

State of Washington
Capital Projects Advisory Review Board (CPARB)
PROJECT REVIEW COMMITTEE (PRC)

SUPPLEMENT B

**ALTERNATIVE SUBCONTRACTOR SELECTION APPLICATION
FOR PRC APPROVAL**

To use the General Contractor/Construction Manager (GC/CM) Alternative Subcontractor Selection per RCW 39.10.385 as approved by the Legislature in the spring of 2021.

Please submit one Supplement B form for each desired subcontractor/subcontract package.

These should be submitted together and will be evaluated at the same review date and time.

Identification of Applicant

- a) Legal name of Public Body (your organization): **Pierce County Public Transportation Benefit Area (Pierce Transit)**
- b) Address: **3701 96th Street SW, Lakewood, WA 98499-4431**
- c) Contact Person Name: **Heidi Soule** Title: **PMO Manager**
- d) Phone Number: **1.253.581.8025** E-mail: **hsoule@piercetransit.org**
- e) Name of Project: **Maintenance and Operations Base Infrastructure and Facilities Improvements – Maintenance Facility Building and Subsequent Phases**
- f) Original date PRC approved project for GC/CM: **November 29, 2018**
- g) Subcontractor/Subcontract Package desired for Alternative Selection: **Maintenance & Specialty Equipment**
- h) Subcontract Value: **\$24,000,000 (ROM)**

1. Public Benefit –

Request and Background

The application is submitted to request the use of alternative subcontractor selection, pursuant to RCW 39.10.385, to procure the services of a Maintenance & Specialty Equipment subcontractor.

Please note that this project was approved to utilize GC/CM project delivery in November of 2018. The associated application identified that the project would be a multi-year, multi-phased project. Absher Construction was ultimately selected as the GC/CM for the project and has been working with Pierce Transit and Huitt-Zollars through design and construction of earlier phases of the project since 2019. Due to uncertainties of the preferences of the yet-to-be selected GC/CM and timing of funding, alternative contractor selection was undefined at the time of the initial application.

This application is for approval to utilize alternative subcontractor selection for the upcoming project phase, which will involve the design and construct the Maintenance Facility Building, and subsequent project phases. This and subsequent phases of work have been through a “concept design” process but have not yet begun Schematic Design. If approved, it is anticipated that the alternative subcontractor selection process will be completed and the subcontractor brought onboard the team well before the end of Schematic Design. This will allow the selected subcontractor partner to have collaborative and meaningful input and influence in the design of the project.

- a. What does your organization see as the benefits to the public of using alternative subcontractor selection and why is it appropriate vs low bid selection?

Bringing a Maintenance & Specialty Equipment subcontractor aboard early in design and as a collaborative project partner during the design and construction process will result in reduced risk of change orders due to errors, omissions and/or unclear scope in the construction documents. Additionally, their involvement is likely to offer the potential for betterment of the design, increased constructability, cost savings and/or a shorter construction duration which will ultimately benefit the public taxpayers who are funding the work.

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An additional benefit of having a subcontractor on the team prior to construction is that it allows us to respond to volatility in the construction market and the challenges in the supply chain. With a subcontractor involved during design, we can utilize them to analyze and provide recommendation on materials and/or equipment specific to their work that we might want to purchase/procure prior to construction in order to avoid market price increases and/or long lead times that could otherwise impact the project budget and/or schedule.

Utilizing the alternative subcontractor selection process for this project will allow us to select our subcontractor based primarily on qualifications and experience rather than solely basing the selection on the lowest priced responsive bid received. This will allow us to tailor our alternative subcontractor selection RFQ/RFP criteria and scoring to suit the specifics of this type of work and this project. This type of assurance of subcontractor qualifications and experience is just not possible in a "low bid" selection scenario, where selection is based solely on price.

- b. Please explain the process your organization will use to determine if alternative subcontractor selection is in the best interest of the public

Pierce Transit, Huitt Zollars, Parametrix and Absher Construction have been working together on prior phases of this project for a few years now. Based on experience during that time, and in consideration of the impact of unprecedented construction market price escalation/volatility and the ensuing potential impact on the project scope, schedule and budget, the team has come to the determination that it would be beneficial to utilize alternative subcontractor selection for this project moving forward.

