



City of Spokane NLT Project

Questions from the PRC

With Applicant Responses in Blue

1. On page 7 of 21 of the application the last paragraph indicates that the City is committed to expanding its internal alternative project delivery experience through various means. The organization chart shows that City staff will be leading the management of the project but utilizing OAC staff on a part time basis. Please elaborate on whether any of the City staff have had any training in alternative project delivery, what is planned, when will it occur and who will be involved. Also how is the City going to utilize OAC, e.g., as needed, some level of commitment beyond just percentage of time.

***Response:** Key staff including Rick Romero, Mike Taylor, Lars Hendron, City Accounting and Legal Departments attended an 8-hour workshop led by Mike Purdy. Mike Taylor and Lars Hendron attended another workshop led by Rodger Benson training of Mortenson Construction. Lars Hendron and accounting staff attended a DBIA conference which included sessions on GC/CM delivery methods. These key staff also plan to attend the next AGC GC/CM training opportunity. The City will also be relying on OAC to assist with and fill gaps where the City is not knowledgeable with the particular nuances of GC/CM delivery.*

In addition all OAC tools and systems used in GC/CM delivery including RFQ, RFFP, Cost Responsibility Matrix, AIA 133, AIA 201 will be left with the City for use on future projects. Senior OAC staff members Dan Chandler and Eric Smith (both past PRC Chairs) will be participating throughout the project for addition staff training and executive briefings.

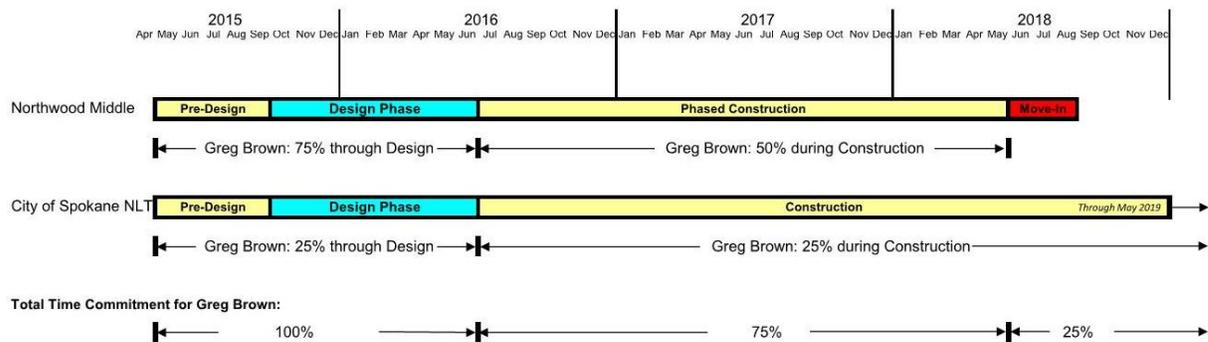
2. Is it contemplated to utilize the MC/CM and/or the EC/CM selection process? If so who will be involved from the City and/or OAC will be involved in this process and where would this process fit into the schedule?

***Response:** MC/CM and EC/CM are being contemplated subject to the advice of the selected GC/CM. Should alternative subcontractor procurement be used, City staff, design team members and OAC staff will be involved on the Selection Committee, delivery strategy and execution. OAC staff members are well versed in these delivery methods, effective procurement strategies and execution including Dan Chandler, Eric Smith, Jeff Jurgensen, and Dave Jobs.*

Subject to the advice of the selected GC/CM, the EC/CM and MC/CM will be procured in early in the process perhaps within 4-8 weeks of GC/CM selection.

- Regarding the percentage of time for OAC's Greg Brown. Please document all of Greg's commitments of time in percentages to other projects during the same time period as his involvement on this project.

Response: *Greg will be involved in two projects- City of Spokane NLT and Mead School District Northwood Middle School. Other OAC staff members are available throughout the project to support the City. See chart below:*



- Please describe management roles and responsibilities of the City's team with respect to the management of the GC/CM contract. In particular, who in the City's team will the GC/CM contractor report to, and what will be the process for timely decision making?

Response: *Mike Taylor will be the primary contact for the GC/CM Contractor. The City's existing decision-making processes for large capital projects are well-established and afford Staff significant latitude to manage the budget, scope, and schedule. Funding is anticipated in the City's Six-Year Comprehensive Wastewater Program, which is updated annually and informs each annual budget. The City Council Public Works Committee is routinely briefed by the Project Team regarding the status of the NLT project and has approved all requests for funding and contracts by a wide margin. Council approval includes contingency and authorizes Staff to allocate it if and as needed. Non-Owner-Directed Change Orders have averaged less than 3% for RPWRF Projects. Two Council members serve as liaisons to the rest of the Council for this project and they participate in the selections of Engineer, GC/CM Consultant, and GC/CM Contractor. The Mayor and Council have a high level of confidence in City Staff regarding implementation of this NLT Project.*

- Planned GC/CM Process indicates that the City will use a customized owner-contractor agreement coordinated thoroughly with the contract agreement for the GC/CM procurement within Washington State, and that the RFP and selection process will be based on an OAC proven approach and modified with latest lessons learned from other public owners.

