualified candidate based on their technical capabilities and other criteria that will provide the best value to the Hospital.

Claxton Hepburn Medical Center "Hospital" is seeking Professional services required for the design, construction, start-up, and commissioning of a power plant at the Claxton Hepburn Medical Center in Ogdensburg, NY. Professional services will include architectural design, mechanical and electrical engineering design, value engineering, construction documents, budgeting, scheduling, estimating, bidding, project coordination and all other design and construction disciplines which are necessary for the complete and proper design and construction of the new power plant and to integrate the new power plant into the Hospital's existing thermal energy systems. Firms "Respondent" or "Respondents" may opt to joint venture with other qualified firms in order to provide all necessary services. Professional qualifications must be demonstrated for all participants of the Design-Build team (Firm).

Proposals will be evaluated based on the approach and detail of presentation of technical strategies proposed for meeting the Hospital's energy and operational objectives. The proposal should include descriptions of proposed plant design and operations. Design, operation and selection of equipment for the new plant will be evaluated in light of their maintenance requirements, durability, measure life, and persistence of savings. Proposals will be evaluated on their ability to incorporate Hospital objectives, such as maximizing use of biomass as a strategy to reduce energy costs and reduce greenhouse gases. The Hospital intends to own and operate the plant (either immediately or at some time in the near future) at which time the Hospital will provide its own staff to operate the plant. Consideration will be given to firms who provide a design that will minimize operational costs as well as the technical capability of the personnel needed to run the plant.

Consideration will also be given to proposals that provide financing options to the Hospital. The Hospital is seeking a firm fixed price for a design/build contract and also requests that Respondents provide a Design/Build/Own/ Operate/ and Transfer pricing option. Respondents should outline how they would require the contractual arrangements be structured for this project.

During the final selection process, chosen respondents will be invited to explain the approach their firm(s) will take in delivering the comprehensive technical services required to design, build, operate and maintain the proposed power plant. The evaluation process calls for a proposal which includes identifying and evaluating potential design concerns and cost reduction opportunities of the plant layout and construction.

The limitations imposed by the detail data available, in conjunction with limited time for on-site investigations and data collection, makes it imperative that each proposer clearly discuss and present their assumptions used in developing their pricing. These assumptions, the clarity of presentation, and reasonableness, will be considered within the evaluation process.

The Project budget is expected to be between \$3.5M and \$4.5M, but cannot be further defined at this point in time. The new power plant is being funded by Hospital capital; however the Hospital may choose to defer ownership of the plant for a period of time and agree to pay the selected Respondent an annual fee to supply thermal energy to the Hospital. Regardless of which option is selected, all hard and soft costs including permitting costs, contingencies, furnishings and equipment must be covered within the bid and or annual fees. The hospital will consider other ownership options as well.

**FOR ADDITIONAL INFORMATION CONTACT:**

William Nelson  
Director of Facilities Management  
Claxton Hepburn Medical Center  
214 King Street  
Ogdensburg, NY 13669  
(315) 713-5043; email: wnelson@chmed.org

**BID INFORMATION:** Claxton Hepburn Medical Center requests that Respondents submit a proposal to provide a new power plant in accordance with the details of this RFP. A Pre-Proposal meeting will be held at 11:00a.m. on October 27, 2011 at the CHMC Board Room 214 King Street Ogdensburg, NY 13669. All Respondents are encouraged to attend the Pre-Proposal meeting.

Sealed proposals in quadruplicate (one original and three copies) will be received until December 12, 2011 at 2:00pm. Electronic proposals, such as proposals submitted by e-mail are not acceptable. All responses shall have an original signature of a person who is an authorized representative of the Respondent firm and must be sent to William D. Nelson at the above address.

Late proposals: Proposals received after the date and time stipulated will not be considered for award and will be returned to sender unopened.

