

Capital Projects Advisory Review Board

PROJECT REVIEW COMMITTEE

July 23, 2020

Minutes

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Virtual Meeting via ZOOM

Attendees:

Edward Peters, Owner School Districts; Chair
Mike Shinn, Specialty/Subcontractors; Vice Chair
Ato Apiafi, Minority/Women Owned Businesses
Becky Barnhart, Design Industry-Architect
David Beaudine, Construction Managers
Kurt Boyd, Specialty/Subcontractors
Timothy Buckley, Private Sector
Kyle Dilbert, Owner - Ports
Jim Dugan, Construction Managers
Jeff Gonzalez, Owner-State DES
Brian Holecek, General Contractors
Dave Johnson, General Contractors

Jeff Jurgensen, Construction Managers
Karl Kolb, Design Industry – Engineers
Art McClauskey, Owner – General Public
Sherrie Montgomery, Higher Education
Jessica Murphy, Owner – Counties
Jason Nakamura, Minority/Women Owned Businesses
Mark Ottele, General Contractors
Mike Pellitteri, Specialty/Subcontractors
Linneth Riley Hall, General Owner
Louise Sweeney, Owner – Higher Education
David Talcott, Design Industry - Engineers
Kyle Twohig, Owner-Cities

Guests:

Laura Brent
Traci Brewer-Rogstad, Sr. Proj Dir; Renton School Dist
Aaron Cavan, JLARC
Steven Clark
Dan Cody, Parametrix
Sam Comer, Hainline
Bill Dobyns,
Matt Feldmeyer, Exec Dir of Cap Proj, Renton School Dist
Greg Forsyth, Spokane Public Schools
Chuck Hartung, Hainline
Curt Gimmetstad
Mike Keenan, Spokane Public Schools
Matt Lubbers, Renton School District
Kyle McLeod, Hainline for Renton School District
Karen Mooseker, Mukilteo School District
Ken Murphy
Marty Orchard

Kevin Oremus, Hutteball & Oremus Arch for Renton SD
Jim Phillips
Katie Pond, Hutteball & Oremus Arch for Renton SD
Amanda Sodano
Melanie Stidham, JLARC
Robynne Thaxton, Thaxton-Parkinson for Republic SD
Graehm Wallace, Perkins Coi for Renton School District
Steve Walther
Kevin Young, Republic School District

Unidentified Attendees:

Michoan, Absher
Lisa
MSD
*Caller *743*
*Caller *855*
Shelly

8:30 am Business Meeting and New Member Q&A

PRC Chair: Edward Peters
Full Committee called

PRC Chair, Edward Peters, welcomed the new and returning members and asked them to give a brief introduction.

- David Beaudine, Construction Managers
- Becky Barnhart, Design Industry – Architects; She’s the principal in charge with Integrus Architecture. She has a background with working on Design-Build and GC/CM on K-12 and Higher Education Projects.
- Jeff Gonzalez, Owner-State DES; Has been with DES for 5 years, and has a construction background in the Public and Private sector.
- Karl Kolb, Design Industry – Engineers; He is the Managing Partner with Coffman Engineers in Spokane.
- Mike Pellitteri, Specialty/Subcontractors; He is President of Pellco Construction, and has been in construction for 35 years as a general contractor and a subcontractor.
- Louise Sweeney, Owner – Higher Education; She has been with Washington State University for 15 years, and has been doing Design-Build for 10 years and GC/CM for many years before that.

The new members were asked if they had any questions regarding the Orientation slides or filling out the score sheets.

- Clarification regarding conflict of interest was requested. The general rule is if the applicant is a client, or soon to be client members are asked to self-recuse from the evaluation panel. The best rule of thumb is to avoid the appearance of a conflict of interest.
- Clarification regarding score sheet responsibility was requested. Any member who is participating in the review, is expected to fill out a score sheet, sign it, and send it to the PRC Inbox at PRC@des.wa.gov.
- Clarification was requested on how to score. The score sheets mirror the RCW and are either pass or fail. Any conditions will be found on the score sheet in parenthesis.

