

**CAPITAL PROJECTS ADVISORY REVIEW BOARD**

**PROJECT REVIEW COMMITTEE**

Northwest Carpenters Facility

First Floor Conference Room

25120 Pacific Highway South

Kent, Washington

**March 23, 2017**

*Draft - Minutes*

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**Members Present**

John Palewicz, University of Washington - *Chair*

Steve Crawford, Issaquah School District

Jim Dugan, Parametrix

Curt Gimmestad, Absher Construction

Howard Hillinger, Parametrix

Matt Lane, McGranahan Architects

James Lynch, Ahlers & Cressman

Rob Warnaca, Mortenson Construction - *Panel Chair*

**Staff, Guests, Presenters**

Talia Baker, Department of Enterprise Services

Katheryn Beery, Bayley Construction

Wes Blaney, Bayley Construction

Valerie Gow, Puget Sound Meeting Services

Andrew Green, Perkins Coie

Robin Grown, Vanir Construction

Scott Hodgins, Highline Public Schools

Todd Horenstein, Vancouver Public Schools

Jim Levin, Bayley Construction

Scott Logan, Highline Public Schools

Susan McCants, Osborne Construction

Dan Miles, Bassetti Architects

Christopher Murdugh, PCC

Bernie O'Donnell, Vanir Construction

Sean Ryan, Vanir Construction

**Welcome and Introductions**

*Chair John Palewicz called the CPARB Capital Projects Review Committee to order at 9:02 a.m. and welcomed everyone to the meeting.*

**Public Comments**

There were no public comments.

**Highline Public Schools – Highline High School Replacement – GC/CM**

*Chair Palewicz introduce Panel Chair Rob Warnaca.*

Panel Chair Warnaca reviewed the timing and the presentation format to consider the GC/CM project application from Highline Public Schools for the Highline High School Replacement project. Panel members John Palewicz, Steve Crawford, Rob Warnaca, James Lynch, Jim Dugan, Howard Hillinger, Matthew Lane, and Curt Gimmestad provided self-introduction. A majority vote of the panel is required for approval of the application.

Scott Hodgins, Executive Director of Capital Construction & Planning, Highline Public Schools, introduced Scott Logan, Chief of Operations, Highline Public Schools. Mr. Hodgins outlined the presentation agenda. Dan Miles with Bassetti Architects is the Principal Architect for the project. Sean Ryan with Vanir Construction Management will serve as the Project Manager for the project. Robin Brown, Vanir Construction Management, is the Program Manager. Bernie O'Donnell serves as the GC/CM advisor with legal counsel provided by Andrew Green with Perkins Coie. Kirk Robinson, serving as the cost estimator for the project was unable to attend the meeting.

Highline High School is the flagship of the district and one of four major high schools and one of three in major need of renovation. The school has both historical and emotional significance to the Highline community. The funding bond was citizen-driven. The GC/CM project was thoroughly vetted with the community. Not only does the team have the Board's support as well as district leadership support, the community supports the project as a GC/CM delivered project as the cost modeling was based on the use of the GC/CM delivery method.

The School District passed a bond in November 2016 for approximately \$300 million and anticipates receiving another \$71 million in state and local matching funds for a total funding program of \$371 million. The School District is relying on the receipt of the match from the Port of Seattle, FAA, and the State Construction Assistance Program.

Mr. Miles reviewed the scope of the project. He displayed an aerial photograph of existing buildings with the initial proposed concept overlaid for reference. The existing building has much significance in the community both historically and culturally. The campus includes a series buildings built over a number of year beginning in 1923 at the far northeast corner. Through a series of additions in the mid 20s, 30s, 40s, 50s, and 60s, the campus was assembled. In 1989, major renovations were completed on the main historic building, as well as adding a new Performing Arts Center on the eastern portion of the site. The site is bounded on three sides by multi-family residential with some single family residential. The site is less than 12 acres in size and does not include the Memorial Stadium to the south or the Performing Arts Center to the east. The actual constrained site for management by the GC/CM is less than 12 acres.

