

CAPITAL PROJECTS ADVISORY REVIEW BOARD

PROJECT REVIEW COMMITTEE

Northwest Carpenters Facility
First Floor Conference Room
25120 Pacific Highway South
Kent, Washington

Minutes

September 28, 2017

MEMBERS PRESENT

Rustin Hall, ALSC Architects (*Chair & Panel Chair*)
Ato Apiafi, Ato Apiafi Architects
David Beaudine, Heery International, Inc. (*Telecon*)
Kurt Boyd, Valley Electric Company
David Brossard, King County (*Telecon*)
Bill Dobyns, Lydig Construction, Inc.
Jim Burt, King County
James Dugan, Parametrix
Amy Engle, University of Washington
Bryan Epler, University Mechanical Contractors, Inc.
David Ernevad, Seattle Central College (*Telecon*)
Curt Gimmestad, Absher Construction
Howard Hillinger, Parametrix
Matthew Lane, McGranahan Architects

James Lynch, Ahlers & Cressman
Jason Nakamura, 1 Alliance Geometrics LLC (*Telecon*)
Sam Obunike, O'Bunco Engineering International Inc.
Mark Ottele, Granite Construction
John Palewicz, University of Washington
Ed Peters, Edmonds School District
Linneth Riley-Hall, Sound Transit (*Telecon*)
Jeanne Rynne, The Evergreen State College (*Telecon*)
Yelena Semenova, Dep. of Enterprise Svcs. (*Telecon*)
Mike Shinn, Shinn Mechanical (*Telecon*)
Joe Stowell, City of Oak Harbor (*Telecon*)
David Talcott, Exeltech Consulting (*Telecon*)
Janice Zahn, Port of Seattle

STAFF, GUESTS, PRESENTERS

Marlene Anglemyer, Dept. of Enterprise Services
Rebecca Baibak, Integrus Architects
Talia Baker, Department of Enterprise Services
Bob Bourg, Department of Enterprise Services
Dan Chandler, OAC Services
Nancy Deakins, Department of Enterprise Services
Debra Delzell, Department of Enterprise Services
Tim Garchow, WA State School Directors' Assn.
Valerie Gow, Puget Sound Meeting Services
Eric Halzer, Lease Crutcher Lewis
Ty Heim, CPARB Member/Evergreen Health
Dan Leachman, Skanska
Marnie Maraldo, WA State School Directors' Assn.

Marla Miller, Shoreline School District
David Mount, Mahlum Architects
Stephen Murakami, OAC Services
Dan Perry, Evergreen Health
Drew Phillips, Forma Construction
Scott Ramsey, Korsmo
Michael Romero, Shoreline School District
Dan Stevens, Shoreline Public Schools
Melissa Teichman, OAC Services
Anne Timmermans, Parametrix
Lathan Wedin, Central Washington University
Bill Yarwood, Central Washington University

WELCOME AND INTRODUCTIONS

Chair Rustin Hall called the Capital Projects Advisory Review Board's (CPARB) Capital Projects Review Committee (PRC) meeting to order at 9:01 a.m.

Chair Hall reviewed the agenda to elect a Vice Chair, discuss and review proposed By-Law changes, discuss and review proposed modifications to the PRC application, and any other business.

Sam Obunike arrived at the meeting.

BUSINESS MEETING

Vice Chair Election

Chair Hall invited nominations for Vice Chair. Nominations have been submitted from Jim Dugan and Janice Zahn. The PRC has no formal nomination process. No other nominations were offered.

Janice Zahn spoke to her nomination and interest in serving as Vice Chair. She believes the PRC has an important role to ensure alternative delivery is used appropriately. That means the right projects and the right owners with the ability to deliver the projects. As an employee of the Port of Seattle for 13 years, she understands the importance of ensuring owners are indeed good owners because the PRC's ability to retain alternative delivery and RCW 39.10 depends on owner abilities to make the right decisions. The PRC serves as the gatekeeper to ensure the right projects and an owner's experience are considered. Granting the ability for owners to receive certification provides them with the ability to determine which delivery method to use and an assurance that they have the right tools and skill sets. Ms. Zahn shared that she is a licensed civil engineer and a certified construction manager and practiced as a structural engineer for several years before she moved to construction. She has been leading construction management for the Port of Seattle for the last nine years. Her role at the Port places her at the table for every Port project to determine the right delivery method. Port projects include vertical and horizontal construction projects. She manages a team delivering over \$2 million in construction projects. Most of the projects have been Design-Bid-Build because the Port selects alternative delivery projects very carefully. During that time, she has worked on five GC/CM projects and five DB projects. The skills she can offer are unique providing her with the ability to help ensure the PRC continues to be effective and challenges owners to ensure the right decisions are rendered on behalf of Washington State and CPARB. She also has served as a vice chair and chair of other committees and recently completed a four-year term on the Transportation Commission in the city of her residence having served as both vice chair and chair.

Jim Dugan commented that today's market is very interesting. The use of tools in terms of the delivery methods or navigating through contract language to provide clients with as much freedom and options as possible has never been more challenging. Costs in the marketplace have never been higher and unfortunately bonds and investment models approved in levies in 2011, 2012, and 2013 are only valued today at 60 cents to 70 cents on the dollar. Never before in his 40 years of working in the industry, has he understood the importance of using the tools available to help deliver projects. Clients need assistance and providing the expertise is critical today. His first 19 years in the industry were spent at Austin Company as a general contractor delivering DB projects for both public and private clients. For eight years, he served as the architect of record primarily for public school projects. Following eight years of managing design, he served as the owner's representative for a number of clients. He brings project management, design, and construction experience to the position. He has navigated and managed all the work. He has also served as an elected official on a commission, and served and managed a board for a nonprofit organization. Mr. Dugan commented on his affection for the construction industry, participating as a member of PRC, and that he has the right talent, attitude, and energy to serve the PRC.

Members voted by ballot. Members participating by teleconference submitted their vote via email to Talia Baker.

All members provided self-introduction.

Review of Proposed Bylaws Changes

Chair Hall referred to the proposed amendments to the PRC Bylaws. He asked for a motion to approve the proposed changes followed by a discussion.

Joe Stowell moved, seconded by Mark Ottele, to approve the proposed amendments to the PRC Bylaws as presented.

Linneth Riley-Hall commented on CPARB's recent efforts to propose legislation for private/partnership (P3) alternative delivery. However, the bylaws speak only to the GC/CM and DB delivery methods. She questioned whether a revision in the language to accommodate P3 alternative delivery should be considered if legislation is adopted. Chair Hall recommended revising the bylaws as new alternative delivery methods are adopted.

Brian Eppler offered a revision reflecting, "All alternative methods as directed by RCW 39.10 or CPARB."

Amy Engle supported the suggestion as the Board is currently discussing an option for PRC to review all Job Order Contracting projects.

Nancy Deakins agreed that language applying generically to all delivery methods would likely suffice.

James Lynch noted that as an author of draft P3 legislation, P3 projects may or may not be reviewed by the PRC. Additionally, amending language by broadening the intent might inadvertently broaden PRC responsibilities not currently allowed by statute.

John Palewicz suggested language that speaks to DB and GC/CM and other public works as authorized by the Board.

Howard Hillinger requested an explanation of the proposed language revision pertaining to Article 2, Section 1.A. 2. with respect to public bodies certified to use the DB contracting procedure exceeding the limit of five projects with a total project cost between \$2 million and \$10 million. Ms. Deakins advised that following the last PRC discussion, legal counsel for DES clarified that once a certified agency has completed five projects, the agency no longer is required to submit a project proposal to the PRC. Legal counsel recommended removing that section.

Chair Hall asked about the process for changing legislation. Ms. Deakins responded that it would require a legislative proposal, which is planned for a review by CPARB in November.

Mr. Palewicz said the provision appears to reflect that once a certified body has completed five projects, should the agency want to complete more projects, the agency would be required to submit a project proposal to the PRC. Ms. Deakins acknowledged that the current provision supports that conclusion; however, based on the interpretation of the statute, a certified public body would not be allowed to deliver more than five projects. The provision (Section 1. A. 2) is proposed for removal.

