CITY OF RICHLAND
PARKS AND PUBLIC FACILITIES DEPARTMENT
500 AMON PARK DRIVE
RICHLAND, WA 99352
Telephone (509) 942-7578

March 1, 2016

Danelle Bessett, Administrative Support
Enterprise Services, Engineering and Architectural Services
State of Washington
PO Box 41476
Olympia, WA 98504-1476

RE: Design Build Agency Approval Application

Dear Danelle Bessett,

The City of Richland is pleased to submit for consideration an agency approval for design build authority. The delivery method was recently successfully utilized to construct Fire Station 74 and represented the State's first progressive DB project to be awarded and completed. The success of the project and the lessons learned therein form a foundation for future projects also using the DB delivery method. We look forward to presenting our application to the Committee on March 24 and please do not hesitate to call with any questions prior to the meeting.

Sincerely,

Joe Schiessl, Director
Parks and Public Facilities
City of Richland

Enclosure

State of Washington
Capital Projects Advisory Review Board (CPARB)
Project Review Committee (PRC)

APPLICATION FOR CERTIFICATION of PUBLIC BODY
RCW39.10 Alternative Public Works Contracting- Design-Build [DB]

The CPARB PRC will only consider complete applications. Incomplete applications may delay action on your application. Responses to Questions 3-10 should not exceed 15 pages (font size 11 or larger).

1. Identification of Applicant

(a) Legal name of Public Body (your organization): City of Richland
(b) Address: 2700 Duportail Road, Richland, WA 99352
(c) Contact Person Name: Joe Schiessl Title: Parks & Public Facilities Executive Director
(d) Phone Number: (509) 942-7578 Fax: (509) 942-5660
E-mail: jschiessl@ci.richland.wa.us

2. Experience and Qualifications for Determining Whether Projects Are Appropriate for DB under Alternative Contracting Procedure *(RCW 39.10.270 (2)(a).)*

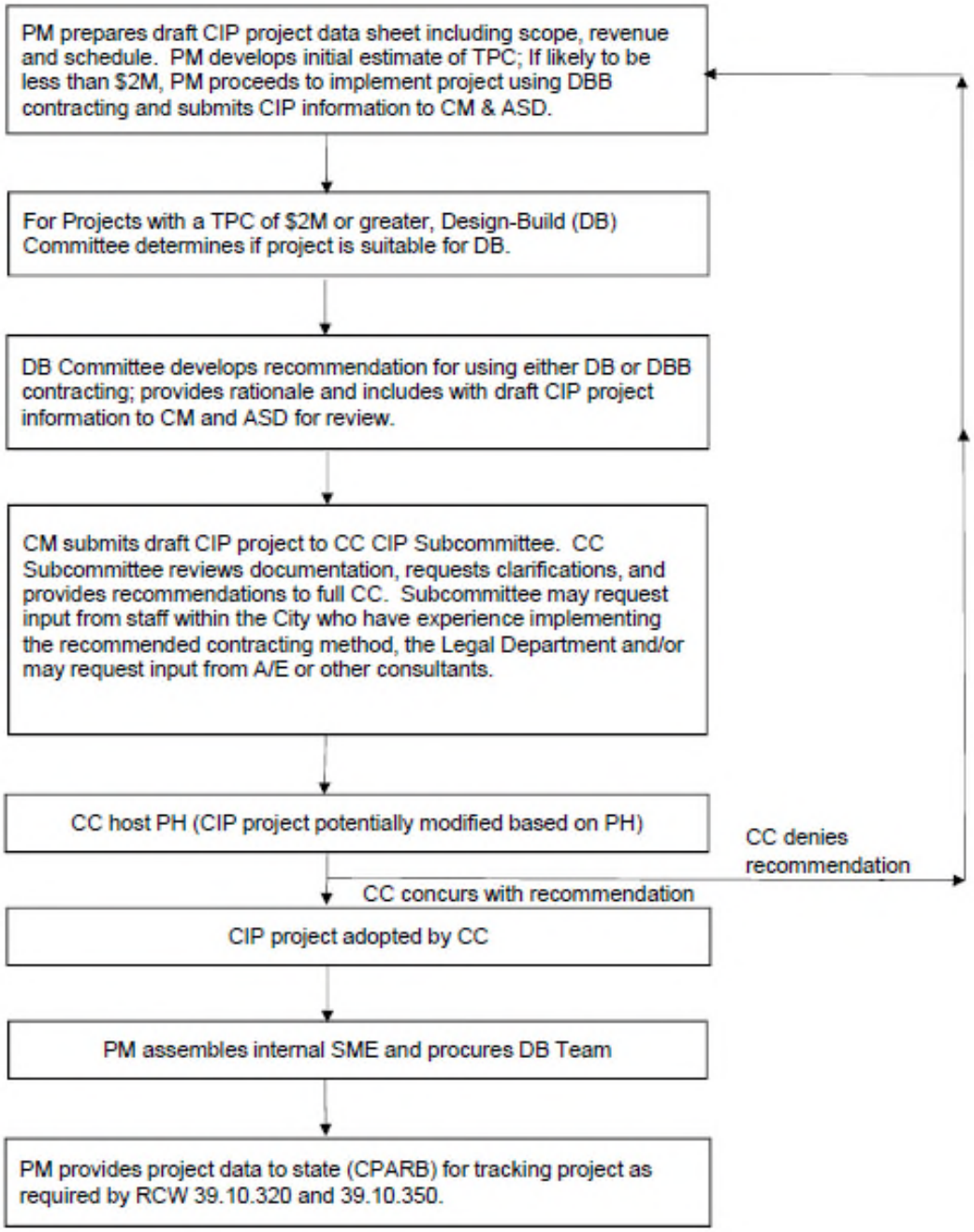
The City of Richland (City) developed the process illustrated in the following flow chart to determine the appropriate contracting method for a proposed project and to outline the project approval process. The process begins with the Project Manager, and is reviewed by the Design Build Committee (DB Committee), the Administrative Services Director, the City Manager and the City Council Capital Improvement Plan Subcommittee (CC CIP Subcommittee) before final approval by the City Council.

