



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

August 24, 2012

W. Stan Taylor, Vice President, Corporate Planning  
WakeMed  
3000 New Bern Ave  
Raleigh NC 27610

RE: Exempt from Review / WakeMed / Replacement and expansion of the central energy plant at  
WakeMed North Healthplex / Wake County  
FID #: 990974

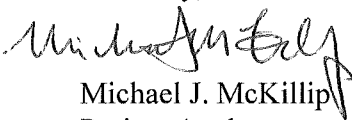
Dear Mr. Taylor:


In response to your letter of August 1, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(4). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need. However, you may need to contact the Construction Section of the Division of Health Service Regulation to determine if they have any special requirements for the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

  
Michael J. McKillip  
Project Analyst

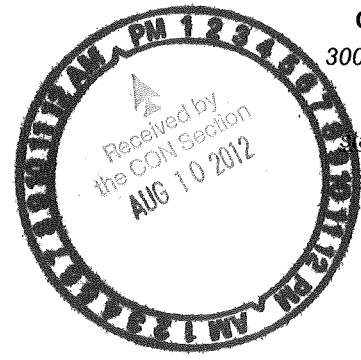
  
Craig R. Smith, Chief  
Certificate of Need Section

cc: Construction Section, DHSR



Mike

990274



Corporate Planning  
3000 New Bern Avenue  
Raleigh, NC 27610  
(919) 350 8108  
taylor@wakemed.org

August 1, 2012

Michael McKillip, Project Analyst  
Certificate of Need Section  
Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, NC 27699-2704

Re: Exemption from Review Notice for Replacement and Expansion to Central Energy Plant at WakeMed North HealthPlex

Dear Mr. McKillip:

Pursuant to North Carolina General Statute §131E-184(a), this letter is to inform you of WakeMed's plans to replace and expand the central energy plant at its WakeMed North HealthPlex facility.

The WakeMed North HealthPlex was operationalized in 2002 with an initial vision as a medical office building and ambulatory surgery center complex. WakeMed added a 12-bed stand-alone Emergency Department in 2004 whereby the clinical services offered went from a "predictable" Monday-Friday 8a-5p operation to an unpredictable service level available 24 hours/day, 365 days/year. Since the introduction of emergency medicine at this site, patient visits have grown to over 68,000 patient encounters on an annual basis. In addition, this facility also became integral to overall disaster preparedness/response plan co-managed by the State of North Carolina and Wake County.

Heightened operational expectations during disaster situations and changes in regulatory requirements since the original central energy plant was built have necessitated this replacement and expansion. The current utilities infrastructure is insufficient to provide the necessary redundancy from a medical gas, chilled water, and emergency power perspective. The Division of Health Service Regulation Construction Section now expects that all critical operating systems be on emergency power (including environmental systems) and that the utility infrastructure be equipped to provide "N+1" redundancy. The "N+1" requirement effectively provides that the facility can function normally and without interruption even with the loss of a key piece of utility equipment.

In addition, the recently adopted 2012 NC Energy Code requires health care facilities to sustain operations for a period of 96 hours in the event of a natural or man-made disaster. This regulation is pending with CMS and has been acknowledged by The Joint Commission and

DHSR Construction Section as an item of interest and preferred compliance. The planned replacement central energy plant has been sized and equipped to comply with this requirement.

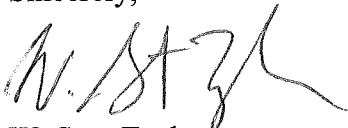
The replacement central energy plant will allow for the installation/energizing of key utilities off-line, thus minimizing the disruption and interruption of the services currently rendered at WakeMed North HealthPlex in the event of an equipment failure or other emergency. The 10,000 square foot free-standing central energy plant will include an underground duct bank connecting it with the existing facility. Key components of the proposed central energy plant include three 400 ton water cooled chillers with matching cooling towers, two 2.0 megawatt emergency generators, medical gas systems, an oxygen yard, underground #2 fuel oil storage tanks and distribution piping to interconnect with the existing building. We will re-use secondary equipment such as air handling units, pump sets, distribution gear, etc to the greatest extent possible.

The estimated cost of the project is \$12.4 million. We expect to begin construction later in 2012. Attached for your review are copies of the site plan and the certified cost estimate.