9:00 am SPOKANE PUBLIC SCHOOLS GC/CM RECERTIFICATION

Recertification Chair: Mike Shinn

Committee Members: See above (*Becky Barnhart, David Beaudine, and Karl Kolb recused*)

Presentation:

- Second largest school district in the state, has received over \$1 B. in approved bonds since 2003
- Four current projects proposed for GC/CM, long range plans for additional projects
- Certified for GC/CM in 2013 and 2017, continuity with experienced staff

Questions & Answers:

1. Please elaborate on the Spokane School District's program to ensure inclusion of minorities and women.
Answer: The Spokane Public School Districts take inclusion very seriously. We work with the general contractors, the GC/CM, the AGC, as well as the greater community to ensure advertisement reaches as many minority businesses as possible.
2. Can you give the PRC an example of how you prequalify someone in your open collaborative interview process?
Answer: We changed our RFQ to the A-I format. This has really helped focus the applicants' questions to each individual project. We found that we get more interaction using a roundtable type of discussion vs. a more formal process that focuses on public ownership of the project. The benefits are twofold. First, through this type of engagement, we have a greater level of representation throughout the community and helps us pass our bonds when the community sees our diligence in trying to spend the public dollars wisely. Secondly, we find that our contractors speak more openly and share their personalities which may marry better on specific projects.
3. One hot topic in the reauthorization language has been the use of MCCM/ECCM and Owner involvement related to MCCM/ECCM oversight of the process. Can you comment on your utilization of interests MCCM/ECCM in the GC/CM process and your oversight upset?
Answer: We've been actively looking at the possibility of using MCCM/ECCM. One limiting factor within the district is the 55 buildings that already have consistency in our mechanical systems. So the vision of an improved innovative system is difficult for the maintenance department to embrace. Additionally, the size of the new buildings are between 60,000 and 135,000 sq ft, so the volume of mechanical systems and electrical systems do not necessarily reach that goal.
4. Do you currently have or do you develop goals specifically for minority and women owned businesses?
Answer: No, we don't have a specific goal, but that is a good suggestion. That's a really good idea, and something we can work on and report on with our next recertification.
5. Do you monitor the bid packages that your GC/CM has put out, and do you allow your GC/CM to put out bid packages for structures that may include both concrete and structural steel? Or do you make them break that out so that you're getting bids, just for concrete and just for structural steel?
Answer: We do monitor our bid packages. In fact, that's part of our ongoing goal, to reach out to a greater breadth of contracting solicitation. Regarding concrete and structural steel, they are typically split, just because they are different subcontracting groups. So we do not package them as one big package. The good thing about our oversight is really so we can try to avoid CM contingency items and goal caps.
6. What are you doing to bring new players into GC/CM? So interested firms or general contractors unfamiliar with GC/CM can participate?
Answer: One way Spokane has contributed to growing the minority business community by looking at projects that fit the parameters with a lower dollar volume. This has provided the opportunity for some of our smaller contractors to compete with some of our larger, more experienced contractors. We also meet with our

contractors periodically, those that we do either bid or smaller works jobs with, to ask them about their interest and their experience with GC/CM to try to grow that that project. One contractor has contacted us to disseminate how we go through the RFP process so they can improve their applications, their interviews and their experience. We have also periodically encouraged our smaller contractors to partner with each other, to be able to handle and bring their experience to that project, and to give it a greater dollar volume capacity as a contractor.

7. I appreciate the fact that you said that you don't set goals for minority and women owned businesses, and but you do kind of have a program to help bring them in. So based on that, what are your results? Can you put a percentage around what you have accomplished so far? Or have you not tracked it at all?

Answer: That's a good question. We do not have an exact percentage. Our goal is to work with the GC/CM to solicit in a broad fashion to the contractors that fit that category, however, Spokane doesn't have a broad breadth of contracting groups that fit the minority \women owned business category. At the same time, ongoing efforts to grow and support the minority contractor businesses in our area is something we feel we should continue to do.

8. Could you share one or two lessons learned from the last five years?

Answer: One lesson we have learned is to stringently evaluate whether the project should be GC/CM or a hard bid project. We had a project where the scope and impact changed after we received our bond, so we ended up not using GC/CM. It was interesting to go back and re-evaluate the impact and whether or not it met those criteria. Another lesson we learned is to use one civil and one landscape contractor for combined earthwork packages. We had 2 schools sharing 65 acres. These combined separate projects had separate design teams and one GC/CM. The GC/CM had suggested the use of just on civil and one landscape because there was just so much earthwork that needed to be done.

Public Comment: No Public Comments

Deliberation:

The Committee was encouraged by Spokane Public Schools' willingness to pursue inclusion, and set goals for work with minority firms. They are encouraged to seek out other public agencies who have developed an inclusion program so they don't have to start from scratch. (Tacoma Public Schools is an example) Their willingness to listen and become more inclusive is impressive. They are encouraged to track their results so they can demonstrate their progress in the future.