The DB Committee is responsible for reviewing proposed Capital Improvement Plans (CIPs) prepared by Department Project Managers and providing recommendations to use/not use Design Build (DB) to the City Manager and the Administration Services Director.

The City has completed one DB in the past 10 years. Criteria used to determine if DB is appropriate for a project will vary somewhat between departments depending on department and project-specific objectives. The base criteria, including those listed in RCW 39.10.300, are as follows:

- The project requires or would benefit from an accelerated delivery schedule.
- The project would benefit from and has the potential for innovation in design and/or construction.
- Design and/or construction innovation and/or accelerated delivery are likely to result in cost savings.
- The project is highly specialized and a DB approach is critical in developing the construction methodology or implementing the proposed technology.
- Risks can be characterized and potentially assigned to or shared with the contractor.
- The project is potentially attractive to firms with demonstrated DB experience.

Contracting Method Assessment and Approval Process



KEY:

A/E	Architectural/Engineering Consultant	DB	Design Build
ASD	Administrative Services Director	DBB	Design Bid Build
CC	City Council	PH	Public Hearing
CIP	Capital Improvement Plan	PM	Project Manager
CM	City Manager	SME	Subject Matter Expert
		TPC	Total Project Cost

3. Project Delivery Knowledge and Experience *(RCW 39.10.270 (2)(b)(i).)*

Knowledge and Experience

The City of Richland manages a diverse capital program with an average annual budget of over $27 million. In years where significant projects are undertaken, this amount increases by 25 to 50 percent. The types of projects managed include fire stations, library and IT expansions, public use facilities, transportation and roadway improvements, storm drainage and wastewater conveyance and utility improvements. Projects range in size and complexity from side walk replacements to construction projects costing over $20 million. The City's capital project responsibilities are summarized below by Department:

- Public Works (Engineering, Traffic and Streets, Storm Water, Wastewater, Water, and Solid Waste Utilities). The City serves as the engineering department, traffic, streets, storm water, wastewater, water and solid waste utility for residents and businesses within the City. The Public Works Department is responsible for maintaining, upgrading, and expanding when necessary wastewater conveyance and treatment facilities, storm water conveyance and storage/treatment facilities, and solid waste collection, transfer, recycling, and household hazardous waste. And also is responsible for maintaining, upgrading, and replacing the City's system of streets, sidewalks, bridges, non-motorized trails, and traffic control devices.