This project is required to support the existing services at WakeMed North HealthPlex and to comply with state licensure and state, federal and local safety codes and regulations. Therefore, the project is exempt from certificate of need review pursuant to North Carolina General Statute §§ 131E-184(a)(1), (1a), and (4). Based on the information in this letter and the attached documentation, we look forward to receiving your letter confirming that this project is exempt from CON review.

Thank you for your attention to this matter. If you have any questions or require additional information, please do not hesitate to contact me at (919) 350-8108.

Sincerely,



W. Stan Taylor  
Vice President Corporate Planning

**Central Energy Plant  
WakeMed North Healthplex**

**Phase II Project Cost Estimate  
June, 2012**

<b>Program Elements/ Functional Areas</b>	<b>New Construction GSF</b>	<b>Renovated Construction GSF</b>	<b>Estimated Unit Costs per GSF</b>	<b>Phase II Project Cost Estimate</b>
<b>Land</b>				
<b>Building Construction</b>				
<b>Building Core and Shell</b>				
Central Plant	10,000			included below
<b>Total Building Core and Shell</b>	<b>10,000</b>			<b>included below</b>
<b>Departmental Upfit</b>				
Central Plant	10,000		\$ 975.33	\$ 9,753,300
<b>Total Departmental Upfit</b>	<b>10,000</b>		<b>\$ 975.33</b>	<b>\$ 9,753,300</b>
<b>Total Building Construction Costs</b>				<b>\$ 9,753,300</b>
<b>Site Development</b>				
Sitework/Site Utilities				\$ 986,439
Paving/Parking/Hardscapes				Included
Landscaping				Included
Off-Site Transportation Improvements				Included
Ductbank Trenching				\$ 275,000
Tree Protection/Retention Pond/RCA				Included
<b>Total Site Development</b>				<b>\$ 1,261,439</b>
<b>Other Construction</b>				
<b>Total Other Construction Costs</b>				<b>\$ -</b>
<b>Project Fees/Related Costs</b>				
Architectural/Engineering Fees				\$ 894,000
Other Consulting Fees				\$ 5,000
Project Testing				\$ 50,000
Other (City of Raleigh Facility/Thoroughfare Fees, Acreage Fees, etc)				\$ 25,000
<b>Total Project Fees/Related Costs</b>				<b>\$ 974,000</b>
<b>Project Contingency</b>				
Construction Contingency				\$ 275,368
Scope Contingency				\$ -
<b>Total Project Contingency</b>				<b>\$ 275,368</b>
<b>TOTAL Construction Costs</b>				<b>\$ 12,264,107</b>
<b>Project Related Costs</b>				
IS/Telephone/CCTV/Security				\$ 25,000
Fixed/Moveable Equipment				Included
Food Service Equipment				N/A
Furniture/Fixtures				\$ 6,000
Artwork/Signage				\$ 1,000
<b>Total Project Related Costs</b>				<b>\$ 31,000</b>
<b>TOTAL Project Costs (2012 Dollars)</b>				<b>\$ 12,295,107</b>
Inflation (not Included)				\$ -
Bond Issuance Expense @ 1%				\$ 122,951
Capitalized Interest				n/a
<b>TOTAL PROJECT COSTS</b>				<b>\$ 12,418,059</b>



July 17, 2012

Central Energy Plant  
WakeMed North Healthplex  
10000 Falls of Neuse Road  
Raleigh, NC

P.O. Box 12697  
Research Triangle Park  
North Carolina 27708

T 919 460 6700  
F 919 460 6733  
[www.bbh-design.com](http://www.bbh-design.com)

**Re: Cost Certification**

This is to certify that I have reviewed the Construction Costs for the referenced project.