Phasing the project includes consideration of the existing production kitchen, which serves up to six schools in the School District. The kitchen must remain in operation during the replacement project. Of key consideration was keeping the kitchen in production while the site is prepared for new construction. The School District determined a two-phased approach was necessary whereby much of the existing fabric would be demolished while retaining the north façade because of its importance to the community. The cost model factors some or all of the existing north façade. Additionally, the northeast corner includes a concrete frame building constructed in the 1930s. The concept would restore the building by gutting the building and retaining the concrete frame with new construction of masonry veneer. The existing Performing Arts Center is 32,900 square feet. The scope entails demolishing approximately 200,000 square feet of existing fabric and reconstructing approximately 35,000 square feet of the Performing Arts Center with the athletic facility to the south remaining in operation during Phase 1. The production kitchen would remain in operation during Phase 1, while most of the site is prepared for new construction.

Phase 1.B includes creation of a new production kitchen located behind the Performing Arts Center in the northeast corner with some additional support facilities. After construction, the current production kitchen would cease production. The work would occur while stabilizing the existing façade. An initial conceptual approach to the site design suggests the location of the athletic facilities would be on the east side fronting a City park facility. Several academic wings would be constructed as well, as Highline High School has a robust CTE Program. As part of the predesign phase, the team is completing a visioning process to help identify how those facilities would evolve in the future. The concept for the CTE at that time is to split the program between a north academic wing incorporating some of the historical significance of the existing building, and a south academic wing. Located behind the Memorial Stadium bleachers is a set aside area for future portable classrooms to accommodate growth in student population. The design of the building accommodates 1,500 students for a new school area of 230,000 square feet.

Mr. Ryan reviewed the project budget. The budget was established of \$158,291,216 for the project. The budget was developed using a collaborative and comprehensive process last February. Estimates were provided by the School District, consultants, Kirk Robinson's team, and the Vanir Construction team. The effort entailed evaluating the project scope and assigning appropriate costs for each element for the project to include phasing. The team also developed the project schedule in coordination with cost modeling efforts. The project is targeted for completion by August 2021. The schedule calls for hiring the GC/CM at the beginning of schematic design to benefit the School District. Demolition activities are scheduled to begin in fall 2018 with construction following through Phase 1. The team believes the budget is adequate and the time is available to complete the project successfully.

Mr. Brown outlined why the project is appropriate for GC/CM delivery:

- Aggressive design and construction schedule with students moved from Highline High School into Olympic High School, a smaller school, which speaks to the importance of maintaining the schedule to ensure students can return as quickly as possible
- The project is multi-phased.
- The site is small and compact.

- Site will be shared with multiple on-going school functions:
  - Performing Arts Center
  - Memorial Stadium
  - Playfields (owned by the City of Burien)
  - Shared parking
  - Food production kitchen serving other schools
- Assist design team investigate the façade and determine if it is feasible to preserve and defining the step and the preservation strategy to incorporate within the design.
- Pre-construction services provided by the contractor will help the School District during the early phase of the project to ensure successful construction.
- Assist in cost estimating.
- Evaluations and investigations of existing conditions.
- Phasing strategy – demolition/site & building.
- Scope and packaging of subcontract bid documents.
- Value engineering of design concepts.
- Constructability review of contract documents.
- Review and take ownership of project's general and division 1's.
- Assist in marketing project to the contracting community during busy construction cycle.

Mr. O'Donnell reviewed GC/CM implementation strategies:

- The School District will market the project to contractors with significant school construction and other public works experience to maximize potential GC/CM proposers. The School District plans to reach out to the broad contracting community generating as much exposure of the project to contractors.
- The School District and GC/CM will agree on a Subcontracting Plan setting priority of the buyout and scope of work for individual bid packages.
- The School District will develop its own independent estimate aligned in bid package format to reconcile with the GC/CM at 90% construction document phase.
- Bid appropriate protection contingencies will be negotiated for bid packages.
- The buyout of bid packages will be compared to the budget as the buyout processes.