- Electric Utility Department has the responsibility to deliver power and manage the electrical infrastructure to residential, commercial, agricultural and industrial customer classes.

- The Parks and Public Facilities Department manages design and construction projects for the Fire & Emergency, Library, and Police Departments. These departments are responsible for maintaining, and operating a wide range of government facilities including police,fire stations, maintenance facilities, office buildings, and parks.

To handle the above capital projects, the Public Works, Energy Services and Parks and Public Facilities Departments maintain a staff of over 30 people that includes individuals with substantial design, construction, project management, and construction management experience.

Delivery Methods

Although most of City's construction projects are completed using the Design-Bid-Build (DBB) process, the City has used the DB alternative delivery method and anticipates performing more such projects in the future. Recent completed projects illustrating the City's success with the DB process from procurement through close out include the Fire Station #74 project.

Please see Attachment A (Project Delivery Knowledge and Experience - DB Projects) for additional information regarding DB projects.

Management Structures and Project Controls

The City Departments listed above are overseen by their respective Directors. Project teams are supported by the City Attorney and Administrative Departments. The City uses outside design, project and construction and support services consultants, such as Hill International, to supplement our staff as needed, and has retained Robynne Thaxton Parkinson as outside counsel to assist City Legal staff on alternative contracting procurement. On larger or more complex projects, a senior management team, including the department head, technical staff,

legal, purchasing, contracting and financial personnel, are assigned to act both as a review board and project manager support team.

A key aspect of project management includes coordination and information sharing with the end user and the public. The Project Manager, DB Committee, and Department Manager may participate in coordination with the end user who may be the City, another public entity, private entity, or the general public. The City maintains a website with information on current projects and a Community Relations department.

The City's design and construction management staff have procedures in place for managing outside consultants and contractors. A number of project management tools including scheduling, budgeting, accounting, reporting and records management systems are used to manage, track, and report on the City's projects. A project budget and work breakdown structure are developed for each project and entered into the City's accounting system. Reports are generated on a monthly basis, or as frequently as needed, to track project costs against project budget and level of resource allocation against use. The City has developed a change management procedure/specification for incorporation into the project contract. Project scheduling requirements are also identified in the project specification. Project progress schedules consisting of a network analysis using the Critical Path Method are required for projects of significant size.