Conclusion:

Edward Peters made a motion to approve this project. David Talcott seconded the motion.

Unanimous Approval (22/22)

10:00 am **REPUBLIC SCHOOL DISTRICT – DESIGN-BUILD**
Republic High School Replacement Project

Panel Chair: Brian Holecek

Panel: David Beaudine, Kurt Boyd, Jeff Gonzalez, Jessica Murphy, Jason Nakamura, Louise Sweeney, David Talcott

Presentation:

- Project Cost: \$20.5M
- Replacement of existing 1960s 48K SF High School with a new facility
- Funding will come principally from a State Distressed Schools Grant and OSPI SCAP, both dependent on a \$4.5 M local bond measure in August 2020
- Project staff will be qualified consultants
- Meets RCW criteria

Questions & Answers:

1. How will the experienced consultants meld their knowledge with the school district so they aren't doing all the work?
Answer: A lot of small agencies seek to augment their team with consultants like OAC or Robynne Thaxton to serve as the in-house experience to make sure they get their one-off Design-Build projects off the ground and moving in the right direction. The statute expressly allows that function to be hired out.
2. Can you explain a little bit about how the budget was developed? And maybe who developed it, and was there consideration, some reverse engineering to deal with that service in order to get that number?
Answer: Kevin Young and the Legislature had the original conversation that resulted in the need for Republic School District to pass the \$4.5M bond in order to receive the grant and state money. OAC and OSPI crunched the numbers to determine the eligible square footage and what the state match may look like. Then they talked to contractors and design teams to ensure the numbers were appropriate. Once that was compiled the obvious choice was to use the Progressive Design-Build delivery method so they can utilize the target value design approach.
3. Once the \$4.5M bond is passed, do you know when the other \$9M grant money will become available?
Answer: The \$4.5 M and \$9M was determined as a best guess on what a new building would cost with the state paying for half of it. Kevin Young has asked the local Legislative Representatives if that money is guaranteed, and they have assured him that it will be since the cost will come from Capital Bond money and not the district budget. When that money would be released isn't confirmed yet. OPSI has an antiquated process that isn't designed for Design-Build, but they are trying really hard to work with the school districts and not be a hindrance or delaying funding.
4. Due to the remoteness of the project and the need for experienced consultants, has the school district made any special provisions included in the selection criteria for onsite oversight of the project?
Answer: Jeff Jurgenson's wife is from republic and he anticipates spending a lot of time there to assist with oversight. Additionally, the use of progressive design-build will give the school district the opportunity to engage and partner with the community and local workforce, and show them how they can benefit from supporting the incoming contractors and local subcontractors. Using progressive design-build will have a cost transparency that can be used to ensure everyone is getting the most efficient use out of every dollar.
5. What cost comparisons were used to determine the cost per square foot was appropriate for this project?
Answer: The school district and all its partners will decide together the best way to progress with each step. A cost analysis will be done with each decision to balance out the cost impacts on later elements of the project. They are ready to make any needed tough decisions in the interest of the district to keep it within the budget.
6. Due to the current state of the public health crisis, how is the district promoting this project to ensure the much needed bond gets passed?
Answer: Fortunately Ferry County has had very few Covid cases and are currently in Phase 3 of the Governor's Phased Reopening plan. Because of the remote location and the current reopening phase, the district has been able to conduct more in-person meetings, even outside meetings to allow social distancing which have provided for real-time information exchange.
7. What is the fiscal benefit vs a traditional design-bid-build?
Answer: The fiscal benefit here is the delivery method itself and the fact that there is a limited budget. They'd actually like to use the whole budget, so nobody wants any savings. If they had to design it, and then put it out to bid, there's no telling what that cost is going to be. The fiscal benefit is going to be in the collaboration, the ability to use target value design so that the fiscal benefit is not a cheaper project, it is a larger project. A project where the school district can take full advantage of the efficiencies of progressive design-build, to create as much scope as possible within that very limited budget.

Public Comment: *No Public Comments*

Deliberation:

The biggest concern for the panel is around the budget, but they don't have the scope 100 % figured out, it's going to be target value design, they're going to get right to it. Progressive design-build, gives them that great opportunity. They have a solid team and an owner that's willing to rely on that expertise. There are a ton of benefits to using progressive design-build, and the community will be pleased with the result.

Conclusion:

Kurt Boyd made the motion to approve this project. Jason Nakamura seconded the motion.