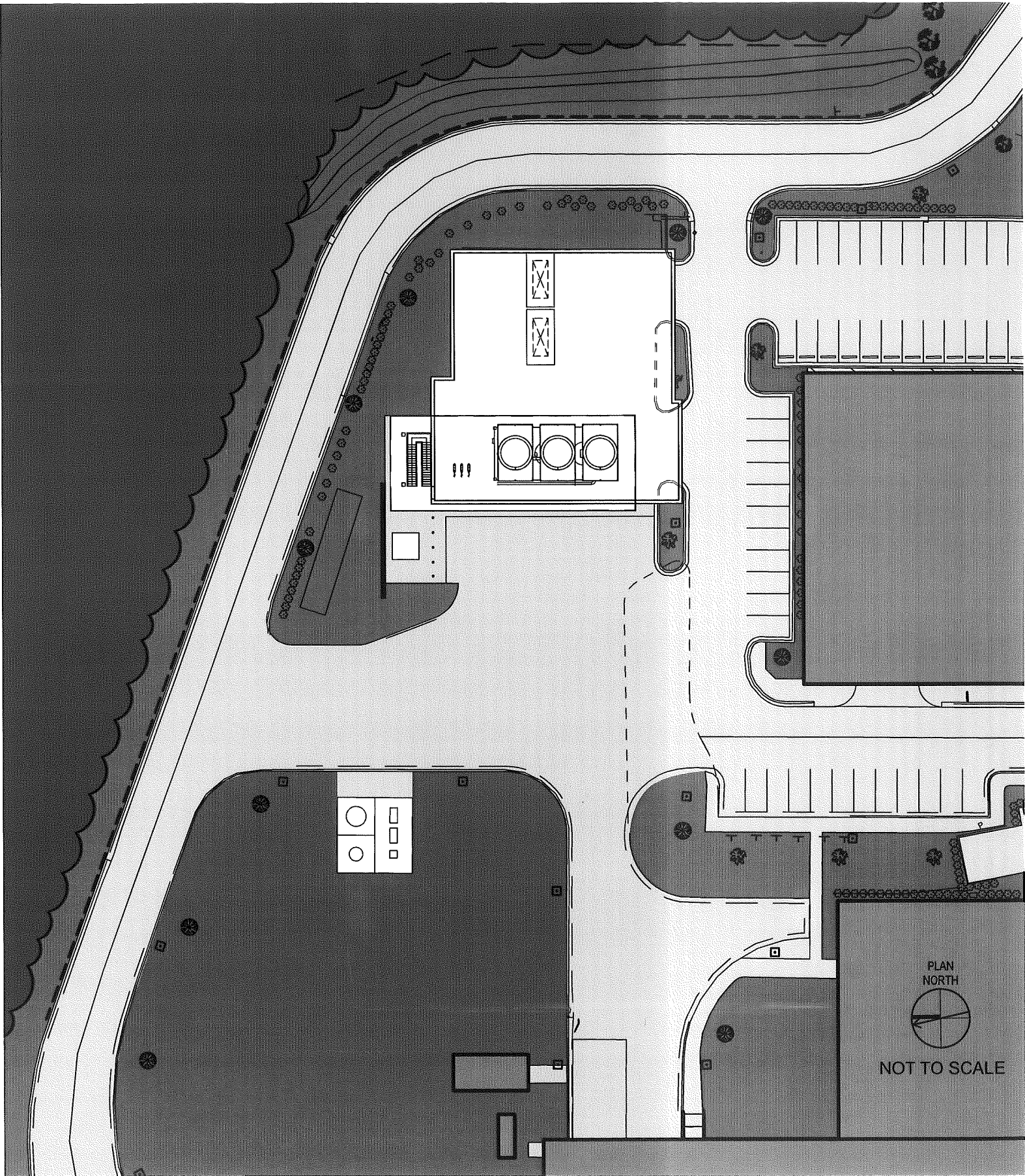
Based on my review and comparison of this project with similar projects, I believe the costs indicated are a reasonable estimate of the costs to be expected on a project of the scope as defined. The *Anticipated Construction Cost* of \$11,290,107 combined with the associated *Soft Costs* of \$1,127,952 create a **Total Project Budget for the WakeMed North Central Energy Plant project of \$12,418,059**. BBH Design, PLLC is willing to develop the drawings for this project under Contract with WakeMed.

BBH-Design, PLLC.

A handwritten signature in black ink, appearing to read 'Richard Beale'.