Design Build Honorarium Determination

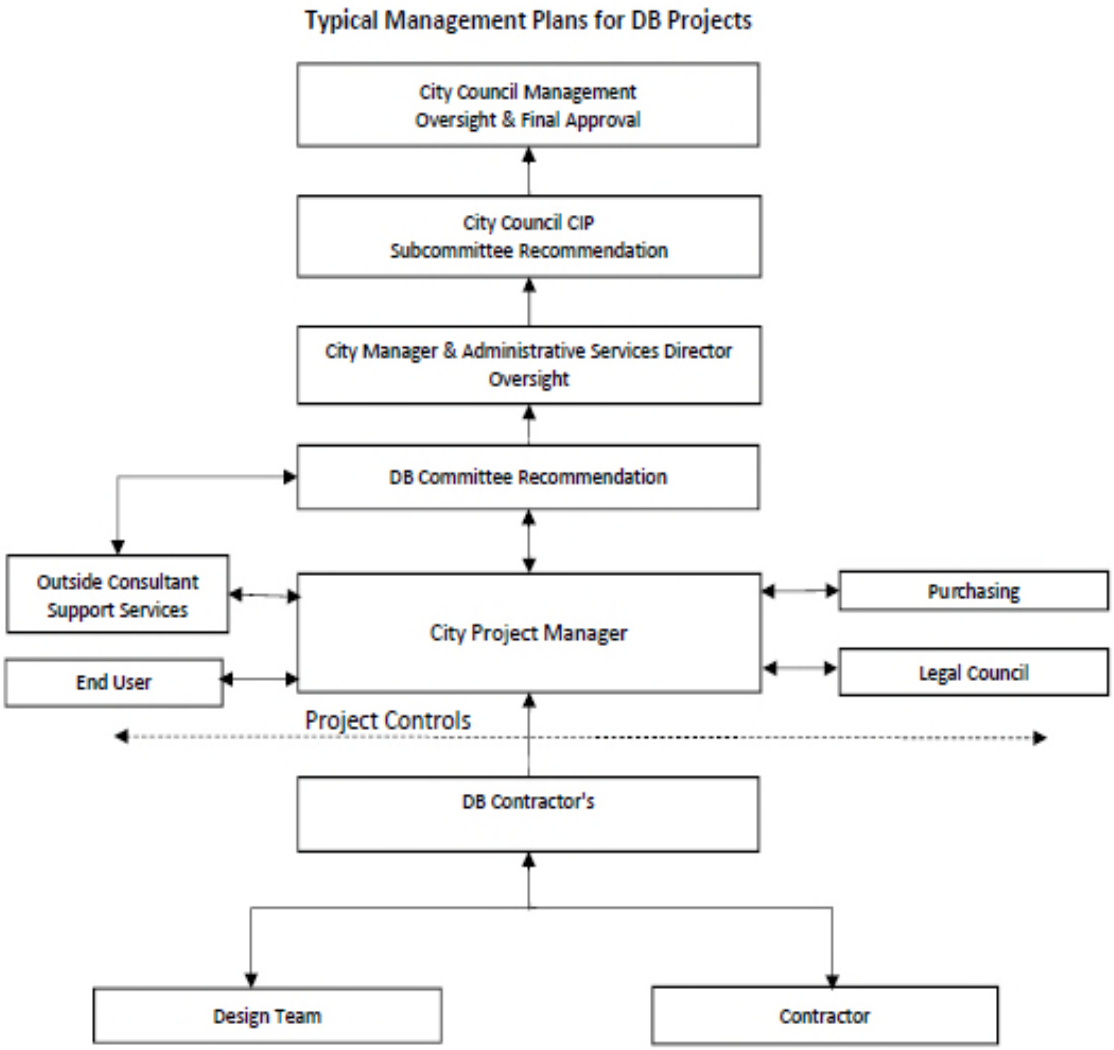
The City of Richland establishes and provides appropriate honorarium payments to finalists during DB selection that are not awarded a design-build contract in accordance with RCW 39.10.330. The Project Manager, DB Committee, Department Manager and other team members including in-house staff, legal, and outside consultants as applicable review the complexity of the project and level of effort that will be required during the DB procurement to establish a recommended honorarium for approval by the City Council. As intended in the RCW, honorarium payments are established with the goal of being sufficient to generate meaningful competition among potential proposers.

4. Personnel with Construction Experience Using Various Contracting Procedures *(RCW 39.10.270 (2)(b)(ii).)*

The City has a multi-disciplined staff with the experience in design, project management, and construction management necessary to successfully implement our diverse capital projects program. The City also uses design-build consultants to augment City capabilities when required. Attachment B summarizes the experience of our project and construction managers and other key staff who conduct our capital projects program. In addition to experience on City projects, several of our staff have experience using alternative contracting methods in the private sector.

5. Management Plan and Rationale for Alternative Contracting Projects *(RCW 39.10.270 (2)(b)(iii).)*

The following process diagram presents the City of Richland's Management Plan for DB projects. Project specific Capital Improvement Plans will be prepared for each DB project prior to contract award.



Roles and Responsibilities

City Council: responsible for overall City governance; responsible for final DB delivery determination based on recommendations from CC CIP Subcommittee.

City Council CIP Subcommittee: Responsible for reviewing Capital Improvement Plan/DB Committee recommendation and providing CIP recommendation to City Council.

City Manager and Administrative Services Director: reviews Capital Improvement Plan (CIP) and DB Committee recommendation and submits CIP to CC CIP Subcommittee.

Design Build Committee: Parks and Public Facilities Executive Director and Supervisor: with assistance from outside project management as required review and recommend approval of DB proposed CIPs to the City Manager and Administrative Services Director. DB Committee maintains involvement with DB projects from inception through project closeout. The DB Committee is responsible for procurement and management of outside DB support experts that may be needed on any given project.

Department Manager: Appoints project manager and key staff; enforces project controls; ensures data and reports are submitted to State CPARB and DB Committee.

City Attorney: Develops and negotiates contracts for DB and DBB projects with assistance from outside counsel on DB projects.

Administrative Services: Advertises and assists in selection of consultants and DB teams.