Requests for Information (RFI's) and/or questions regarding this RFP shall be submitted to William Nelson, Director of Facilities Management at wnelson@chmed.org. RFI's shall be in writing and submitted no later than November 11, 2011. Copies of all RFI's will be distributed to all Respondents with the written answer to the RFI's. RFI's may be

submitted by e-mail to [wnelson@chmed.org](mailto:wnelson@chmed.org) and [rhandley@nycap.rr.com](mailto:rhandley@nycap.rr.com) but shall be written in Microsoft Word format. All answers from the Hospital to the RFI's shall be distributed no later than November 25, 2011.

**OVERVIEW AND OBJECTIVES OF THE PROJECT:** Claxton Hepburn Medical Center is a group of interconnected buildings, its oldest portion was constructed in 1918 and the hospital has been modified and expanded around the original structure. Today the hospital is 245,329 square feet in 5 wings, the tallest 4 stories, plus basement. The hospital is open 24 hours a day, 7 days-a-week and is staffed by 850 employees. The Hospital houses Emergency Services (ER), Operating Rooms (OR), XRAY, MRI, CT, Laboratory, Critical Care unit, Mental Health Unit, kitchen and cafeteria, and administrative offices.

The Claxton Hepburn Medical Center has identified a need to replace its current power plant. The current power plant was constructed over 80 years ago and has structural issues that need to be addressed. The hospital's current capital master plan calls for expansion and the creation of a new hospital configuration; a new hospital main lobby would be created where the current power plant is located. The power plant houses three steam boilers. The boilers are operational and well maintained but exceed the recommended useful life for a boiler of this type, which is considered to be approximately 25 years. The age of two of these boilers is 50 years, and the other is 36 years old. Current boiler capacity is sufficient to meet the hospital's steam requirements, however there may not be sufficient capacity to meet future expansion, or may not be sufficient capacity to meet load in the event of a failure of one of the current boilers. The hospital is interested in exploring grants and all financing options for a new power plant.

The purpose of this RFP is to solicit, review, and select the best technical and economic option for a new power plant and to select a qualified design/build contractor who will assume full responsibility for the design and construction the new power plant for the Hospital. The Hospital has identified two key areas where it seeks options from the Respondent. The RFP requests that the Respondents provide a firm fixed price for a new power plant that has only dual fuel (oil/gas) boilers and a second option which includes dual fuel fossil energy and renewable biomass boilers. The Hospital also requests that Respondent provide two finance options for the Hospital; Design/Build, and Design/Build/Own/ Operate and Transfer. Ultimately the objective of the project is to provide a reliable, energy efficient, cost-effective system to meet the existing and future steam and hot water and associated system requirements of the Hospital and/or Hospital campus in whole or in part based on the following criteria:

- The new power plant would replace the Hospital's existing power plant and supply steam and hot water to the Hospital. The new power plant would be built on property owned by the Hospital.
- The Hospital believes that there are substantial benefits in energy savings, maintenance savings, enhanced reliability and flexibility with a new power plant. The

Hospital believes that the benefits to the Hospital may be enhanced if renewable biomass power is added as part of a new power plant.

- Irrespective of the type of power plant configuration that is recommended and selected by the Hospital, design, permitting, and construction should be typical for this size and type project requiring no extraordinary measures and can be carried out with minimal impact on the Hospital's operations.
- The Hospital believes that there are potential grants, loans, and tax incentives that the selected Respondent can take advantage of that can reduce the overall cost to finance a new power plant. Those savings would be passed on to the Hospital in the firm fixed price or reflected in the cost of purchased thermal energy and or the eventual cost to transfer ownership of the power plant to the Hospital.
- There may be a financial advantage to the Hospital to defer ownership of the new power plant and to enter into a short-term power purchase agreement with the Respondent.
- The means of providing steam and hot water to the buildings shall be by direct buried underground supply and return distribution piping. Respondents may offer other means of delivering these utilities to the Hospital buildings. The main distribution systems and piping shall be sized for current load and any expected increase in load as determined by Hospital based on expected future need.
- The power plant should be designed with capacity to allow for potential future expansion at the Hospital. The Respondent should provide a discussion of options to build the necessary capacity now, or allow for future expansion when it is required, and their selected approach.
- The Hospital requires redundant backup. Respondents must discuss how they will provide redundant back-up capacity to generate steam and hot water to meet the full design load of the Hospital. Existing Hospital equipment may be incorporated in the Respondents' design. The Respondents shall determine the size and arrangement of the redundant back-up systems.