Mr. Green reported on his responsibility for legal compliance with RCW 39.10 and assisting with the procurement process, the GC/CM contract, and issues arising during construction. He has worked for the School District for 15 years and is comfortable with the process based on experience with dozens of similar contracts. He is looking forward to working with the team on the project.

Mr. Hodgins added that the School District also identified a 20-year plan of over \$1.4 billion in projects. The School District anticipates using GC/CM in the future for up to six projects depending on the outcome of project scopes and details. The School District also intends to request approval of agency certification. This project serves as a testing ground and the intent is to prove to the PRC that the School District can accomplish the project successfully. The District is very proud of the project team. All members of the team have completed a prior GC/CM project.

*Panel Chair Warnaca invited questions from panel members.*

Panel Chair Warnaca requested more information on how Mr. Ryan and Mr. Brown would share responsibilities as the GC/CM advising team for Vanir Construction, as well as how they would ensure continuity or serve as the primary point of contact for Bassetti Architects and the GC/CM for smooth management of the overall process and successful delivery of the project.

Mr. Hodgins replied that the strategy for outsourcing for project and construction management was a District decision because of the quickness to proceed forward. The time necessary for the District to hire in-house expertise did not fit within the timeline. It was important to hire a firm that not only provided project construction management, but also a program management element. Mr. Brown's role as the Program Director would be to oversee project managers and

provide standardization for the work, as well as backing up the team to achieve project goals. Mr. Ryan is serving as the Senior Project Manager managing the construction project.

Mr. Ryan added that Mr. Brown provides the overall oversight while his responsibility is to serve as the contact for the design and construction teams, as well as working under the guiding principles and management plan.

Mr. Brown added that as a Program Manager, he is also managing four major projects and has experience on many other different projects and contracting styles. As an advisor for such a large project, everyone needs to work together as a group to address and resolve issues. Although the timeline is long, the time could catch up quickly if the team is not on top of the project from the beginning.

Mr. Gimmestad said it appears Mr. Ryan had an opportunity to participate in other GC/CM projects in 2004 for the Roosevelt High School project and in several other recent projects. He asked about the level of experience he gained from the 2004 project to more recent experiences that would benefit this project in terms of changes in the GC/CM process over the years that might assist with this project.

Mr. Ryan replied that the biggest change since 2004 is how the delivery method benefits risk mitigation in terms of the buyout timing of the GMP and MACC. In 2004, those were determined earlier in the process during a period when the industry was experiencing higher risks. Today, the process affords the ability to negotiate and set the GMP and MACC after 90% completion of construction documents. The best way to mitigate risk is having the higher risk elements (*concrete, structural, mechanical & electrical*) pinned down early to mitigate risk. It is important to work together as a team to establish bid packaging and work on marketing efforts for the different subcontractors.

Mr. Palewicz noted that Kirk Robinson is a well-experienced estimator for K-12 projects. He asked how Mr. Robinson plans to work with the GC/CM and whether it would involve parallel estimates or early estimates.

Mr. Hodgins replied that based on his experience with GC/CM and other alternative delivery methods, the owner needs to be as educated as the architect and the contractor when estimating costs. Although the architect is still responsible for designing a project under a contractual amount, the School District is assuming the role as the other cost estimator. The School District pursues the negotiation or reconciliation process with the contractor on costs. A full estimate would be completed. Mr. Robinson is not a member of the design team but he is a member of the owner's team, as well as Vanir's team in providing backup.

Mr. Palewicz asked whether the process entails Mr. Robinson completing estimates through Vanir during each phase with the GC/CM also completing similar estimates followed by reconciliation of the two.

Mr. Hodgins affirmed the process as described. It is also important to ensure the parties are onboard prior to the beginning of design. The only work in advance includes visioning, establishing goals and objectives, and verifying the program to create the district standard for a high school.