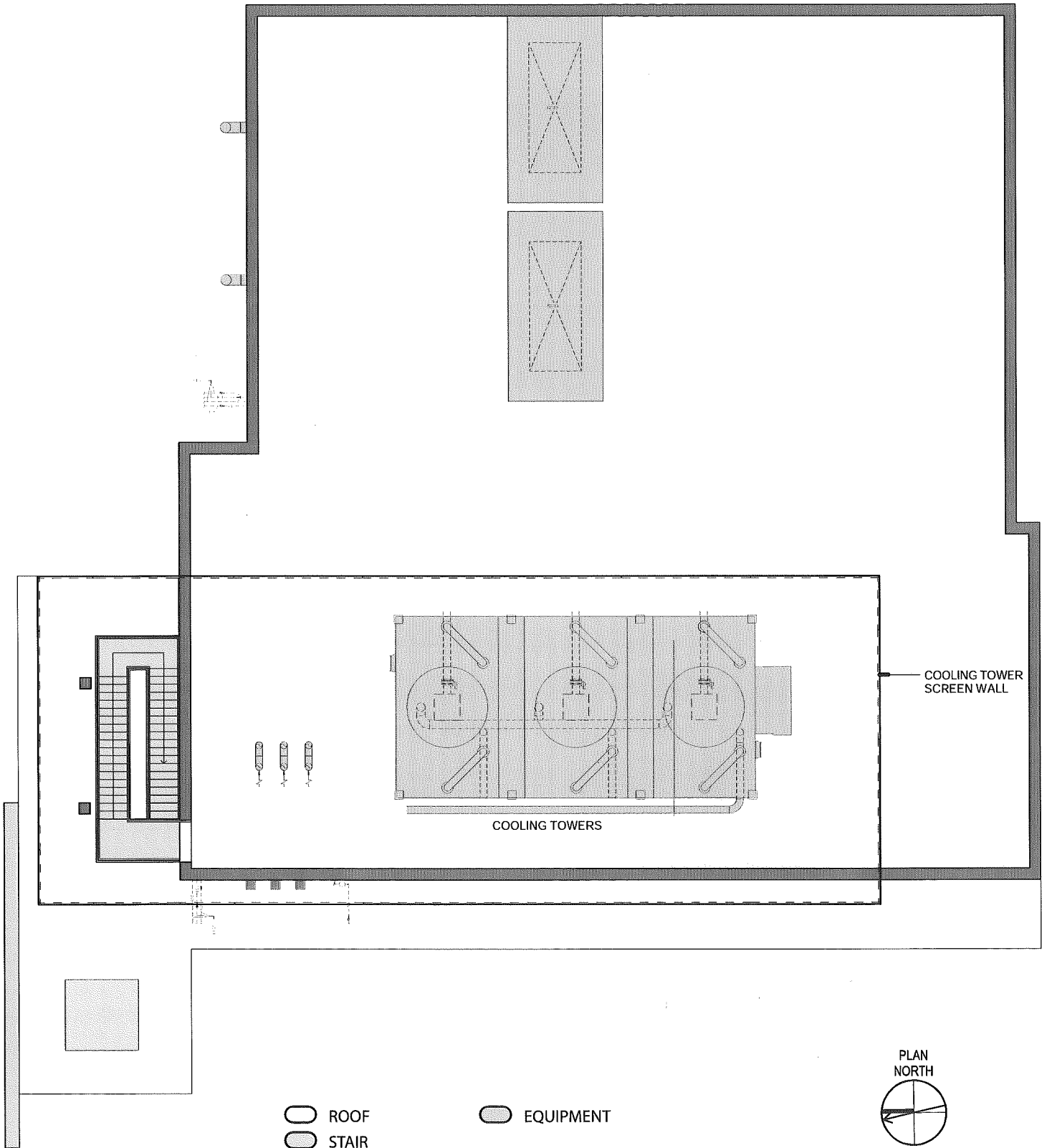
Richard Beale, AIA, ACHA  
Partner

\_\_\_\_\_, July 17, 2012 \_\_\_\_\_  
Date





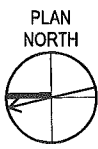