Project Manager: Develops and implements project including scope, budget, schedule, project tracking, and reporting; reviews work done by designer and/or contractor to see that contract requirements are met; evaluates potential projects against alternative contracting criteria; submits reports to CPARB and DB Committee; communicates with external agencies involved in the project; coordinates with user groups; coordinates with City Attorney and Administrative Services.

User Group: The "end user" of the facility or project. Could be a public or private entity, the City of Richland, or the general public.

6. Demonstrated Success in Managing Public Works Projects Involving All Types of Contracting Procedures *(RCW 39.10.270 (2)(b).)*

Attachment C presents recent capital projects performed by the City. Projects have been selected to represent the variety of projects completed by the City; including DB projects.

7. Demonstrated Success in Managing at Least One Project Using DB Contracting Procedure Within the Last Five Years *(RCW 39.10.270 (2)(b).)*

Fire Station #74 Project

Notice to Proceed: June 26, 2014, Substantial Completion: June 23, 2015
Base Contract Amount: $2,860,000

Background

The Fire Department had a need for a fire station on the rapidly growing west side of Richland in order to reduce travel time to 4 minutes or less. The City Fire Station No. 74 will serve as a model, or prototype, for future fire stations for the City of Richland.

Selection of Design-Build
The City decided to pursue a design-build project delivery method over a traditional design-bid-build project delivery method due to design-build's shorter overall project schedule which was a critical factor to the fire department. The fixed fee GMP contract allowed the City to establish the price early and add project enhancements. One of the cost benefits to using DB was that the City was able to add a fourth apparatus bay to the scope of the project and remain in budget. The DB proposal deliverables did not require any design submissions but instead focused on DB management approach, schedule management, team experience and a pricing factor.

Honorarium
The City offered a honorarium of $2,500 for each of the unsuccessful shortlisted design-build teams that submitted responsive proposals. The honorarium was appropriate for the level of effort required in the proposal submission.

Alternative Dispute Resolution Process for the Project
DBIA 535 Article 10 Contract Adjustments and Disputes was the project standard for dispute resolutions. There were no disputes or claims associated with the project.

Lessons Learned

- Agency Having Jurisdiction requirements needs to be more clearly articulated in the DB procurement documents.
- Mechanical/Plumbing/Electrical (MPE) consultants and subcontractors need to be more involved at schematic design phase of project.
- MPE subcontractors need to be more engaged with development of project budget/estimates and initial site assessment.
- DB Team should spend more time meeting with City staff to review construction document submittal requirements and expectations.

8. Ability To Properly Manage the Public Body's Capital Facilities Plan *(RCW 39.10.270 (2)(b)(vi).)*

The City employs staff within our Finance Division (FD) who are responsible for working with department managers to manage the City's capital planning and budgeting process and ensuring financial accountability to citizens, businesses, taxpayers, and ratepayers. FD staff prepare a City six-year Capital Facilities Program (CFP) annually and update and revise the CFP as better project information becomes available and City Council priorities are developed. The current CFP for 2016-2030 totals over $386,000,000 and includes over 200 projects.

City department managers provide information to FD to prepare the CFP using standard templates. The CFP is approved by the City Manager and then submitted to the City Council for review and adoption. Once adopted, FD submits the CFP to the State in compliance with the State's Growth Management Act, RCW 36.70A.070. FD staff also develop revenue forecasts with department managers which are used to establish the final biennium capital budget for the City.

In the next three years, there are several projects in the CFP that are currently being considered for use of alternative contracting methods. The final determination to use DB as the preferred delivery method will be based on the following factors and management approval.

- The project presents unique project scheduling constraints.
- The project will benefit from contractor innovation.
- Budget limitations and available grant money favor either a fixed budget/best design procurement approach or early knowledge of design and construction costs for the project.

9. Ability to Meet the Requirements of Chapter 39.10 of the Revised Code of Washington *(RCW 39.10.270 (2)(b)(vii).)*

As documented in this application, the City has the project and construction management ability, staff technical experience, and capital project delivery capability to complete both DBB and DB contracting projects. The City's Design Build Committee consisting of the Parks and Public Facilities Executive Director and Supervisor have worked on numerous DBB projects and one DB project. The DB Committee is the primary group who will manage the City's Design Build contracting projects. The City also has project managers, department managers, and technical staff in other departments to draw upon to support these projects. To assist in-house Legal staff, the City may retain Robynne Thaxton Parkinson as outside counsel to assist in alternative contracting procurement as the City has for alternative contracting support on past projects. In addition to her 25 years of construction law experience, Ms. Parkinson is a nationally recognized expert in the design-build delivery method, has served on the National Design-Build Institute of America Board of Directors for the last six years, is an instructor for DBIA's Contract and Risk Management Course, is Vice-Chair of DBIA's Education and Best Practices Committee, is on the DBIA national form contracts committee, and is an active member of the DBIA NW Region Board.