Mr. Palewicz referred to the revision to Section 1. A. C. stating, "*Approving qualified projects and teams based upon evaluation of information submitted by the public body.*" He questioned whether the committee is approving teams, as the PRC approves the entire application. Part of the application is identification and qualifications of team members. He's unsure whether the PRC would specifically approve a team as the PRC is not responsible for approving budgets and other project elements. Ms. Deakins explained that the intent of the proposed revision was recognizing PRC reviews whether a project is appropriate for the delivery method, as well as whether the team is qualified.

Ms. Zahn noted the committee approves the project application following a review and determination by members based on a number of different factors that are embedded within the application.

Chair Hall suggested the reference to qualified project and teams could be revised to reflect, "*Approving qualified applications based upon evaluation of information submitted by the public body.*"

Mr. Eppler recommended excluding language of "*project proposals*" and including "*all applications*" throughout the document for consistency.

Ms. Zahn noted the "*Purpose*" statement speaks to "*project approval applications.*" She suggested using the same terminology throughout the document for consistency.

Ms. Deakins suggested simplifying the language to reflect "*application*" throughout the document. Members agreed with the recommendation.

Bill Dobyms pointed out a typographical error within Article 6, Section 1, changing "*completely*" to "*completed.*"

Ms. Zahn said the provision in Article 2, Section 4.D. appears open-ended with respect to the provision stating, "*...as well as practices adopted by the PRC.*" Chair Hall acknowledged the concern but noted the provision is existing language that was no revised.

Mr. Palewicz said the language speaks to the committee's practices, such as submittal time, number of panels, and other operational requirements not included in the bylaws.

Ms. Zahn questioned whether that interpretation would be understood as the PRC has adopted practices that are not contained in the bylaws. Chair Hall noted PRC practices are posted on the PRC website. Ms. Deakins added that not all operational aspects of the committee are included within the bylaws. However, all instructions are posted and updated on the website.

Mr. Eppler commented that the bylaws serve as PRC's specifications. The provisions represent means and methods.

Mr. Lynch recommended striking that particular provision because the section governs PRC's actions. Including the language reduces flexibility for the committee when it changes procedures or practices, such as extending the public comment period to 15 minutes from 10 minutes. Including the language might limit that option and it appears the language does not add any value. He suggested striking, "...260, as well as any practices adopted by the PRC."

Ms. Deakins noted that RCW 39.10.260 addresses open public meetings.

There were no objections by members for striking the language as proposed by Mr. Lynch.

Chair Hall noted Section 1. Composition under Article 3 also includes language limiting alternative project delivery methods to GC/CM and DB. He suggested revising the language to generically reflect all methods of alternative project delivery. Ms. Deakins offered to review the bylaws and adjust the sections accordingly to reflect "*procedures authorized by CPARB.*"

Discussion ensued on the standing motion to approve the amended bylaws as presented not accounting for changes approved during the discussion. Ms. Deakins noted prior approval processes have authorized a motion if members conceptually agree with the changes to enable staff and the Chair to finalize the language as proposed by the committee.

Mr. Stowell and Mr. Ottele offered a friendly amendment to reflect a conceptual approval of the amended bylaws as discussed by the committee and authorizes staff, Chair Hall, and Vice Chair Zahn to finalize the document.

Ms. Deakins noted another change not reflected in the draft bylaws pertains to changing the approval of minutes to reflect approval of minutes by each Panel Chair for meetings confined to project reviews to avoid a backlog of minutes to approve when the committee convenes as a whole.

Members supported the request and included the change within the draft.

Motion carried unanimously.

Other Business – Applications

Chair Hall referred to recent modifications to the application format. The request is to move the deadline for applications on the calendar earlier in the month prior to the month of the PRC meeting. For example, the City of Seattle submitted an application that requires scheduling a special session next month. Although, the City submitted its application on time, public noticing requirements did not align within the 20-day rule prior to the PRC meeting. The request is moving the application submission deadline to no earlier than the 15th day of the month and no later than the 20th day of the month. The proposed change is not a provision within the bylaws but is included within the information packet for the application.

Ms. Deakins explained that the request was prompted in part by the budget as PRC is partially funded at this time by the DES capital budget because of the lack of an adopted state budget, which limits special meetings. The statute requires the PRC to meet within 60 days of an application submission. Should an applicant submit an application during the month of

a regular meeting, PRC is forced to schedule a special meeting. RCW 39.10 requires public noticing at least 20 days prior to a meeting.

Curt Gimmestad supported the suggestion because when he was Chair, it was difficult to assign panels in a condensed period. More time affords more opportunities to contact members to establish panels. However, when applications are received outside the normal timeframes aligned with regular PRC meetings, it often forces the committee to schedule a special meeting. Although, most situations do not require a special meeting, the PRC has accommodated applicants. He asked whether the committee is obligated to schedule a special meeting.

Ms. Deakins responded that according to the statute, the PRC must make a determination within 60 days; otherwise, the application is automatically approved.

Discussion followed on the committee's normal meeting schedule of six meetings a year. The October meeting is the fourth consecutive meeting this year. Ms. Deakins advised that PRC strives to accommodate the market by scheduling special meetings; however, until the state passes the capital budget, no funds are available for special meetings.

Mr. Dugan recommended publishing a notice advising owners of the new application due date.

Mr. Gimmestad asked whether the committee is obligated to accept any application submitted prior to the 15th of the month. Ms. Deakins clarified that applications can be submitted on any date; however, the timeline is not initiated until the 15th of the month. That information could be included within the instructions for the application.

Mr. Palewicz referred to some provisions in the bylaws regarding the frequency of PRC meetings. He suggested the bylaws should be updated to reflect the new procedures as the bylaws stipulate that the PRC shall meet as often as necessary to ensure approvals and certifications are completed in a timely manner. Currently, regular meetings are scheduled every other month during the year. Chair Hall affirmed that he and staff would review the provisions.

Chair Hall welcomed new member Amy Engle.

Chair Hall acknowledged the efforts of Talia Baker for her service to the PRC.

Chair Hall congratulated Ms. Zahn on her election as Vice Chair.

Ms. Baker reminded members to communicate via the PRC email as other staff members are assigned to monitor email messages. She referred members to an updated evaluation form, application, and information forms and encouraged members to contact her with any feedback on the changes.

Chair Hall reminded members against communicating with other members as all conversations and meetings are subject to the Open Public Meetings Act. All requests should be funneled to the PRC email.

Chair Hall recessed the meeting from 9:54 a.m. for a break.

SHORELINE SCHOOL DISTRICT – EINSTEIN AND KELLOGG MIDDLE SCHOOLS PROJECT - GC/CM

Panel Chair John Palewicz reconvened the meeting at 10:06 a.m. and reviewed the presentation and timing format for considering the GC/CM application from Shoreline School District for the Einstein and Kellogg Middle Schools Rehabilitation project. Members present included John Palewicz, Ato Apiafi, Kurt Boyd, Bryan Eppler, Bill Dobyns, James Lynch, Sam Obunike, and Ed Peters. PRC Chair Rustin Hall was present but did not serve as a member of the panel.

Howard Hillinger, Parametrix, reviewed the application on behalf of the Shoreline School District. The application is the School District's second GC/CM project submission. The presentation will cover information on the project and project

team members of both sites as the School District submitted the projects as a single application for one GC/CM to deliver. Information will be shared on how the project meets applicable criteria and public benefits. Mr. Hillinger introduced Marla Miller, Deputy Superintendent, Shoreline School District.

Ms. Miller commented that part of her responsibilities include overseeing construction projects. She invited team members to provide self-introduction. Dan Stevens reported he is the Project Manager for the Kellogg Middle School site. Michael Romero said he is serving as the Project Manager for the Einstein Middle School site. Rebecca Baibak reported she is with Integrus Architecture which is serving as the architects for Einstein Middle School. David Mount with Mahlum Architects is serving as the architect for the Kellogg Middle School site. Anne Timmermans, Parametrix, said she is the GC/CM Project Manager and would be functioning in a similar fashion as the Early Learning Center project approved by PRC in May 2017. Howard Hillinger reported he is serving as the GC/CM Advisor.

Ms. Miller said the School District was fortunate to have Mr. Hillinger and Ms. Timmerman on the project team for the first project submission and is pleased that both will continue to provide consultant services for the middle school projects.