### **New Power Plant Configuration**

The Hospital is requesting that the Respondent provide two configuration options for a new power plant. The Hospital believes that the combination of an alternative fuel biomass boiler will provide long-term benefit to the Hospital, but would like to compare the costs and benefits based on a firm fixed price response to this RFP. The Hospital believes that over the life of the new power plant, that locally sourced biomass fuels will remain a lower cost option vs. natural gas and oil. Biomass fuels will help to reduce the Hospital's net carbon emissions and create local jobs in the region. A preliminary analysis done for the hospital has shown that a combination of biomass and natural gas /oil fired boilers is the best option as a hedge against future higher energy costs. The Hospital requires that the respondent include an option that includes a renewable biomass fueled boiler as part of its proposal to design and build the new power plant.

### **Power Plant Configuration Approach Option A – Gas/Oil Boilers**

The Respondent should describe in its proposal its design for a new boiler plant that meets all the requirements of the RFP, but does not include an alternative biomass boiler. The Respondent should detail any long-term advantages to the Hospital such as use of

space, reduced maintenance, and expansion capability that are associated with this fossil energy only option.

#### Power Plant Configuration Approach Option B – Biomass/Gas/Oil Boilers

The Respondent should fully describe in its proposal the type, size, and expected use of the biomass boiler. The proposal must show how the biomass boiler will be integrated into the operation of the power plant and operate in tandem with natural gas/oil fired boilers. The Respondent must describe how the biomass boiler be used to maximize its efficiency. The proposal must indicate the portion of the natural gas use that will be displaced on an annual basis, how the biomass boiler will be integrated into and with the natural gas/oil fired boilers, fully describe the complete biomass system including the size and type of the storage, annual maintenance cost, expected labor hours dedicated for the biomass boiler operation, ash handling and disposal options, biomass fuel procurement, and type of biomass fuel recommended / required.

#### **Financing the New Power Plant**

The Hospital is requesting that respondents provide two payment options.

Option A: Design/Build; Option B: Design/Build/Own/Operate and Transfer. The Hospital's goal is to select a qualified Design/Build contractor and start construction of the new power plant in 2012. However, it may be to the Hospital's advantage to defer full payment for the new power plant or to defer ownership and operation of the plant due to several factors. The Hospital is requesting that the respondent provide two cost proposals to the Hospital so that the Hospital can compare these options based on financial, ownership, and operation criteria. This approach allows for the prompt selection of a qualified Design/Build contractor, entering into a contract, and construction.

#### Cost Proposal Required Option A – Design/Build

The respondent should provide a firm fixed price for the design and construction of a new power plant to provide thermal energy to the hospital. Cost proposals must include an evaluation of any federal and/or state incentive grants or tax credits that could be used by the Hospital to lower the overall cost of the project. Cost proposals must be based on the full life-cycle of the plant. The Respondent should include an estimated 25 year cost for fuel, maintenance, labor, and equipment replacement costs.

#### Cost Proposal Requested Option B – Design/Build/Own/ Operate/Transfer

The Hospital may choose to defer to make full payment and take immediate ownership or even operation of the plant. Under a D/B/O/O/T agreement, the Hospital would agree to make payments to the Respondent that would cover its costs of ownership, and to operate the plant, and to provide thermal energy to the hospital. The Respondent is requested to provide a firm fixed annual cost to cover the Respondent's costs and reasonable profit to operate the plant. The cost proposal should also provide a firm full cost to transfer ownership to the Hospital (pay off the plant) at the end of one year and for each succeeding year through year 5 of operation. The Option B proposal should include the

impact of ownership by the Respondent (local tax payments if applicable) and any federal tax benefit derived by the Respondent, and passed along to the Hospital, such as renewable energy tax credits or accelerated depreciation of equipment.