Unanimous approval (8/8)

11:00 am **RENTON SCHOOL DISTRICT – GC/CM**
Elementary School #16 Project

Panel Chair: David Talcott

Panel: David Beaudine, Kurt Boyd, Jeff Gonzalez, Brian Holecek, Jessica Murphy, Jason Nakamura, Louise Sweeney

Presentation:

- Project Cost: \$60M
- New 2-story Elementary School for 650 students, 77K SF
- Complex multi-agency scheduling due to permitting issues around wetland removal and preservation, utility movement, and site access accommodation issues.
- Funding secured via approved bond in 2019
- Experienced in-house and consultant team
- Meets two GC/CM RCW criteria

Questions & Answers:

1. With current site demolition going on and scheduled to finish next month, how does that impact your budget?
Answer: The project was just to remove the single family residences that were on that site. It was low bid, came in under budget and going well. The schedule got pushed back a little due to permitting and Covid-19, but is going well.
2. Have you worked through the city to assess your offsite needs going forward in regards to the budget?
Answer: Yes, we have very good communication with the city. We need to maintain a good relationship with them as coordinating the wetland bank, utilities, etc. will all need to be addressed.
3. How did you develop the budget for this project, considering all the complexities, scope, earthworks, etc.?
Answer: RSD built it up through extensive consultation from contractors on the last project that also involved complicated earthworks and old utility mediation combined with costs estimates plus inflation from that prior project.
4. Have you reviewed this with the local officials and stakeholders? I assume you have, but would like to verify.
Answer: Yes, the City of Renton is the jurisdiction of authority. When RSD purchased the property, they realized there were wetlands and many other issues to deal with. So they started the conversations with the City of Renton about 18 months ago as part of their due diligence. The City has been key to helping them identify key factors to the success of this project and will continue throughout the project.
5. Since the permitting and regulatory requirements dictate where you can and cannot place things, have you identified what sort of input the GC/CM will have during the permitting and design process and the budget implications of bringing them on early during that process?
Answer: RSD has talked about it quite a bit. The site actually has a lot of options. Through these conversations it was determined that having a GC who is very familiar with all the complexities of this site could only benefit the project. Having recently completed a complex project with similar complexities, the lessons learned were invaluable to the development of the budget in preparation for potential site surprises and potential of the city not accepting some of their proposed solutions.
6. How have you accounted in your budget for the schedule uncertainty of the environmental permitting responsiveness?
Answer: The biggest permitting concern is the Army Corp of Engineers. RSD hopes that having the GC/CM onboard early will help with planning so contractor time can be maximized through phase prep and close monitoring. The budget was padded a bit to accommodate some level of delays should it be needed.
7. What type of MWOB goal are you going to put on this project and what has your participation been over the past few years?
Answer: The school district has an extremely diverse community with 74% of their student enrollment within the diverse ratio. There are a lot of district policies focusing on the importance of exposure to diverse cultures. While they don't have any exact numbers today, they are looking for a GC with a solid outreach plan to best support the local MWOB community as much as possible.

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8. What are the Hainline representatives bringing to the table?

Answer: The Hainline representatives have been available to assist the district with the RFQ\RFP process, will be available through the procurement of the GC/CM, and can be available for project management assistance should the need arise.

9. Can you be more specific on why GC/CM is more beneficial for this project than Design-Bid-Build?

Answer: GC/CM will give the District an opportunity to really engage early, solve problems early, and bring any issues to the table early. Between the site and schedule issues, it will be advantageous to have a GC/CM onboard as part of the collaborative team for a successful project.

Public Comments:

Matt Lubbers with BN Builders: Matt has worked with the district in the past and feels their collaborative approach to solving all the potential issues this project presents will best benefit from using GC/CM and is completely in support of this project.

Karen Mooseker with Mukilteo School District and CPARB as the School Districts' representative: She is in support of the Renton School District's application. She is familiar with the site's complexities and has worked with Hutteball & Oremus, and Tracy Brewer-Rogstad. Karen is confident they will have a successful project fully in compliance with RCW 39.10.

Deliberation:

A skilled GC/CM who has experience with difficult situations will be a benefit to this project. 3 of 6 criteria appear to apply to this application. Permitting and scheduling will be very tricky, and having a skilled GC/CM on early will help minimize the risks.

Conclusion:

David Beaudine made the motion to approve this project. Louise Sweeney seconded the motion.

Unanimous approval (8/8)

11:48 am *Adjourn*