Mr. Dugan commented on the benefits of the team having K-12 GC/CM experience within the last five years. For the benefit of the panel, Bassetti Architect's role on the Stewart Middle School/High School GC/CM historic project benefitted the project, as the project was completed six months earlier.

Mr. Dugan questioned the status of the "TBD – Construction Administrator" box within the organizational chart and how the position relates to Mr. Ryan and the team.

Mr. Ryan responded that when the application was initially submitted, the intent was for the owner to have a project liaison/project manager, as it was important to have some project management capability in-house so that over time the School District would have some in-house expertise. However, those future decisions will likely occur over the next three to five years. The organizational chart for the project was updated to reflect removal of the position. He is comfortable delegating project management responsibilities directly to Vanir and to Mr. Robinson. The box within the organizational

chart is unlikely to be staffed. His role is identified as the primary contact for the GC/CM process with a team supporting him with the necessary experience.

Mr. Hillinger asked about the bidding climate today and planned outreach to contractors because of the challenges of having contractors bid in today's market. He asked about the owner's strategy as to how the GC/CM would be used to meet those challenges.

Mr. O'Donnell replied that a number of general contractors have approached team members. Concerns surrounding the availability of general contractors speak to the building boom occurring in the industry today. The GC/CM delivery method affords a good negotiated rate with risks controlled for the GC/CM, which is popular. The owner is experiencing some interest by the contracting community with contacts from many large general contractors with GC/CM experience. The intent is advertising in the Daily Journal Commerce and promoting the project throughout the community and in different venues, as well as marketing the project to different subcontractors. The owner has some DB pending projects, which would also be promoted. The industry communications plan will convey the owner's interest in all contractors, and not necessarily GC/CM experienced contractors, with some preference for school experience because the project is on an active campus. Vanir and the School District are preparing a communications plan for the industry, as well as to the small and disadvantaged business community. The campaign plans to advertise in different languages to reach minorities and disadvantaged businesses.

Mr. Hodgins added that traditionally, the management of projects has always entailed marketing. Having the general contractor involved early is beneficial as the contractor will be a part of the marketing plan and communicating with the industry prior to the release of any bid. The School District plans to market the project and having the general contractor involved earlier improves marketing efforts.

Mr. Lane commented that one of the most compelling reasons for GC/CM is the phasing element. He asked for more elaboration on the phasing element.

Mr. Miles replied that the site preparation phase is critical to ensure smooth construction. To ensure the site prep phase is seamless to the degree possible, it is critical to have the site corralled off in a way that enables the general contractor to be efficient in the work while still enabling all occupied elements to remain operational by the School District. Memorial Stadium is a highly used facility year-round. The Performing Arts Center is a community arts center, as well as a School District facility which is used by community groups year-round. Those two elements are critical and both have adjacent parking needs to manage. The School District owns only part of the south parking lot with the remaining lot owned by the City's Parks Department. Critical owner adjacency issues would need to be managed through multiple agencies.

Maintaining the operation of the kitchen for the School District is critical because the kitchen serves all the schools. Those elements will be critical to help the team understand as it undertakes the design process and identifies the layout of buildings while considering all existing constraints.

Mr. Hodgins noted that the partnership with the City of Burien entails presenting a management plan that demonstrates to the City that the School District has the capability. Having the general contractor assist in designing the access plan would be critical to the approval of the project by the City.

Mr. Brown added that another important aspect is the limited site. Clearing and demolishing the structure will be difficult because of limited room to handle materials, as well as potential abatement issues that would need to be resolved. The challenge is keeping the other facilities operational while moving materials in and off the site.