The Shoreline School District is located immediately north of Seattle sharing a boundary with the Seattle School District. The School District is located south of the Snohomish County line. One boundary is along Puget Sound and another boundary borders Lake Washington. The Shoreline School District like many other school districts in the state is in need of additional capacity to accommodate an increasing enrollment and to reduce class size for kindergarten through third grade. Shoreline School District is one of the districts that did not have the capacity to accept additional funding from the state to implement smaller class sizes. Rather, the School District hired a demographer to update the district's long-range enrollment forecast. The demographer predicted a 2% growth rate per year. The study was completed in March 2015. The School District is tracking with that forecasted growth curve, which supported the bond proposal. The bond approved by voters in February 2017 includes construction of four new buildings to include the Early Learning Center, replacement of Parkwood Elementary School, and converting Einstein and Kellogg Middle Schools from a 7th-8th grade configuration to a 6th-8th configuration. Moving six grade students from existing schools frees space in all elementary schools in the district thereby reducing classroom sizes and accommodating growth in the district. The projects are important to Shoreline voters. The bond was approved by nearly a 75% margin. Another element of the program is the aggressive schedule because of enrollment and older buildings that need to be replaced and rebuilt.

During the previous presentation for the Early Learning Center, the School District was ready to select the GC/CM and move ahead. The School District is on schedule with that project. Parkwood Elementary School is currently in the design phase. The School District also selected the design teams for the middle schools project. The GC/CM team for the Early Learning Center has assisted the School District in examining different ideas to ensure the project moves forward and remains on schedule.

Mr. Hillinger added that another schedule complexity is completion of the middle schools no later than 2020. It will be important to ensure the project remains on schedule.

Mr. Stevens reviewed an illustration of the current Kellogg Middle School site. The site is surrounded by green space on three sides. One side abuts 25th Street, which provides all access to the site. Parks are located on three sides of the site. An existing tennis court, running track, and football field will remain intact. The project includes the addition of a 150,000 square-foot building on an existing occupied site. It will be important to have a GC/CM help with logistics, maintain adequate separations, and designate a laydown site for project materials. Construction workers, students, faculty, bus, and parent access will need to be determined as well. Additionally, a residential neighborhood is located east of the site requiring some sensitivity. Access is located south of the site near Hamlin Park and Shorecrest High School. Activities are intense along 25th Street. Having the contractor available will help determine the location for access during construction.

Mr. Romero outlined how the Einstein Middle School site struggles with similar issues. The projects will replace two middle schools concurrently. The district has only two middle schools and adding sixth grade to both schools must occur simultaneously. The school site is limited with construction occurring while the site is occupied. Einstein Middle School virtually consumes the entire site with simultaneous demolitions planned for both sites. The property line is located on the 10-yard line of the football field. The park has allowed the School District to use a portion of the adjacent park as an extension of the field. The track and fields are a significant investment by Shoreline School District and the community. The work will require close coordination with school operations, HVAC systems, and ensuring children remain safe during the construction period.

Mr. Hillinger reviewed GC/CM project qualifications. The project meets three of the criteria to include complex scheduling and coordination, construction at an occupied facility, and involvement of the GC/CM during design for successful completion of the project. He displayed a graphic depicting the conceptual new construction of the new building on an existing building and adjacent to an occupied school. The Einstein site is constrained and requires coordination with other property the district does not own. Other complexities include coordination with the city and the residential neighborhood.

Mr. Hillinger reviewed a conceptual project schedule. The preconstruction period will be essential. Key issues the GC/CM will assist with include the phasing plan to determine school operations during construction, cost controls, constructability review, and completion of the project by September 2020.

Ms. Miller shared that her first experience with GC/CM was during the construction of Meadowdale High School. Skanska served as the GC/CM for that project. Early involvement by Skanska was very beneficial as the GC/CM outlined phasing for controlling student access throughout the project site. The two middle school sites mirror some of the same challenges requiring a tight connection between the design team and the GC/CM, as well as with building staff as they all adapt to phasing struggles and challenges.

Mr. Hillinger reported the project would be the district's second GC/CM project. Both Integrus Architecture and Mahlum Architecture have extensive GC/CM experience.

Ms. Baibak said she has presented other projects to the PRC. Most recent GC/CM projects include Juanita High School and Park Place Middle School. Those experiences reflected the importance of the GC/CM's early involvement in all phasing and for idea exchanges to develop a variety of scenarios prior to solidify the approach.

Mr. Mount said the project would be his sixth GC/CM project. He is witnessing the evolution of the process, particularly with some other work that required early involvement of the contractor. Currently, this project is in the predesign phase as outlined in the site diagrams, which likely will change dramatically once the GC/CM is involved. Aligning the process, the budget, and the design plans with the program during the early phases is extremely important when it involves so many challenges on a school site.

Mr. Hillinger added that Mr. Romero and Mr. Stevens have been heavily involved in the Early Learning Center project. That project is scheduled for construction when the GC/CM is hired for this project. The timing works well in terms of overall staff workload.

Mr. Hillinger said the project is fully funded by the bond issue. Adequate contingencies are included in the budget of 3% for the GC/CM and 10% for owner contingency (construction & project/program). The GC/CM selection project includes ample time to receive input from the construction community about the time required. The School District plans to take the next several months to hire the GC/CM enabling ample time for the GC/CM to begin working early next year during schematic design.

In terms of public benefits, safety is paramount as construction will be underway on occupied campuses. The value of the GC/CM to improve safety is difficult to quantify. Other benefits are avoiding construction disruption to the surrounding

community, meeting the schedule, management of risk, and enhanced cost control. The project aligns perfectly with the GC/CM delivery method.

Mr. Hillinger summarized how the project meets the requirement for GC/CM:

- Project meets three qualifying criteria:
 - Occupied site
 - Complex schedule
 - Involvement of the GC/CM during design is critical
- GC/CM will be under contract by early schematic design phase
- Public body is qualified:
 - Experienced personnel
 - Clear and logical management plan
 - Necessary funding including contingencies
- Public benefits: risk, management, time, and cost

Mr. Hillinger requested the panel's approval of the application.

Chair Panel Palewicz invited questions from panel members.

Mr. Apiafi commented that some red flags during the presentation involved the issue of noise, dust, phasing, and safety during construction on an occupied site. He asked how the team plans to mitigate those issues. Ms. Baibak responded that the consultant team has completed many phased projects on occupied sites. Those issues would definitely be discussed with the GC/CM to develop a plan. Different strategies included dust control measures with moisture, fencing to control access and to ensure safety from any debris, temporary accommodations for students, and adjusting work hours to reduce noise. Timing of major demolition activity is often scheduled during the summer or during school breaks to manage noise levels. Mr. Romero added that the schools are housed in multiple buildings separated by breezeways enabling opportunities to work in single zones that are no longer a part of the operating school.

Sam Obunike asked about any lesson learned from the first GC/CM project. Ms. Miller replied that the School District was late in applying to the PRC as some legwork had already been completed to have the GC/CM proposal process underway. The team agreed to start this process and present the proposal earlier to provide better opportunities for GC/CM candidates to understand the project and ask questions. One of the lessons learned was the importance of timing. The team supported the process for selection but agreed there could be some improvements. Having both a conversation with contractors as a group, as well as, individually were some of the lessons learned.

Mr. Hillinger added that the School District received much value from the GC/CM process; however, the first project schedule was compressed, which speaks to why the team wants to involve the GC/CM at the beginning of schematic design to address numerous siting issues that would benefit from feedback by the GC/CM.

Ms. Miller said that it has also been helpful that the current team has GC/CM experience in different organizations. The project would be the first time the School District and the consultant teams have worked together as a team. Some of the lessons learned are from a variety of different experiences and not just the Early Learning Center project. This team is much better prepared to work together with the GC/CM.

Bill Dobyms questioned the decision point to combine the two projects. Several of his concerns for soliciting one GC/CM project versus two could affect two different markets in terms of GC/CMs, as some would have the ability to complete one project versus a contractor with the ability to complete two projects. He asked about the reasons driving the decision and when the final decision would be determined. Ms. Miller said the School District wants to receive input from contractors. The School District is open in terms of one contractor if the contractor has the ability and interest in completing both projects. The schools are located in close proximity and it's feasible to combine the sites for a contractor

that has the experience. However, the School District is not closing the door on selecting individual contractors. The intent is to receive input from the contractor community to help evaluate the pros and cons.