- Please describe what is meant by “customized owner-contractor agreement coordinated thoroughly with the contract agreement for the GC/CM procurement within Washington State”

Response: *The contract form being developed for the NLT project is an **A133–2009 (formerly A121CMc–2003), Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price.** This contract is the one of the most widely used “cost reimbursable” forms in use and is very familiar to contractors. Perkins Coie has made modifications to this form to be in line with State of Washington statutes pertaining to Alternative Project Delivery, bonding, insurance, prevailing wages, retention, auditing and other provisions. Perkins Coie and OAC developed this contract form for use on the Oak Harbor WWTP (the first Heavy Civil GC/CM project) where it is in successful use today. Short-listed and interviewed competitors will be asked for comments on the contract form.*

- If the OAC methodology is a “proven approach” please provide a brief description of it and how it meets the intent of the GC/CM statute

Response: *Used on over 22 GC/CM projects valued over \$2B, OAC’s three step procurement approach proceeds as shown below. Prior to each procurement the OAC project manager reviews the approach with agency procurement and legal staff for agency and statute compliance.*

1. *Request for Qualifications covering all statute-required selection criteria and prioritizing: Relevant Experience, Proposed Staff, and Project Approach.*
2. *Short-listing against selection criteria—typically 2-4 top rated firms.*
3. *Extensive interviews and possible site or office visits. Contractor interviews are at least two hours focusing primarily on the proposed staff, their skills, experience and proposed approach. Interviews often include unstructured questions to support spontaneous communication between interview participants. Additional short-listing may take place following interviews.*
4. *Request for Fee Proposal (RFFP). This step is highly refined for each project requiring limited Specified General Conditions quotations for proposed staff members, bond and insurance premium and fees. Pre-construction services are negotiated post award and reimburse on a time and expense basis based on the needs of each project.*
5. *The highest scored firm is awarded the opportunity to provide preconstruction services and negotiate a GMP (MACC).*

- If the methodology will be modified with the latest lessons learned from other public owners, please provide examples and how they may be used.

***Response:** All OAC GC/CM procurement lessons learned are shared within the firm via email and direct staff meetings. Lessons learned are also collected from competing contractors following each procurement during debrief meetings and shared with OAC project managers. Recent changes to OAC's process as a result of lessons learned include refinements in the interview process and the request for fee proposal.*

For a recent project the two hour interview process was comprised of two scenario questions given to participants 30 minutes prior to the interview. Competitors were evaluated on their ability to resolve real world project challenges.

Recent changes in the RFP process include refinement of the Cost Responsibility Matrix for minor and often debated costs for Negotiated Support Services.

City of Spokane
 Department of Public Works and Utilities
Project Approval Application—Supplementary Information

City of Spokane Staffing re-alignment:

Subsequent to the submittal of the Project Approval Application on July 1, 2015, the City of Spokane Department of Public Works and Utilities have re-aligned responsibilities among its proposed project staff. Two key project staff members will be committed 100% to this project (less typical staff meetings, training, vacation, holidays and staff coordination).

The following amended organizational chart shows the currently planned time commitment for key project staff.



Clarification of the role of the GC/CM advisor:

The City's selected GC/CM advisor, OAC Services, will provide thorough, robust and detailed consulting services in support of successful execution of heavy civil GC/CM delivery including the following list of services. Through detailed and ongoing meetings between the City, CH2M, and OAC the following scope of services will include but not be limited to the following.

1. Develop overall procurement and execution strategy for Heavy Civil GC/CM with support for City and CH2M. This was done with Public Works, Procurement, Legal and CH2M staff members in an all-day meeting in Spokane. Heavy Civil GC/CM delivery was confirmed, scoring criteria established, procurement activities scheduled, legal counsel confirmed, and other activities.
2. Lead the preparation of the Project Approval Application with support from City and CH2M.
3. Lead in the preparation of procurement documents including RFQ, RFFP, Contract, Cost Responsibility Matrix, interview format. Input from others.
4. Document all procurement activities for archiving with City. Support contractor debriefs in Seattle or Spokane.
5. Support project marketing to potential contractors including direct calls, advertising, and pre-proposal meeting attendance.
6. Assist with on-boarding and contractor integration. Organize and chair kick off and partnering session with City and CH2M.
7. Assist with negotiation of pre-construction services agreement, fees and conditions.
8. Assist with and advise on use and procurement of EC/CM and/or MC/CM.
9. Attend regular project meetings to assist with integration of pre-construction services decision making.
10. Be available for ongoing consulting and questions as needed. Telephone, email. Senior level OAC staff including Dan Chandler and Eric Smith available throughout
11. Review and recommendation on Subcontracting plan including early decision making on Membrane procurement, early works packages.
12. Assist with negotiations on all interim contract amendments (Mini MACC's).
13. Review payment applications including establishment of payment review process, recommend payments.
14. Assist with and advise on final GMP (MACC) including contingencies, qualifications and assumptions, incentives and other issues.
15. Assist with any change order negotiation.

16. Assist with ongoing division of duties as needed including construction administration, quality control, project documentation, use of BIM models and other.
17. Assist with project closeout including return of unused contingency, project savings, project warranties, retention payments and other.