*Panel Chair Warnaca invited public comments.*

Scott Logan, Chief Operations Officer, Highline Public Schools, commented that the senior administrative level at the School District supports the GC/CM delivery model for the project. The goal of the School District is to have an end product that supports the responsible stewardship of taxpayer dollars by not necessarily spending the least amount of dollars, but spending the right amount to ensure long-term best end results for students today and in the future. The

proposed project supports that end result. There is strong support by School District administration for moving forward with GC/CM for the project.

Susan McCants, Osborne Construction, said she has been in the industry for 20 years and has GC/CM project experience with the Port of Seattle and the Capital Hill Station for Sound Transit. She believes that the GC/CM delivery model is a good process because it builds partnerships between the owner, design team, and the GC/CM. As a general contractor for GC/CM projects, having an understanding of the difference of contractors in the area and having those relationships makes a big difference, especially if the School District is considering MC/CM during the GC/CM process.

*Panel Chair Warnaca closed public comment and invited the panel's deliberation and recommendation.*

Mr. Dugan said he supports the application because it satisfies critical phasing, it is on an occupied site, and it is an essential facility for the community. Additionally, between Vanir Construction and Bassetti Architects, there is adequate to better skill sets to complete the work. As designated in the organizational chart, the amount of time proposed by the consultant team is adequate or better. In terms of the project, the offsite improvements appear to be light relative to the site complexity and the temporary work required for critical phasing. In terms of the potential for agency certification, the PRC would like to see more than one successful GC/CM project completion. Additionally, having work experience with similar projects, there is never sufficient funds expended on investigating the campus and buildings. He cautioned the School District to monitor how the funds are expended. The GC/CM delivery method is the right tool for this type of project as the site is tight and cramped.

Mr. Lane said he supports the application as the project is appropriate for GC/CM especially with the complex phasing as presented. As an architect who has worked with school districts on project management, it is important to have the consultants embedded into the District to the extent possible.

Mr. Crawford commented that his initial belief with the "TBD" position was the project might be overstaffed. The School District has a well-qualified team, a comfortable schedule for the project, and a comfortable budget. Another advantage of using GC/CM is the \$71 million in funding that is somewhat at risk for timing release and/or availability. The GC/CM model would enable the ability to adapt and adjust as needed. The site constraints make the project a good option for the GC/CM delivery method.

Mr. Palewicz said he supports approval of the project. The project team is solid and the project is perfect for GC/CM delivery. Having School District administration in attendance and supporting GC/CM is also beneficial. It is important to avoid the administration second-guessing the team in terms of delivering the project. He noted that if an agency plans to seek agency certification, the agency must demonstrate successful management of at least one GC/CM project. Although it is beneficial to have more than one GC/CM project completion, the RCW requires only one successful GC/CM project.

Panel Chair Warnaca expressed support of the application for GC/CM. It is important that the food service kitchen remain in operation to serve other schools in the community. The north façade preservation will require advance planning by the GC/CM and other partners. The project is supported by a healthy experienced staff and although there are many part-time personnel, the School District has a good plan and he is confident they have good continuity and solid leadership. Having the GC/CM onboard at the start of schematic design is the best practice. The budget and the contingency appear to be adequate.

Mr. Hillinger supported the application as it is a textbook example of why the GC/CM method supports this project. Although somewhat initially confused about the organizational chart, the answers addressed any concerns in terms of managing the process after the GC/CM is hired.

Mr. Lynch supported the project for many of the same reasons but offered a different perspective in terms of the issues surrounding the kitchen and the façade, as they are conflicts after the fact. In terms of the application and those issues in play with respect to the Design-Bid-Build environment versus GC/CM, the GC/CM method significantly reduces many of the conflicts. Although not a primary reason for supporting the application, it certainly would be a benefit to the process given the constraints on the project.

***Steve Crawford moved, seconded by Howard Hillinger, to approve the GC/CM Application for the Highline High School Project. Motion carried unanimously.***

*Panel Chair Warnaca advised that the School District would receive a written notification of the approval within 10 days.*

**Adjournment**

***With there being no further business, Chair Palewicz adjourned the meeting at 9:49 a.m.***