Mr. Hillinger added that Parametrix also has experience in procuring two projects under one contractor to take advantage of efficiency in management and attaining some cost savings. However, will be important to identify whether market capacity is available and interested in pursuing both projects, as well as identifying the drawbacks of excluding some contractors that might not have the capacity to complete two projects. At this time, the School District has agreed to slowdown the process over the next several weeks to consider all those issues. When the RFP is released, the process would enable a firm to propose for possibly one or both projects. Final details are still in process pending feedback from the community.

Ms. Miller said the projects would be her 15th and 16th school projects she has overseen. During those projects, the school districts had good relationships with contractors over that course of time. The School District is interested in ensuring a partner is a good match and would be successful. There are advantages of having one contractor, but she also was wants to ensure the contracting community feels welcome to submit a proposal for one site, which would be considered by the School District.

Ed Peters asked the team about respective experience with permitting delays and how those delays are factored within the schedule. Ms. Miller said that for the previous process, permitting was about the working relationship with permitting jurisdictions to provide an accelerated permitting process. The School District is currently negotiating with the permitting jurisdiction for both school sites to secure a commitment from the jurisdiction on their respective staffing levels to meet the timeline. The jurisdiction has reviewed the project schedule and is committed to meeting an accelerated project schedule. Negotiation of the terms is pending. The City of Shoreline recently had similar agreements with Sound Transit for the approval of major projects located within the City of Shoreline.

Panel Chair Palewicz spoke to the structure for the ability to apply for one or both projects. At some point, that process should be spelled out to the contracting community. Mr. Hillinger referred to other models from other clients for two elementary schools completed under one procurement. Contractors responded to one procurement and provided separate prices for each project to determine the final selection. The RFP was not structured to enable a contractor to apply for only one project. The details for this procurement have not been finalized. However, some of the initial discussions with contractors indicate some concerns as to how the RFP might be structured. The team believes it could be beneficial to have a single procurement process and provide an opportunity for contractors to provide pricing for both projects. For previous projects, pricing was always better when structured as one procurement. Typically, when firms are competing in this type of market, those firms with the ability to complete a middle school could also likely complete two schools. It is often attractive to a contractor to have an anchor workload in today's uncertain budget environment. As the team receives input from firms interested in only one project, the team would be receptive to altering the RFP.

Panel Chair Palewicz stressed the importance of the RFP to define clearly what is allowable and not allowable and the district's parameters of an acceptable proposal.

Panel Chair Palewicz invited public comments.

Jim Dugan, Parametrix, referred to a prior solicitation of one GC/CM for the McCarver and Steward Middle School projects. The RFP solicitation was for one GC/CM for both middle schools. The benefits afforded savings of approximately \$750,000 in company overhead by having one company, two projects, and a load yard in close proximity. That scenario lowered the company's overhead per project. Most importantly, the middle school was opened seven months early because of the efficiencies of scheduling concurrent project elements.

Panel Chair Palewicz invited the panel's deliberation and a recommendation.

Mr. Apiafi said the project appears to meet the requirements of the RCW. The project includes itemized contingencies for different needs. He supports approval of the application.

Mr. Dobyms said his only concern surrounds the requirements in the RFP regarding whether the selection is based on one or two schools. The RFP needs to be very clear. He added that he has confidence the School District will clarify the issue within the RFP and clearly spell it out. The project is well qualified for the GC/CM delivery method.

Mr. Peters agreed with Mr. Dobyms' comments.

Mr. Boyd echoed similar comments and plans to support the application as the project has qualified staff members who understand the process.

Kurt Boyd moved, seconded by Ed Peters, to approve Shoreline School District's GC/CM application for the Einstein and Kellogg Middle Schools project. Motion carried unanimously.

Panel Chair Palewicz recessed the meeting at 10:44 a.m.

Washington State School Directors' Association – Headquarters Office Replacement – DB

Panel Chair Kurt Boyd reconvened the meeting at 11:00 a.m. and reviewed the presentation and timing format to consider the DB application from Washington State School Directors' Association for the Headquarters Office Replacement project. The following panel members provided self-introduction: Kurt Boyd, Ato Apiafi, Bill Dobyms, Bryan Eppler, Howard Hillinger, James Lynch, Sam Obunike, and John Palewicz. PRC Chair Rustin Hall was present but did not serve as a member of the panel.

Tim Garchow, Executive Director, Washington State School Directors' Association (WSSDA), reported he has been in public education for over 20 years and has served as Executive Director for the last 13 months. Previously, he was a public school superintendent for 12 years. During that time, he participated in the construction of new schools, a sports complex, a gym, remodel of an historic building, completion of a CTE project, and rehabilitation of a high school. He introduced President-elect, Marnie Maraldo, who will assume the position of President of the Board in November. Ms. Maraldo is also a member of the Issaquah School District School Board. During her time on the Issaquah School District Board of Directors, the district completed over \$800 million in construction projects most of which were delivered by alternative delivery methods.

Josh Collette serves as the Business and Operations Officer. Mr. Collette recently left the State Auditor's Office as an Auditor and Audit Supervisor overseeing regulations and internal controls required of school districts during the construction process.

Mr. Garchow reported the organization has 1,477 members representing the largest collection of elected officials in the state. Membership is comprised of all locally elected school board members in school districts within the state. Combined, members represent the largest employer in the state with responsibility of over \$15 billion in direct expenditures. The association has a staff of 16 members residing in a 10,000 square-foot office building. The association serves 1.1 million children in all 295 school districts. WSSDA was established by RCW 28A.345 as a state agency. Subsection .030 authorized WSSDA to buy, sell, and construct buildings. WSSDA must also comply with RCW 39.10. The state is divided into 11 regions with each region electing a member to serve on the Governance Board of Directors. The Board of Directors represents all geographic areas in the state. Over 50% of Board membership has experience with alternative delivery models for construction. The proposed application received unanimous support from the Board of Directors.

WSSDA is working with OAC Services as the construction management company. When the RFQ was released for construction management services, WSSDA was pleased with the level of competition and responses with small to large agencies responding, as well as agencies in other states. The project includes construction of a new headquarters building for a state agency whose members are the decision-makers for all contracts for new schools and remodels in all school districts throughout the state. The project provides a level of exposure that could yield further business in the future.

OAC was identified as the successful bidder. WSSDA expects the same level of competition and exposure when the RFQ for DB procurement is released.

Mr. Garchow said the presentation would reflect a project that should be approved as the agency believes DB is the most appropriate method for construction of the new headquarters building. To qualify for DB, the project must meet at least one of the three criteria. The project meets two of the criteria.

Dan Chandler, Principal, OAC, reported WSSDA owns property in Olympia. The property houses the agency's 40-year old building. The outdated building is A-shaped with double-loaded corridors. The new building will provide an attractive and effective workplace. The agency's members visit the building continually and the agency needs to attract the best and brightest applicants in a competitive environment. The team retained DLR to assist in programming and defining the scope of the project. The intent is to pursue a progressive or a qualifications-based selection that does not require a full RFP or design competition. However, it was important to contract with a workplace expert to help define programming and workspace. After several workshops, the outcome reflects the possibility of shrinking the footprint of 10,000 square feet to 7,500 square feet. The building would be constructed on an occupied site with employees moved from the existing building. The 10,000 square foot 40-year structure constructed from Boise Cascade modular buildings would be replaced with one new building.

Some advance questions from the panel spoke to Mr. Garchow's level of involvement. The information contained in the application was a misprint as Mr. Garchow would be unable to dedicate 100% of his time to the project. However, Mr. Garchow has been actively involved and is leading staff in an inclusive process to include rendering decisions. Mr. Collette serves as an internal compliance officer for the project. He served in that capacity as the RFQ was developed. Mr. Chandler reported he is serving as the Project Manager. Approximately 30% of OAC's clients are school districts. This project is a very important project. Cynthia Balzarini with OAC is serving as the Assistant Project Manager. There is very good collaboration between them. Other personnel will be working on the project as needed. Casey Wyatt is in charge of the OAC Olympia Office and is available during Mr. Chandler's absence. Jeff Jurgensen, OAC Regional Manager, serves as the organization's DBIA member representative. Legal counsel is Perkins Coie. OAC has worked closely with Perkins Coie on many DB projects to include qualifications-based selection. At this time, the team is leaning toward a cost-reimbursable contract versus a lump sum. DLR Architects and OAC Services have worked together on many school district projects. DLR Architects is a DB partner on other projects. The OAC-DLR relationship runs very deep.