The City also actively participates in the Northwest Chapter of DBIA to keep up to date on new developments and issues with alternative contracting methods. The City continues to encourage its project managers and others to attend DB contracting training and become certified DBIA professionals.

Alternative dispute processes

The City has a clearly defined alternative dispute process established in the General Conditions for each DB contract. Its dispute process is focused on preventing conflicts through partnering with the contractor. If the City and the Contractor are unable to resolve the issue, the issue would follow the process established in the General Conditions, potentially culminating with the issue being resolved by a binding arbitration.

Project Contingency

The City determines project contingency on a project by project basis. Typically, projects will have a contingency between five and ten percent of the contract value. The Department determines this amount based on previous experience and the complexity of each project.

10. Resolution of Audit Findings on Previous Public Works Projects *(RCW 39.10.270 (2)(c).)*

The State Auditor's Office recently completed an audit of the Fire Station 74 project. There were no comments and the lead auditor indicated "your department did a great job on this".

Signature of Authorized Representative

In submitting this application, you, as the authorized representative of your organization, understand that the PRC may request additional information about your organization, its construction history, and the experience and qualifications of its construction management personnel. You agree to submit this information in a timely manner and understand that failure to do so shall render your application incomplete.

Should the PRC approve your request for certification, you also agree to notify CPARB when your organization approves the construction of a project using the alternative contracting procedure(s) for which you are certified; and to participate in brief, state-sponsored surveys at the start and completion of each of these construction projects. You understand that this information will be used in a study by the state to evaluate the effectiveness of the alternative contracting procedure(s).

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

Signature: _____

Name (please print) Joe Schiessl

Title: Director of Parks & Public Facilities

Date: 3-1-16

Project Delivery Knowledge and Experience - Design Build

ATTACHMENT A

Project Name	Project Status	Substantial Completion	Budget	Performance Characterstics
Fire Station #72	Complete	Jun-15	$3.6M	No significant issues
Wine Science Center	Complete*	Dec-15	$23M	There have been some lab equipment operation and some acoustical concerns.

*The City of Richland formed the Development Authority with assistance from Finance, Public Works, and Economic Development, and had contract and some early general project oversight responsibility but was not involved with construction phase of the project.

Personnel with Construction Experience Using Alternative Contracting Procedures

ATTACHMENT B

NAME	EXPERIENCE	PROJECT	SIZE	TYPE	Role during Project Phases			TIME ON PROJECT
					PLANNING	DESIGN	CONSTR	
Joe Schiessl	Joe has worked for the City of Richland for 16 years and held various roles including economic development, planning, affordable housing, capital projects and currently as Dept director of Parks and Public Facilities. He has a bachelor of science from WSU in environmental science and regional planning and a Masters of Urban and Regional Planning from EWU. Joe managed federal affordable housing DB projects for 10 years and was the project director for Fire Station #74.	Fire Station #74	12,000 SF	D-B	PD	PD	PD	2014-2016
Darrin Sweeney	Darrin has over 16 years experience in the construction industry as a project manager and as a company owner. He has managed several private Design Build projects across the country including projects in New York, Ohio, Florida, Colorado, Wyoming, and Idaho. He holds a degree in Construction Management from Brigham Young University. He was the construction manager for the City of Richland's Fire Station 74 Design Build Project.	Fire Station #74	12,000 SF	D-B	PM	PM	PM	2014-2016
		Upper Valley Family Medicine Center	10,000 SF	D-B	PM	PM	PM	2009-2010
		Cedar Creek Dental Center	8,500	D-B	PM	PM	PM	2010
		The Arthritis Center	9,000	D-B	PM	PM	PM	2011
		Shakas Flying J	13,000	D-B	PM	PM	PM	2008
		Historic Kirtland Village	15,000	D-B	PM	PM	PM	2004
		Hill Cumorah Visitor's Center	16,000	D-B	PM	PM	PM	2003

