

CITY OF BELLINGHAM

- POST POINT RESOURCE RECOVERY GC/CM PROJECT

1. Will the City pay an additional fee markup for self-performed work on top of the regular GC/CM fee? If yes, will this be set by the City or be included by the proposer in their RFFP?

No. As a contract requirement with the GC/CM, the cost of self-performed work will consist of raw labor (with fringe benefits cost included) and construction equipment costs. The GC/CM fee (overhead and profit markup) percentage will be allowed to be applied to the raw labor and construction equipment costs so that the fee is applied only once.

2. Will the City be dictating any scopes of work that must be self-performed by the Heavy Civil GC/CM firm?

The City does not intend to dictate the scope or required level of self-performed work, but rather collaborate with the selected GC/CM to determine which elements of the work should be self-performed to provide the overall value to the project and comply with RCW 39.10.908. As part of the GC/CM selection, the City intends to request that proposers provide information about the proposer's ability and experience to self-perform work. Based on previous experience, examples of self-performed work for this type of project consists of yard and mechanical piping installation, process equipment supply and installation, and concrete installation.

3. How will the City ensure fair competition and competitive pricing for sub packages in which the selected GC/CM firm will be competing against the market?

The City will include a contractual requirement that both the GC/CM and City will determine which work packages are allowed for bidding by the GC/CM. The scopes of work will be clearly defined and will not include conditions that dissuade potential bidders or provide the GC/CM an unfair advantage. The City will review the work package procurement documents for fairness prior to solicitation. A public opening of sealed bids will be conducted by City to ensure transparency and fairness.

4. How has public outreach of the anticipated substantial rate increases gone so far and what is the plan for future outreach? This substantial rate increase is very important to the budget, and it seems the budget is large for just rate increases. More detail of funding of the budget would be appreciated. Additionally, is contingency of about 4% adequate?

From the outset of the planning effort, the City engaged the public through a series of stakeholder meetings. Based on the project needs and benefits, the public conveyed support for the project. As cost information became available and initial rate impacts were determined, the team presented information to the public and City Council. The public and Council continue to support the project based on the benefits and an understanding that there isn't a "do nothing" alternative (i.e., the existing incinerator system needs to be replaced), so major capital project is forthcoming. It's a question of what solids stabilization technology is selected, not whether a major project is needed or not.

To get an early understanding of the rate impacts, the City directed the team to develop a planning level cost estimate to inform an initial rate study. This rate study was later updated to

also include an “affordability analysis” that compared sewer rate metrics and benchmarks across multiple Washington jurisdictions.

Based on the rate study and affordability analysis, the City anticipates the following funding package for the project:

- \$15M in cash reserves to fund engineering, Owner’s Advisor services, and GC/CM preconstruction services
- Water Infrastructure Finance and Innovation Act (WIFIA) low interest loan. In 2022, the City was invited to apply for a loan up to 49% of the project cost.
- Issue tax exempt municipal bonds
- Implement sewer rate increases
- Pursue other sources of grant funding for environmental/resource recovery projects. A grant funding specialist is on the project team to review appropriate funding options.

Estimator’s contingency ranged from 30-40% of total direct construction costs and is included under “Estimated project construction cost (including construction contingencies)”. The \$9 million listed in the table for “Contingencies” represents a 5% contingency for Owner’s Reserve for Change Orders (based on Estimated project construction cost plus sales tax).

5. What other outreach has been done to stakeholders, tribes, and environmental agencies that use the area proposed for the project, and/or have significant resources to protect? How have these concerns or impacts been incorporated? This seems like a high-risk aspect to the project.

In addition to the proactive outreach described above, the City has developed a project website (<https://engagebellingham.org/resource-recovery>) to facilitate stakeholder outreach during Covid. Through this effort and newsletters, the City has received public feedback on the project.

Letters were also sent to the Tribes on November 12, 2021. To date, no project comments have been received. Informal tribal outreach will continue to occur as applicable; formal outreach, including any required cultural resource mitigation or memorandum of agreement associated with the project will be developed as required per state and federal statutes.

The City currently occupies the entire Post Point Resource Recovery Plant site where the upgrades will occur. As part of improvements, upgrades to the public right of way along McKenzie Avenue will be required. In addition, we anticipate that there will be an “off-site” (within the Bellingham area, but not directly on the City’s Post Point property) component to the project. The City is currently assessing the possibility of partnering with a private entity to haul the biosolids from Post Point, further processing them to make the biosolids suitable for residential use, marketing the product, and delivering the product to its beneficial end use.