Mr. Garchow added that when Mr. Collette began working at WSSDA, he was identified as a resource for the project primarily because he formerly was the only state auditor to render a finding when he was a school superintendent. He appealed the finding, but lost as Mr. Collette was right and he was wrong. When it was timely to identify someone to lead the financial aspect of the project, he asked Mr. Collette to join the team. Within six months with WSSDA, Mr. Collette has structured internal controls, which will help in tracking the project.

Mr. Garchow said when served as Superintendent of the Rainier School District, he has an opportunity to work with Perkins Coie when the district experienced some problems with change orders for a school project. He was able to resolve those issues by working with Perkins Coie.

Mr. Chandler referred to the question as to whether the project meets RCW criteria. As previously stated, the project meets two of three criteria. The team believes there is an opportunity for greater innovation and efficiency on the project, even though the project is smaller than most projects. The team has reviewed the project with many contractors. The project is essentially equal to a very large house or a doctor's office. The team anticipates the structure would be a wood frame on slab. The issue is the value of the dollar. The intent is selecting the design-team quickly. In terms of questions as to whether the agency can afford what it believes it needs, that would be answered early in the process enabling the team to either move forward or explore different options. Having a DB team onboard early will help guide the agency on whether the project is affordable or not.

Another panel question addressed whether four weeks for the SOQ is adequate. Mr. Chandler advised that the schedule allows four weeks. Based on the level of interest, the schedule could be extended acknowledging today's busy market to ensure good coverage. Some school contractors are interested and outreach has occurred to some small developer contractors in Olympia. Past public works experience would not be required as OAC can guide the contractor through the process as long as the contractor can secure a bond and understands the prevailing wage requirements. OAC was engaged in a similar experience with Washington State University's Visitor's Center approved by the PRC several years ago. That project was of a similar scale along with some skepticism by several panel members because the proposed DB project was only for a \$2 million, 5,000 square-foot building. The project successfully attracted a broad spectrum of design-builders. The agency is hopeful for the same outcome for this project.

Mr. Chandler reported the preliminary budget is \$225 a square foot for construction. The team continues to pursue other project needs, such as new furniture and AV for the conference center. After completion of the design phase, the Board will receive the final proposed budget, which should occur in three months.

Mr. Garchow noted that as a state agency, WSSDA is not able to place a ballot measure for a bond for construction. The Board of Directors forecasted the end date of the existing mortgage. The mortgage was paid in full several months ago. The existing structure consists of a series of modulars constructed in the 1970s. The current facility has exceeded its useful lifespan. Through the Board's development of some tools, copyrighting the tools, and marketing and selling the tools to other state school board associations, the Board was able to raise funds over the last 10 years for the project. However, the budget is finite. Knowing that, the agency believes the DB delivery aids in limiting the variability of the total cost of the project. The agency believes it is prepared and has a strong experienced team to help guide the project. The project exceeds the requirements necessary and is seeking approval of DB delivery.

Panel Chair Boyd invited questions from the panel.

Mr. Apiafi questioned how the contingency of 8% was established and whether it would be sufficient. Mr. Garchow responded that in prior projects, a 10% contingency was allocated. He worked very closely with project architects and was on the project site on a regular basis. He was able to close-out all but one project successfully with a contingency between 5% and 6%. He is not a fan of change orders. Consequently, the project scope is clear and construction documents are accurate. He was not involved in the development of the project scope and the construction documents for the project exceeding its contingency. For example, construction documents called for installation of new siding on 50% of the building; however, the documents did not specify the removal of existing siding, which required a change order. He is confident that with new construction, particularly on the existing site with the required level of site preparation and demolition of existing buildings, the project would not lend itself to many surprises.

Mr. Palewicz said the schedule appears to reflect a Design-Bid-Build schedule. He asked how the team plans to engage the design team. Mr. Chandler said the team is flexible. He developed the schedule to determine a likely delivery date. The schedule is conservative. The RFQ will be simplified with several essay questions. One of the questions will ask the design builder for thoughts on a reasonable schedule and permitting within the City of Olympia. The schedule was drafted in stages to determine how quickly it could be completed to identify a reasonable end date. The design-builder would drive the schedule.

Panel Chair Boyd commented that the assessment of 10% design is too low as it would require daily interaction with the selected design-builder. He asked about the individual responsible for making daily decisions. Mr. Chandler said the question is part of the PRC application and it involves an estimate on the level of effort. The project's level of effort by OAC will be at the level required to complete a successful project. Today, OAC meets weekly during a two-hour meeting with agency personnel and during regular interactions throughout the week. Once the design-builder has been hired, the time will be reset resulting in more or less meetings, conference calls, or face-to-face meetings. The relationship between WSSDA and OAC is very comfortable and when recommendations are offered, agency staff members are willing to listen. The project is very important and whatever time is required, OAC is committed to providing the time. He anticipates more time during the procurement process. Establishing the framework and hiring the right design-builder will

be very important. A good contractor not experienced with DB will need some assistance, which OAC supports, as the project is smaller and more conducive to a contractor who is new to DB. However, it is all about collaboration and making the right decisions.

Panel Chair Boyd said the areas of interest that the team has spoken to include medium or large contractors. However, he is unsure whether the budget would be able to retain a large contractor. It is likely that an advanced contractor with DB experience might not apply. He asked how the team plans to remedy that issue through the RFP, and whether the solicitation would be sent to DB teams of contractors and architects. Progressive DB typically involves adding more people throughout the process. Mr. Chandler said the RFP would seek a contractor and an architect. Small commercial or large residential contractors could perform the work. OAC has contacted many contractors who work on schools, as well as with smaller contractors. Smaller contractors have been advised that previous public works experience would not be required as long as the contractor has a good relationship with an architect and the contractor is able to secure a bond and navigate prevailing wages. The project could be a good start for contractors with experience in constructing small office buildings, medical centers, or dentist offices. If the solicitation does not generate proposals or the agency is not satisfied, the project could be rebid.

Panel Chair Boyd asked whether OAC is willing to add staff if the contractor selected is less skilled in driving the DB process. According to the organizational chart, Mr. Chandler is the only individual with DB delivery experience. Although he understands the project might be viewed as a pilot program for a contractor, it likely would require more time commitment from OAC. Mr. Chandler assured the panel that once the procurement is kicked off, the rhythm of meetings established, and design proceeds smoothly, execution should be fine; however, he is prepared to dedicate the time required.

Panel Chair Boyd asked Mr. Garchow whether the agency is willing to add support staff to supplement the project should the agency hire a less sophisticated design-builder. Mr. Garchow affirmed he has additional staff capacity. During his absence, the agency's Deputy Executive Director serves in his capacity. The agency has a good team, as well as in-house legal counsel. The agency also has some capacity to add staff if necessary. The Board is also exploring the option of obtaining a low-interest mortgage.

Mr. Obunike asked whether all project team members would be located on the project site. Mr. Chandler replied that it depends on the proposal by the Design-Builders. He is a fan of co-location to the extent the designer and the builder are co-located for rapid cycling for decision-making. He is confident Mr. Garchow and his team can make quick decisions in support of the design process. He anticipates regular weekly meetings with Mr. Garchow in his office. If the Design-Builders co-locate it would be beneficial. There are design-builders today with designers in-house. It could also be one of the questions in the RFP with respect how the team plans to work together, as well as previous experience working as a team.

Mr. Garchow added that the agency would also remain in the current location during construction. Currently, the facility has nine empty offices providing sufficient space with internet, phone, and restrooms to eliminate the need for a construction trailer enabling the team to work onsite with adequate workspace, as well as having access to a spare conference room.

Mr. Obunike said he mentioned the issue of being located on the site because of another project whereby the specialty contractor decided against co-locating on the project site, which created some problems with communications between contractors. Mr. Garchow replied that the agency's Communications Officer, Sean Duke, has attended all project meetings, and is involved in all discussions. He is also a member of the staff construction team attending the weekly two-hour meetings. He is assisting the team with messaging and internal communication with the Board, stakeholders, and with team members.