City of Richland - Construction History
ATTACHMENT C

CITY OF RICHLAND PUBLIC WORKS CONSTRUCTION HISTORY													
No.	**Project Name**	**Project Description**	**Total Project Cost**	**Delivery Method**	**Lead Design Firm**	**General Contractor or DB**	**Planned Start**	**Actual Start**	**Planned Finish**	**Actual Finish**	**Construction or DB Planned Budget**	**Construction or DB Actual Budget**	**Reason for Budget or schedule overrun**
1	Richland Fire Station #74	New 12,000 SF, 4 bay fire station	$3.6M	D-B	Architects West	Leonne & Keeble	Jun-15	Jun-15	May-15	Jun-15	$2.86M	$2.89M	DB requested time extension Owner change orders
2	Wine Science Center	Vitriculture research lab and teaching facility	$23M	D-B	ALSC Architects	Lydig Construction	Sep-13	Oct-13	Jul-14	Dec-14	$15.25M	$16.95M	Scope Adjustments and Construction Delays
3	Richland Public Library Expansion	58,000 SF Renovation and Addition to the City of Richland Public Library	$17.1M	D-B-B		Chervenell	Jan-08	Jan-08	Jul-09	Jul-09	$17.2M	$17.1M	
4	IT Data Center Expansion	Improvement/addition	$1.42M	D-B-B		Siefken & Sons	Jul-10	Jul-10	Dec-14	Dec-14	$1.4M	$1.42M	Owner Requested change orders
5	Bellerive Dr. Extension & Claybell Park Improvements	Extend Bellerive Drive and install Claybell park	$1.29M	D-B-B		Culbert Construction	Mar-13	Mar-13	Aug-13	Aug-13	$1.38M	$1.29M	
6	Logston Utility Corridor	Groundwater dewatering system	$2.9M	D-B-B		Rotschy, Inc	Jan-13	Jan-13	Sep-13	Sep-13	$2.9M	$2.9M	
7	Stevens/Mahan Water Main Replacement & 2012 Stevens Overlay	Replace Water Main and Overlay Steven's	$1.3M	D-B-B		G.A.M.E. Inc.	Apr-13	Apr-13	Oct-13	Oct-13	$1.15M	$1.3M	Owner Requested Change Orders
8	Keene Road Phase 3B	Conversion of an abandoned railroad bridge to a pedestrian walk	$3.6M	D-B-B		West Company	Aug-11	Aug-11	Sep-12	Sep-12	$3.6M	$3.6M	
9	Keene Road and Queensgate Overlay	Widening Keene Road including water and sewer extensions	$3.1M	D-B-B		Apollo, Inc	Sep-10	Sep-16	Oct-11	Oct-11	$3.1M	$3.1M	
10	Wastewater Treatment Aeration Basin Modifications	Conversion of an aeration basin from Mechanical mixing to air diffusion system	$2.6M	D-B-B		TEK Construction	Mar-10	Mar-10	May-11	May-11	$2.6M	$2.6M	
11	Broadmoor Sewer Improvements	Improve Sewer along Broadmoor	$1.1M	D-B-B		Johansen Construction	Sep-10	Sep-10	May-11	May-11	$1.3M	$1.1M	
PREVIOUS PRIVATE D-B PROJECTS COMPLETED BY DARRIN SWEENEY													
6	Upper Valley Family Medicine Center	Design and Construct a new Medical Facilty	$2.8M	D-B		The HighPointe Companies	Oct-09	Oct-09	May-10	May-10	$2.9M	$2.8M	

7	Cedar Creek Dental Center	Design and Construct a new Dental Office and tenant space	$1.8M	D-B		The HighPointe Companies	Mar-10	Mar-10	May-10	May-10	$1.8M	$1.8M	
8	The Arthritis Center	Design and construct a new arthritis treatment facility	$1.8M	D-B		The HighPointe Companies	Aug-11	Aug-11	Oct-11	Oct-11	$1.5M	$1.8M	Owner requested additional tenant space and living quarters
9	Shakas Flying J	Design and Build a new convenience store and Flying J service station	$980K	D-B		The HighPointe Companies	Apr-08	Apr-08	Sep-08	Sep-08	$850K	$980K	Owner added additional fuel bay and interior amenities