**RFP CONTENT (MINIMUM REQUIREMENTS):** Each Respondent shall submit the following as a minimum:

Information on key individuals:

Past Experience of key individuals including specialized experience in the procurement and installation of power plant boilers such as this requirement will entail. Include biographical data of all key project personnel to include the following:

- Name of individual
- Company position title
- Years with the company
- Work experience with industrial boiler projects that were of a similar nature

Expected Schedule:

Show the proposed schedule to construct following award of the contract. The proposed schedule will be evaluated as to how well it meets the objectives of the project.

Past Performance:

Provide at least 3 references from clients that the Respondent team has completed in the last 5 years for similar projects and construction conditions. Referenced projects should preferably have dealt with the situation where adjacent facilities were required to be protected and all services maintained to keep the remaining building occupants in operation.

In describing project construction experience, provide the following information:

- Project location and brief description including the building use and contracting method (design/build, design/build/own/operate, etc.)
- Project owner, contact name and telephone number of owner's contract person.
- Project Design Architect and Engineers and names and telephone number of contact person(s). Note each firm and employee also proposed for this solicitation.
- Project prime contractor and major subcontractors and name and telephone number of contact person(s). Note each firm and managing persons also proposed for this solicitation.
- Project statistics including start and completion dates (original vs. actual) for construction; cost (with brief explanation of what is included in the cost), square footage, foundation type, number of levels, and any awards received.

Project Description and Assurances:

- Each Respondent must demonstrate that it can maintain quality assurance and quality control construction practices. Each Respondent will be required to post a performance bond for the project.

- Demonstrate successful public safety management, as well as successful industrial boiler replacement safety management and practices on past projects.
- Demonstrate that the Respondent will allow for continued and proper functioning of the existing Hospital buildings and operations during construction and transfer from the current power plant to the new power plant.
- Include a plan to manage hospital pedestrians, vehicular traffic, and service/supply vehicles during the construction of the structure.
- Financing Option B will require that the Respondent has the financial resources to complete that project and to own and operate the new power plant until the Hospital takes ownership. The Respondent must provide financial information to demonstrate its ability to undertake and complete the project.
- Schematic Drawings of the Respondent's intended power plant configuration and explanation of the Respondent's intended design, construction, and operation of the plant.
- Explanation of the Respondent's intended means of measuring and verifying the use of steam and hot water by the Hospital.
- Any issues, suggestions, or concerns the Respondent has in relation to any aspect of this RFP. Respondents must be clear, concise, and detailed when describing any issue, suggestion, or concern. Any issue, suggestion, or concern submitted by a Respondent can improve, reduce, or not affect the Respondent's submission.

**EVALUATION PROCESS:** The submission of each Respondent shall be evaluated by a group of individuals selected by the Hospital. Each submission shall be evaluated to identify the technical qualification of the Respondents, the approach, and overall value to the Hospital including cost and other factors.

- Professional backgrounds of the proposed project team personnel.
- Demonstration of ability to identify incentive funds
- Proposed management Plan and Team organization
- Previous experience of proposed project team
- The proposed management approach presented for this project
- Cost control and estimating effectiveness.
- Schedule control
- Proposed cost of services including providing a life-cycle estimate for the plant

**FINANCIAL INFORMATION:** For the purposes of this RFP, the Respondents shall use the following financial information as the basis of their proposals and for the development of a contract between the Hospital and the Selected Respondent:

- Tax Exempt Status: The Owner is 501 (c) 3 tax exempt. The Hospital will provide the Selected Respondent with all necessary documentation for tax exemptions for the Project.

- Interest rate charged to the Respondent to borrow money from lenders for the Project shall be the responsibility of the Respondents, who shall determine and state the Respondents' interest rate in their proposal.
- The amount the Hospital will charge the Selected Respondent for its access to, ownership of, easement for, use, maintenance, and repair of any land and/or equipment indicated in this RFP shall be one US dollar (\$1.00).