Through frequent and on-going discussions with Ecology, there is full support of the project from a regulatory standpoint. Per the Revised Code of Washington (RCW 70.95), Ecology discourages disposing of biosolids in the landfill and instead encourages pursuing maximum beneficial use. This project epitomizes these goals and is expected to reduce the City’s Sewer Utility CO₂ emissions by over 50 percent. Beyond local regulatory support, EPA has also

shown significant support for the project by inviting the City to apply for a loan up to 49% of the project costs through the highly competitive WIFIA program.

Through the outreach process, the City has specifically engaged with RESources (environmentally focused non-profit organization) and Sierra Club regarding their concerns about land application. As part of this discussion, the City has conducted additional wastewater testing and intends to pursue on-going PFAS source control measures as part of the Resource Recovery project to ensure a successful and sustainable Class A biosolids program.

6. More details of the Outreach to and enhancement of MWBE is needed.

The GC/CM contract will require that the GC/CM identify subcontractor packages that support MWBE participation, and that the GC/CM will be required to perform outreach to potential and interested MWBE firms. Accordingly, a Subcontractor Procurement Plan will describe the GC/CM's approach for both subcontractor market outreach along with targeted MWBE participation. The Plan will be submitted by the GC/CM to the City for review and approval. To further support the goal of MWBE participation, the City is seeking project funding through Federal programs (e.g., WIFIA, SRF) that will require the GC/CM to perform good faith efforts in both outreach and MWBE and disadvantaged business enterprise participation.

7. It seems Mike Thorsten and Shelley Smith have DB experience from their short bios, it would also been good to get a description of their GC/CM experience.

Mike served as the interim PM during the design phase of the City of Denver Board of Water Commissioners' [Denver Water's] Hillcrest Reservoir and Pump Station Replacement, a \$150M project that used GC/CM delivery. Shelby has not supported a GC/CM project yet, however her prior Owner's Advisor and design-build experience will be leveraged for the City's preferred GC/CM collaborative efforts.

The City has purposely engaged the Owner's Advisor's Panel from within the Brown and Caldwell Team (Tadd, Jason, Brian and Patrick) to lead the services associated with the GC/CM delivery. The OA Panel's expertise and oversight of the OA team are responsible for leading the GC/CM procurement and contractual coordination during the GC/CM's involvement during design and eventually construction.

8. Could you highlight Tadd's GC/CM experience more since only one line of his relevant experience was a WA state GC/CM.

Tadd was a design engineer for the City of Everett Water Pollution Control Facility GC/CM project. In this capacity, Tadd worked with the GC/CM contractor during the design process, including collaborating on design elements to facilitate preferred construction techniques.

Tadd was also the consultant PM for a CM/GC project in Idaho. In this role, Tadd also provided Owner's Advisor services, working with the City of Boise to establish the recommended project delivery approach and support the City's administering of the CM/GC process. Tadd worked closely with the GC/CM contractor during the design to refine the design approach to align with the contractor's preferred construction methodology. Tadd also supported the City in reviewing the GC/CM contractor's pricing.

As the OA Services Lead, Tadd will have direct access to key resources who have extensive Washington State GC/CM experience. Tadd will serve as the primary point person for the City

on Owner's Advisor matters and engage these GC/CM resources as appropriate for developing content, conducting reviews, and advising the City through the process.

These resources with Washington GC/CM experience include the following:

- Jason Garside (GC/CM Advisor): Jason has extensive GC/CM experience, including an advisor role for the Oak Harbor, WA GC/CM project.
- Brian Matson (Owner's Advisor QA/QC): Brian has significant Washington State GC/CM experience, including serving as PM for major GC/CM wastewater treatment plant projects for Bellingham (\$50M), Oak Harbor (\$120M), and Everett (\$25M). In this capacity, Brian worked closely with the Owner's Advisor teams, including reviewing procurement related documents.
- Susanna Leung (Design Project Manager): Susanna also has leadership roles on the Bellingham, Oak Harbor, and Everett projects. Through these partnerships with the GC/CM contractors, Susanna (and Brian) successfully completed these complex, Washington State GC/CM WWTP projects.
- Patrick Weber (QA and Support): Patrick was the Owner's Advisor for the Walla Walla, WA Mill Creek Water Treatment Plant GC/CM project.

Coupling these Washington State GC/CM experiences, including direct experience on Bellingham's 2012 GC/CM liquid stream project, with intimate knowledge of the City's goals for this Resource Recovery project, will provide the City with a highly-qualified and strong team to successfully implement GC/CM.