This decision has not been made lightly. We've discussed and considered the pros and cons of alternative subcontractor delivery (Maintenance & Specialty Equipment) and have concluded that it's use would ultimately be beneficial to the success of our project. The upcoming phases of work will involve multiple phases of construction with a greater degree of coordination of construction in close proximity to operational facilities. After considering the challenges involved in implementing the plan, the team concluded that alternative subcontracting would be the best choice to coordinate and optimize construction while maintaining full operations. We've analyzed the remaining project scope and budget and have determined that the remaining value of Maintenance & Specialty Equipment subcontractor work on this project is anticipated to exceed the \$3M threshold identified within the criteria of RCW 39.10.385.

2. Public Body Engagement/Knowledge

- a. What role will your organization play in the selection process and the oversight of the GC/CM in the selection process?

Pierce Transit has a heavily vested interest in collaborating and working with the GC/CM to select highly qualified subcontractor project partners for this work. We will require that the GC/CM involve key Pierce Transit, design team and our GC/CM advisory consultant staff members in active roles during all aspects of the notification/hearing, solicitation and selection processes. In addition to the minimum statutory requirements (See response to 2.b below.) we will expect that those key staff members, supported by our GC/CM advisor Parametrix, will be involved in:

- The review/input on notifications and documents prior to public release;
- Attendance at public determination hearings;
- Development of qualification criteria for the RFQ and RFP;
- Review and scoring of SOQs and Proposals;

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- Negotiation of subcontractor costs and fees.
- b. Discuss your organization's understanding of the Public Body responsibilities contained in RCW 39.10.385, including the audit requirements.

Pierce Transit intends to take an engaged and active role in the alternative subcontractor selection process that will be led by Absher Construction. Although the RCWs outline a minimum level of involvement required by Pierce Transit, we anticipate that our role and level of involvement will exceed the statutory requirements.

Pierce Transit will be a partner to Absher Construction during alternative subcontractor selection, providing oversight, assistance and approvals along the way. There have been some recently adopted changes to RCW 39.10.385. In review of those revisions, we understand the specific responsibilities of the Pierce Transit during the alternative subcontractor selection process to include, but not be limited to:

- Authorize GC/CM to proceed with alternative subcontractor selection.
- Work with the GC/CM, determine that the use of alternative subcontractor selection is in the best interest of the public. The determination process would include:
 - Publication of a notice of intent to utilize alternative subcontractor selection.
 - Conducting a public hearing.
 - Consider comments and determine whether alternative subcontractor selection is in the best interest of the public.
 - Issue a final determination to all interested parties.
 - Receive and respond to written protests related to the determination.
- Serve on the committee that reviews Qualifications received and selects the most qualified subcontractors.
- Receive and respond to written protests related to the selection of the most qualified subcontractors.
- Review cost proposals received from the most qualified subcontractors and score/determine the selected firm.
- Review preconstruction service fees and contract terms received from the selected firm to determine that they are fair, reasonable and within the available budget.
- Approve the GC/CM to contract with the selected firm for Preconstruction Services.
- At the time of GMP negotiations, review the proposed maximum allowable subcontract costs.
- Provide agreement to and approval of the final maximum allowable subcontract costs.
- After completion of the subcontractor's work, pay for an independent third-party audit to determine the proper accrual of subcontract costs.

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SIGNATURE OF AUTHORIZED REPRESENTATIVE

In submitting this application, you, as the authorized representative of your organization, understand that: (1) the PRC may request additional information about your organization, its construction history, and the proposed project; and (2) your organization is required to submit the information requested by the PRC. You agree to submit this information in a timely manner and understand that failure to do so may delay action on your application.

I have carefully reviewed the information provided and attest that this is a complete, correct and true application.

Signature: Heidi H. Soule

Name (please print): HEIDI H. SOULE (public body personnel)

Title: PMO Manager

Date: 6/16/22