Mr. Hillinger commented that the use of Progressive DB as opposed to the difficult competitive DB often results in a delay in identifying the GMP. He asked whether the applicant has validated costs in terms of what can be accomplished

within the budget given the current construction environment. Secondly, he asked whether that information has been communicated with the Board and what are the agency's procedures should the result reflect an insufficient budget to construct the project. Mr. Chandler advised that the numbers have not been validated, which will be the first task for the design-builder. During the previous interview processes, OAC asks proposers whether sufficient time and funding are available to complete a successful project. WSSDA has not been willing to invest some funds at this time with a qualified design-builder to address whether the project is affordable. It would be up to the design-builder to establish the rhythm that works followed by validating the program and concepts to develop some preliminary figures. The intent is to avoid spending \$500,000 to determine the agency can't afford the project. That scenario is part of the approach to validate costs.

Mr. Hillinger asked Mr. Chandler when he anticipates identifying the GMP. Mr. Chandler responded that it would be as soon as possible within the cycle. However, even before a final GMP, it will be preliminary estimates based on comparative projects. Essentially, it will be an early assembly of an estimate. Because the project could be a self-perform wood frame building, the costs are somewhat predictable for the design-builder, mechanical, and electrical. Those estimates should hold firm throughout the project.

Mr. Garchow added that the agency has \$2.6 million available in cash. The Board directed him to explore what options are available for incurring debt based on an annual \$100,000 mortgage payment. The best terms available are with Kitsap Bank for a \$1.5 million loan over 20 years beginning at a rate of 1.17% terming out at 3.29%. He presented the information to the Board's Finance Subcommittee, which is currently weighing the options of whether to retain cash and borrow \$1.5 million. However, the Board would not approve spending \$4.1 million for the project. The Board would be willing to spend up to \$3 million to complete the project. If design is completed before breaking ground and the cost is identified at \$3.2 million, the Board would shut the project down. The budget is finite with some flexibility.

Mr. Chandler explained that the plan is to award a DB contract and negotiate design and preconstruction fees. If for some reason, the agency abandons the job, the design-builder would be compensated for their time. At some point, the GMP and a final budget would be presented to the Board.

Mr. Eppler referred to the justification as to why the project is suited for DB. According to the applicant, the project meets two RCW criteria as the project provides an opportunity for greater innovation, efficiencies, and cost savings. The application speaks to wood trusses, cross laminated timber, and an HVAC system. He asked the team to elaborate as to why those elements would be considered an innovation or efficiency. The team also referred to the savings of early design and offsite fabrication, which appears to be a phased approach through a traditional permit and phasing approach. He asked the team to elaborate on why they believe the delivery method would offer significant savings. Mr. Chandler replied said there are opportunities for innovation similar to what other small projects have achieved. An example is Washington PUD Association's project, which is similar to WSSDA. The project was a larger wood frame structure. One of the goals of the project was achieving energy savings. After negotiating the project with the design-builder, the design-builder recommended pursuing some credits from PUD manufacturers. That same situation could apply to WSSDA through various manufacturers and suppliers if secured by the design-builder. There might be an opportunity for CLT because the project is a good size for CLT manufacturers to visit the site and agree to build the project using CLT, which would be difficult to accomplish by Design-Bid-Build. Many off-site fabrication firms offer modular off-site construction opportunities, which would be very difficult to pursue in a Design-Bid-Build procurement. Schedule savings could be achieved through phasing as the building is currently served by a septic system requiring connection to city sewer and negotiation of easements with neighbors. A utility contractor could complete the connection earlier in the process. Those are several examples of innovation and speed of delivery possible by DB but unlikely through Design-Bid-Build. Should the agency use Design-Bid-Build, the project would be simplified and consist of a wood framed building with hardy siding, vinyl windows, composition roof, with forced air gas heat.

Panel Chair Boyd invited public comments. He acknowledged the panel received four letters of support for the project using DB as the delivery method.

Jim Dugan, Parametrix, spoke to the competency of the team. As a past board member with Tacoma Public Schools from 2005 to 2011, he had the privilege to work with the great organization. Parametrix did not pursue this project because smaller is often more difficult. OAC Services has the ability to work on the smaller projects. The project is approximately the fourth smaller project for OAC in the \$2.5 to \$3.5 million range. He expects Mr. Chandler would serve as the project manager versus somebody else because of the difficulty of the project. In terms of the discussion surrounding project cost, Design-Bid-build and GC/CM do not provide early cost certainty as DB does. Whenever that timeframe occurs, it would be sooner than other delivery methods. Based on budget limitations, knowing the costs sooner would be pertinent especially in today's market where costs are not just escalating but volatility of the marketplace continues to create problems.

Drew Phillips, Forma Construction, said he attended the panel presentation to listen; however, Mr. Dugan's comments regarding the small size of the project are accurate. He is excited after listening to the team and recommends his company should pursue the project. Being a small DB project is less significant to him as DB projects go well when there is a good team. The agency has established a good team.

Panel Chair Boyd invited deliberations and a recommendation by the panel.

Panel Chair Boyd said that as a member of previous panels, the project proposal required more time to review the details and complexities in terms of how it speaks to the DB delivery method. He suggested the panel should address the resources, significant savings, and the project delivery. One of the public comments spoke to the difficulty of smaller projects. He believes smaller projects need more horsepower on the DB team above and beyond Mr. Chandler, although Mr. Chandler is totally qualified but not at the percentages stated in the presentation and in response to the panel questions.

Mr. Dobyms said he has an opposite viewpoint based on the comments by Mr. Dugan that smaller is harder and sometimes it requires the principal in a firm to oversee the project because it is easier for the principal and the firm to absorb some of the costs rather than a regular project manager who is responsible for revenue and profit. Smaller projects often result in numbers not working. His experience with Mr. Chandler and OAC means that Mr. Chandler will do whatever is necessary to complete the project. The firm has the ability financially. If his company pursued a similar-size project for the same reasons, a principal would also be running the project for the same reason.

Mr. Apiafi said he also has some of the same nervousness as Mr. Boyd, which is why he asked about the 8% contingency given so many unknowns. He concern is whether the contingency is sufficient. However, he liked the responses from Mr. Garchow. The project has some negatives, as well as positives. He is glad to see that OAC Services was hired to lead the effort. On one hand, he is nervous and on the other hand, OAC brings reassurance to the table as it appears there is a good team in place to do what is required to complete the project successfully.

Mr. Hillinger said he is not concerned about the level of staffing. He has worked with Mr. Chandler on other projects and he would provide the level of time that is necessary. Mr. Chandler recognizes that the project is important in terms of its profile for both OAC Services as well as for DB in the state. Being able to develop a Progressive DB model that could be used by schools adds much benefit. Having the right expertise is not a matter of having dedicated full-time personnel, as the project is not a large job; however, the project does have some complexity. He believes the agency has developed a good team and OAC Services will dedicate the necessary resources. He also supports the overall approach because it speaks to benefits of taking a progressive approach by placing a number of options on the table to assign the most efficient costs as early as possible. Many universities have undertaken similar projects. The proposed model is good for this type of project.

Mr. Palewicz said the University of Washington is pursuing many similar projects. As a public owner, the question is determining the best method for completing a small project. The proposal is a small office building with a client that has a specific amount of funds along with a need. The quickest and most efficient way to complete the project is by hiring a designer and a contractor to deliver the project, being realistic about is affordable, and what can be delivered for the

budget. Most public agencies avoid entering the marketplace with a design to ascertain the cost. Personnel at the University have discussed many smaller and simpler projects to identify the most efficient and cost effective way to complete a project. DB is the perfect answer. It is likely the industry will be experiencing smaller DB projects as it does not make sense to spend time designing a project and then hopeful the market will bid the project within the budget. DB offers a good opportunity when the budget is set and the program is established.

Mr. Eppler agreed that DB offers some speed throughout the process; however, his consideration has been whether the project meets the statutory requirements. The three criteria require a highly specialized construction activity, innovative or efficiency, or significant cost savings. The agency applied two of the criteria of innovation and efficiency. He understands the DB process as he works for a DB company. However, he is unsure whether the team articulated well enough to his satisfaction how the project offers an opportunity for greater innovation and efficiencies. Based on the GC/CM statute, the project appears to meet more of the GC/CM criteria in terms of a phasing plan. He acknowledged the statute requires meeting only one criterion. At the end of the day, he believes the team is competent; however, it is imperative that resources are available to meet the demands of the project. Because of the current market, cost savings will be important to lock in. It is likely the agency could have also pursued either GC/CM or DB.