COOLING TOWER  
SCREEN WALL

COOLING TOWERS

- ROOF
- STAIR
- EQUIPMENT



NOT TO SCALE

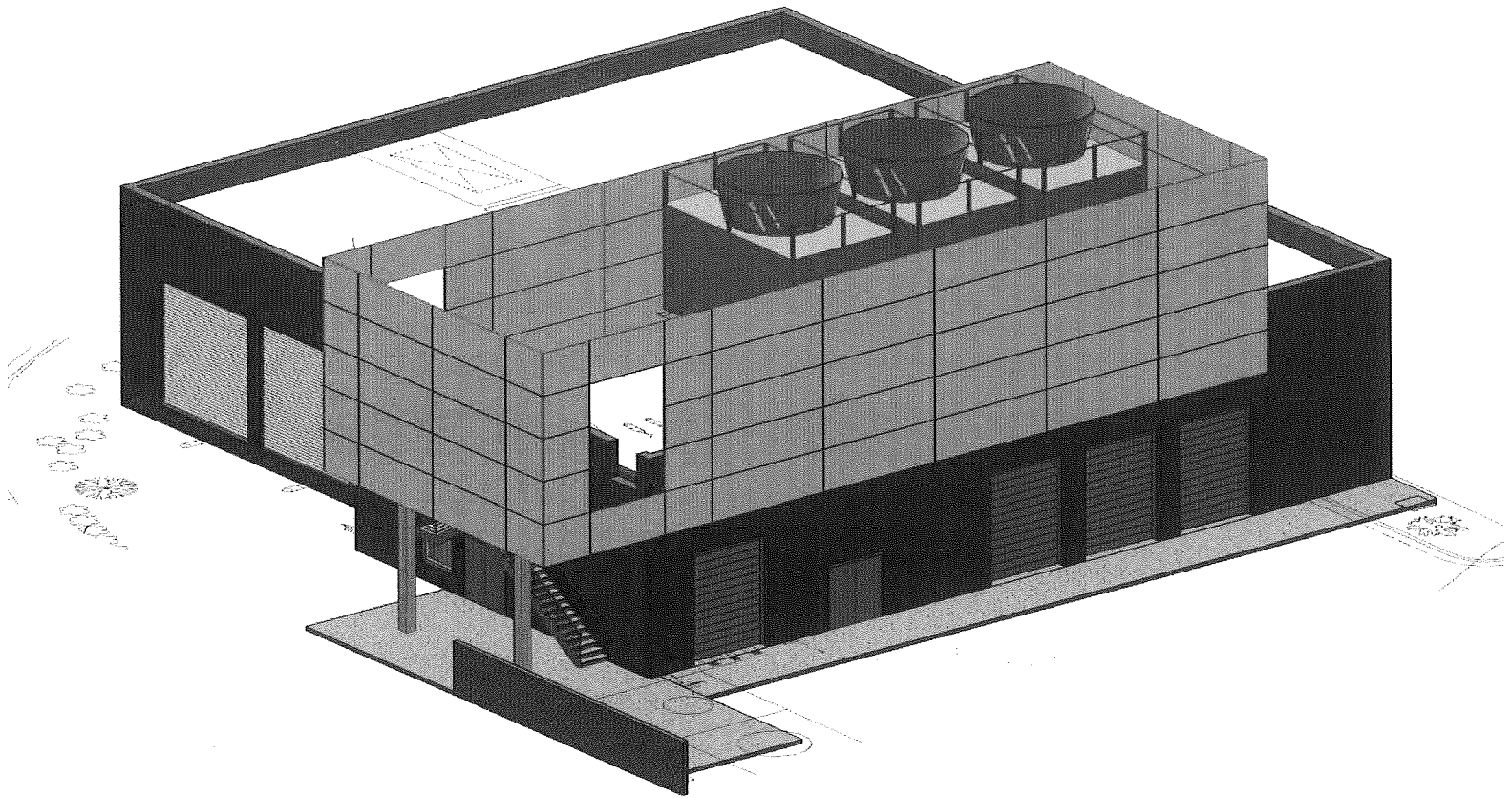
**BBH** DESIGN  
T.919.460.6700  
F.919.460.6733