Panel Chair Boyd said his concerns have been resolved in terms of the resource as he trusts OAC in making good decisions when necessary. He does not believe the project would achieve significant savings in terms of phasing. Phasing activities for the sewer and onsite fabrication would occur regardless of the delivery model as they are part of the project schedule. He agreed the project meets the criterion of achieving savings and expediting the process. He recommended the agency should send staff to attend the DB Certification Course on November 2, 2017. All owners lacking DB experience should consider attending.

Mr. Apiafi added that Walter Schacht, a member of CPARB, is drafting a set of DB Best Practice Guidelines. He encouraged the team to review the guidelines.

Mr. Palewicz said he understand some of the panel's comments as to whether the project meets the criteria. He believes the project does meet the criteria, especially in today's market where it is so difficult to determine costs. Public agencies are receiving less money to spend and everything is costing more. It would very prudent for any public agency to figure out how to deliver a project with more cost certainty and at a better price. That may require innovative project delivery and challenging the team to expedite the schedule, as less costs are mandatory in today's world.

Howard Hillinger moved, seconded by John Palewicz, to approve the DB application from Washington State School Directors' Association for the Headquarters Office Replacement project. Motion carried unanimously.

The meeting was recessed from 11:56 a.m. for lunch.

CENTRAL WASHINGTON UNIVERSITY – RESIDENCE HALL CONSTRUCTION – DB

Panel Chair Rustin Hall reconvened the meeting at 12:30 p.m. and reviewed the presentation and timing format to consider the DB application from Central Washington University for the Residence Hall Construction project. The following panel members provided self-introduction: Rustin Hall, Ato Apiafi, Kurt Boyd, Howard Hillinger, James Lynch, Sam Obunike, and John Palewicz.

Lathan Wedin, Director of Planning and Projects, Central Washington University, introduced team members: Bill Yarwood, Executive Director, Facilities Management Department, Central Washington University, and Debra Delzell, Department of Enterprise Services (DES) Design Build Advisor serving as a Senior Engineer and liaison for Central Washington University.

Mr. Wedin said the team is honored to present the proposal to the panel as it serves as a great opportunity for Central Washington University (CWU). The team is seeking approval for Progressive DB, as the project is much needed despite the lack of state capital funding. Central Washington University is growing with unprecedented enrollment growth in the

last several years particularly in freshman classes because of the College Affordability Act. CWU has experienced spikes of 25% in the increase in enrollments. The campus currently houses 20 residence halls with 100% occupancy. In July 2017, CWU's Board of Trustees directed staff to plan and prepare to site, design, and construct a 400-bed resident hall on the Ellensburg Campus to address housing demand by fall 2019. The local community lacks sufficient housing to accommodate newly enrolled students with no one- or two-bedroom units available in Ellensburg. Staff believes that Progressive DB is the right delivery method for the project. CWU is partnering with DES to deliver the project.

Mr. Wedin reported Mr. Yarwood has the necessary experience and has been the Executive Director for Facilities Management for over 20 years. Ms. Delzell provides the DB experience to the team. Project management is ongoing at CWU for a variety of delivery methods. The relationship between CWU and DES will bolster the Progressive DB relationship and project. Other team members include Joanne Hillemann serving as Program Coordinator. Ms. Hillemann was involved in the last 10 residence hall projects on the campus. Eric Fraley is the CWU Construction Coordinator. He oversees all major capital projects. Mr. Fraley is currently managing Samuelson Hall, a 140,000 square-foot academic facility renovation and expansion project.

Ms. Delzell introduced Bob Bourg and Marlene Anglemeyer as DES Cost Engineers who will support the project. They also handle claims and dispute issues. Additional DES support will be provided by Roland Orr, Contracts Manager and Laura Haima, Contracts Specialist. DES has ongoing experience with CWU on other projects, with other community and technical colleges, and through the JOC process.

Mr. Wedin reported CWU has an interagency agreement with DES. The University has worked with DES over the last several years to utilize the JOC contract. JOC contracting is limited to projects less than \$300,000 per work order. The relationship between the two organizations has been ongoing with multiple successful projects using the alternative delivery method. The project is the University's first Progressive DB and DB project. Because of current market fluctuations, the team believes Progressive DB would be the best method.

Mr. Yarwood added that in addition to Job Order Contracting, over the last 20 years the University and DES have partnered on all ESCO projects equating to millions of dollars for combined utilities. An ESCO project is another alternative delivery method.

Mr. Wedin reported the project budget is approximately \$40 to \$45 million. Bonding costs play a factor. The State of Washington will sell special bonds requiring no capital outlay for the project. The project is on a fast track for completion by fall 2019. Design and construction is estimated at \$31.1 million.

The project completion date is targeted for August 2, 2019 with school starting two weeks later.

Mr. Wedin displayed an aerial photograph of the site. There have been no predetermined design choices. The site is clear and ready for construction. CWU has the experience of building residence halls. Programming will be expedited through the design phases. Topographical surveys of the site are nearly completed. The team is exploring all tools necessary to ensure a successful Progressive DB project. All utilities on the site have been located and marked. The project site is ready for construction. CWU staff is working with the City of Ellensburg to secure permits.

Mr. Wedin reviewed the Progressive DB team selection process:

Phase 1: Request for Qualifications

- Advertise and receive submittals based on team qualifications
- Review and score submitted qualifications
- Three highest scoring teams move to Phase 2

Phase 2: Request for Proposals

- CWU provides RFP documents to shortlisted firms
- All firms will have proprietary meetings with CWU/DES to understand scope and schedule of project
- Team presentations and submittals will be evaluated and score on qualifications

Phase 3: Guaranteed Maximum Price

- Work with the selected team to establish GMP
- Based on 30-50% design efforts
- Construction commences

The University selected Progressive DB because DES has the experience with the delivery model and CWU has experience with Design-Bid-Build. Based on the statutes, the project meets substantial fiscal benefit by the early involvement to mitigate design/construction risk to the owner and the DB team. The project will provide opportunities for innovation or efficiencies between the designer and the builder by allowing the team to innovate throughout the entire duration of the project and integrating cutting-edge ideas into the project. Significant savings in project delivery time can be achieved as studies have shown that Progressive DB is the fastest public works delivery method for this project. Ordering long lead items prior to completion of design is beneficial to the schedule. Several of the University's previous capital projects extended past substantial completion because of the delay in receiving elevators, which required a long lead time. The method also eliminates low-bid risks.

Mr. Wedin thanked the panel for their time. The University is extremely excited at the prospect of using the Progressive DB method for this project and for future projects. The entire team is committed to a successful project delivery.

Panel Chair Hall invited questions from the Panel.

Mr. Apiafi questioned why the \$40 million project only has a contingency of \$1.5 million. The amount in terms of percentage is slightly low. As CWU is a higher learning institute in the state, he would like to know about the University's women and minority outreach and past history, as well as what the University plans moving forward to promote inclusiveness of women and minority-owned businesses. Mr. Wedin noted that the budget line items reflect \$1.5 million for the design/owner contingency. The construction contingency is included in the construction line item. Mr. Wedin explained that through the JOC process with DES, efforts have examined ways to integrate OMWBE services and ways to extend outreach and attract involvement with women-owned, minority-owned, and veteran-owned firms. In some cases, it can be challenging because of the location of Ellensburg. However, the partnership with DES assists in solidifying outreach statewide. The outreach was successful through the JOC process. The University has increased its number of OMWBE businesses both in contractors and in subcontractors. The University has staff dedicated to outreach, inclusion efforts, and attending conferences with DES to attract candidates. Diverse business inclusion plans are included in all contracting methods by CWU to include small works and consultant rosters.

Ms. Delzell added that DES also has requirements for diversity and required reporting. The project will use DES contracting, which will benefit CWU by bolstering inclusion percentages.

Mr. Palewicz asked whether the RFP would include a request for any design work as part of the proposal. If so, he asked whether CWU plans to offer an honorarium for those companies that are unsuccessful. Mr. Widen responded that utilizing Progressive DB would place emphasis on a qualifications-based selection process. The University has identified some teams. The University would never exclude an honorarium but design would not be requested of the finalists at the schematic level.

Mr. Yarwood said the most recent new construction of a residence hall would be replicated for this project, which would provide most of the conceptual design. Beyond incorporating some lesson learned from the prior project, the University has identified most of the design.

Mr. Palewicz noted that once an owner crosses the line by requiring teams to provide some level of design, the floodgates open and all proposers tend submit a product to impress for the purpose of being selected. Some of the feedback from the DB community is to avoid that process. If there are any expectations for design, compensation should be considered.

Ms. Delzell said she recommended the University pursue only a qualifications-based Progressive DB procurement. The University is well situated to initiate the project. Proposers would not be provided with survey information with the idea that it would enable them to present a schematic design. Rather the survey would inform the proposer that they have a flat site with parking and utility availability. They would be asked to provide their experience and approach for development of a design.

Mr. Hillinger asked about the price factor that the team would consider in the selection. Ms. Delzell said the DES contract includes a price factor for Progressive DB submittals. It is a very low percentage on the overall score sheet for the RFP. However, the proprietary meetings provide the team with the ability to evaluate the chemistry between the team and the DB contractor. That is the most important benefit in that final RFP process. It helps to assess how the parties would work together on a large project over a two-year period.

Mr. Boyd said he has been involved in three Progressive DB jobs and the benefit from an owner's perspective is creating a DB solicitation to meet the needs of the project. He is currently involved in a Progressive DB project through the small special projects at the Medical Center at the University of Washington. Each project had a different way of soliciting qualifications-based proposals. The beauty of Progressive DB is to reduce the cost from solicitation to commission. He was unclear whether the team is asking for the entire DB team or whether there would be a Progressive DB aspect where the contractor and architect are contracted and then the electrical and mechanical. Secondly, once the team is selected, he questioned the validation period prior to initiating construction documents.

Ms. Delzell said the question is a good point. During Phase 1, the project team would present the proposer with just the basics of an AE contractor and perhaps one consultant. During Phase 2, it depends on whether information is desired about the entire team, which the team has not discussed in-depth. It is unlikely that all specialties would be involved until initial design and after consultant resources have been identified. It would be better for the team to congeal and then bring in specialty contractors in the preliminary design phase of the Progressive DB. That would occur between Phase 2 and Phase 3 after the team has been selected and both teams are working together to develop a preliminary design, which would become the initial contract to engage with the DB team.

Mr. Boyd spoke to his second question in terms of after the team is together how the price is validated prior to move forward. Ms. Delzell said the preliminary design phase between Phase 2 and Phase 3 is when validation of actual project costs would occur. Preliminary design would achieve a 25% design and once the team agrees on the scope of the project and begins moving toward permitting, the GMP at that time would be established.

Mr. Wedin added that the honorarium would be listed in the RFQ. No proposer would be asked to expend efforts without initially stating the amount of the honorarium. However, the team does not foresee a schematic design level effort by proposers.

Panel Chair Hall commented that DB was characterized by Mr. Palewicz as the "wild west" of all alternative methods because there are so many different variables. The fundamental ones that CPARB and others have been addressing is the design competition approach, a bridging document approach, and the Progressive approach. Although the explanation is an over simplification, he is attempting to identify how those different options apply to his understanding of the proposed project. It appears the University has a good example of a working model that likely could represent a bridging document if it is the preferred design, quality, and fits within the budget. The idea of Progressive allows enough creativity to be left open for the team to present during a proprietary meeting to offer some efficiencies and innovation. Progressive has a lengthy validation period prior to setting the GMP. The schedule as presented does not really reflect that other than the timeline could work. The proposal appears to be a hybrid. He asked the team to correct whether his interpretation is inaccurate. Mr. Wedin affirmed that his explanation was accurate and how it should be explained to agencies and constituents. From his perspective, he believes the project is a hybrid approach. In this case, the preferred route is Progressive because the team wants a qualifications-based process. The University also has the benefit of lessons learned; however, the intent is not for the AE or the contractor to feel upfront that the project has been entirely designed and no efficiencies or value could be offered. It is important upfront to instill trust between the teams.

Panel Chair Hall invited public comments. There were no public comments.

Panel Chair Hall invited the panel's deliberation and a recommendation.

Mr. Hillinger said he believes the team has given the project a lot of thought. Pending more time, he would have wanted to have additional information regarding the relationship with DES and presence at the project meetings. It appears DES and University staff have an established working relationship. DES is experienced in delivering DB projects, which is important support for the project. The project is a good example of a DB delivered project as it requires time efficiency and it provides public benefits. The challenge is defining the project as part of the process, which could be resolved as they work through the process. The project is supportable although there are some challenges that will need to be worked through.

Mr. Apiafi commented that Mr. Widen presented information on the working history with DES. The partnership with DES does provide a comfort level as DES can help the University move the project through the challenges that might be ahead. He believes DES has a robust plan for inclusion. He supports the project application.

Mr. Lynch said he reviewed the application with some concern because he has litigated Progressive DB cases and believes there are some misconceptions about the delivery model. Many of those concerns were addressed during the presentation. Based on the presentation information conveying the intent to set the GMP at 30% design, he is concerned as it has been a source of legal issues in the past. However, he feels reassured after the discussion as he believes the validation period will be included and the negotiation is intended to be closer to what was included in the application (90%). With those concerns, he believes the team can overcome some of those issues. In terms of the statute, if the project was not delivered by DB, the University likely would try and construct a similar building through a regular bid process; however, he is convinced that using DB would result in a project completed quicker and the University could bridge desired elements from a prior residence hall project to a new design more efficiently. It is an appropriate use of the methodology to achieve a completed project. For those reasons, he believes the University has satisfied the statute and the team is equipped to overcome the challenges as discussed.

Mr. Boyd commented that Mr. Lynch's comments speak to some of his thoughts. He also would have liked to ask more questions about the DB experience from the DES standpoint. His trepidation is the reference to "Progressive" as he believes the project is more of a straightforward DB approach rather than a Progressive DB. He conceded that there are many different kinds of definitions. The three projects he previously mentioned pursued DB differently, but they were qualifications-based and used one contractor and one architect. Over the next several weeks, they added different individuals to complete the team and enable completion of bridging documents. This project appears to be more of traditional DB process, which is okay as the project meets the statutes. The University will have to rely on the DB team, especially the DB contractor to vet out the process.

Mr. Obunike said he considered the role and support provided by DES and supports approval of the project.

Panel Chair Hall remarked that the project is an interesting one. It is easier to forgive a presentation that did not exactly match the application because the owner is new to the methodology, as well as Progressive DB still being very new across the state. Everyone is still trying to figure out the methodology. The key for him for Progressive DB is a qualification-based selection. Clearly that is what the University is intending to pursue, which is supported by a truncated validation period simply because the University has a relevant example of a similar project recently completed. That is an efficient way to move forward, which is what DB should be accomplishing. The project is an interesting hybrid and he agrees with the merit of pursuing Progressive. With the working relationship with DES, he foresees a highly successful project. He supports the idea of copying a prior project and handing it over to a team to improve by adding some creativity and innovation, which what the Progressive DB process allows. He supports the application.

Mr. Palewicz said he supports the project for DB but is concerned about some of the information conveyed during the presentation. Progressive DB essentially entails selecting the best qualified team, as well as the best fit for the project. The team then works on the design together for a period of time to get to a point where everyone agrees on the scope and budget and a contract is executed, documents are completed, permitting is initiated, and the project progresses to completion. He is a somewhat concerned about how the previous project comes into play and whether it would be a bridging document that the agency conveys it wants to construct on the new site or the University conveys that the project has been completed before and is satisfied with the project but wants the team to make it better in terms of costs and efficiencies. That type of direction that is conveyed to the team is very critical. He is concerned about the clarity of the process especially if Phase 2 leaks into, “Well come in and impress us with something” and suddenly “wows” are coming into the room and here is your building on the site.” He believes the team “gets it” but there was some difference between the presentation and the application.

Mr. Boyd commented that the slide that speaks to working with the selected team to establish the GMP based on 30%-50% design does not particularly work that way because typically, the project is designed and then the GMP is established.

Kurt Boyd moved, seconded by Ato Apiafi, to approve the Progressive DB application from Central Washington University for the Residence Hall Construction project. Motion carried unanimously.

ADJOURNMENT

With there being no further business, Chair Hall adjourned the meeting at 1:21 p.m.