**New CEP for  
WakeMed North Campus**

**ROOF LEVEL**  
JUNE 22, 2012







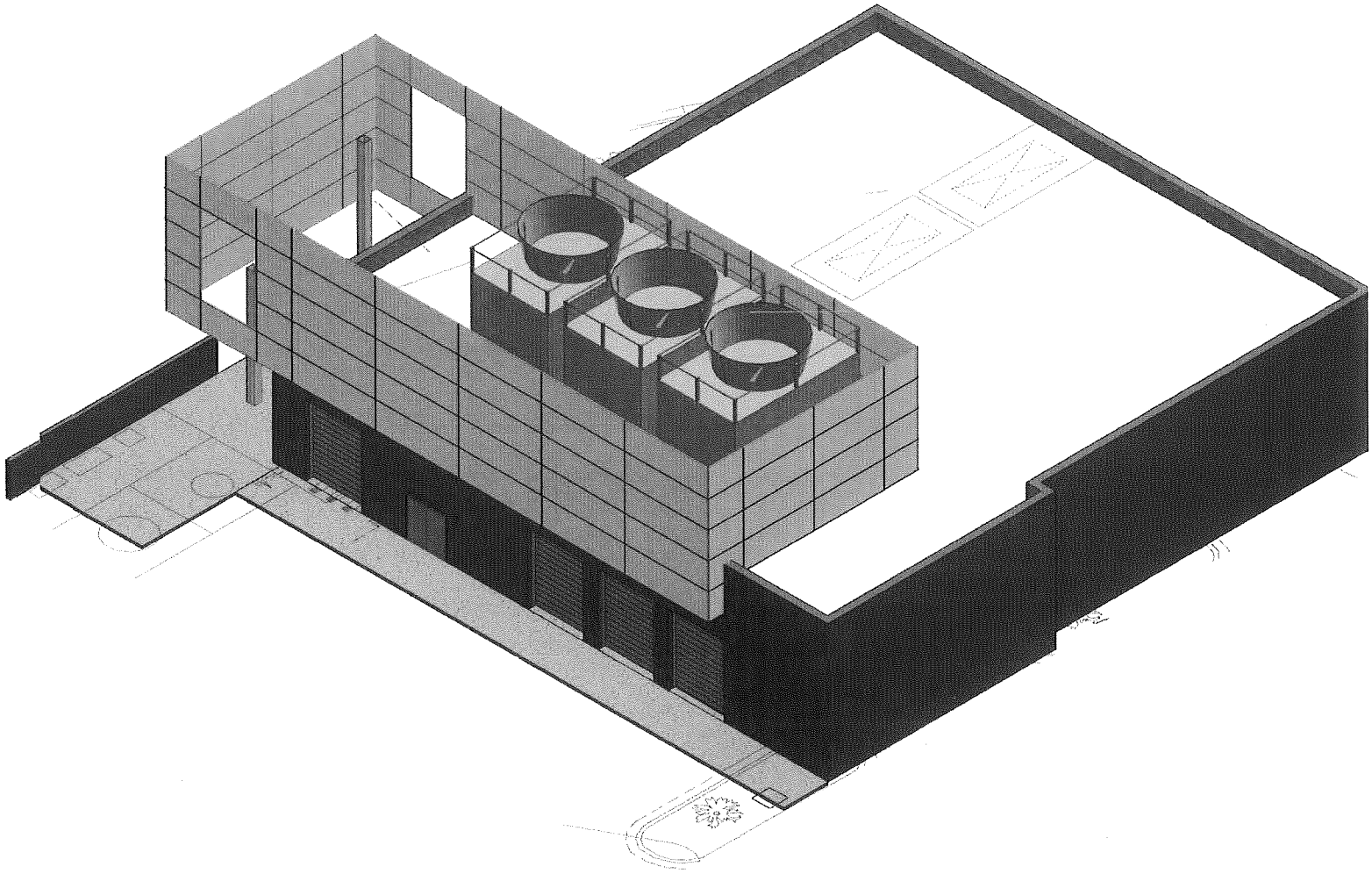
**BBH** DESIGN  
T.919.460.6700  
F.919.460.6733

New CEP for  
WakeMed North Campus

VIEW FROM NORTHWEST

JUNE 22, 2012

WakeMed 



**BBH** DESIGN  
T.919.460.6700  
F.919.460.6733

New CEP for  
WakeMed North Campus

VIEW FROM SOUTHWEST  
JUNE 22, 2012

WakeMed 



