

GC/CM Committee

Meeting Summary August 30, 2023 (Meeting #39)

1. **Administrative:** Chair Datz called the Teams meeting to order at 1:04 p.m. A quorum was established.
2. **Introductions**
 - a. Committee members in attendance: Chair Nick Datz (Public Owners), Sharon Harvey (OMWBE), Ian Hernandez (in for Mark Nakagawara, Cities), Keith Michel (in for Shannon Gustine, General Contractors), Santosh Kuruvilla (Engineers), Shelly Henderson (K-12 Schools), Sam Miller (Architects)
 - b. Stakeholders in attendance: Angela Peterson (Ports), Aaron Young (DES)
 - c. The committee approved the March 29, 2023 meeting minutes.
 - i. Ports: I have a question about the notes. There is great discussion in the notes. Are we capturing the suggestions made in the Cost document? Who was supposed to do that? Chair Datz: General Contractors was leading the Total Cost document and will make the updates based on March 29, 2023 meeting minutes. [AI]
 - ii. Ports: I also believe there was another note in the March 29, 2023 meeting minutes that someone else was going to follow up with more updates as well, and that should be reviewed. [AI]
3. **Review the Combined Manual:** Review draft chapter – BPPM Procurement Chapter
 - a. Chair Datz: [Ports], can you share the BPPM Procurement Chapter? This is the last chapter for entire manual.
 - b. Ports: The document begins with an outline of procurement planning. It begins with early outreach, project team roles and responsibilities, the selection or evaluation team, informational meetings, and independent audit. Section 2 of the outline lists bid document preparation, which references RCW 39.10.350 and its requirements, as well as other evaluation items to consider. Then the outline of the document lists the writing of the RFQ/RFP, the price proposal form which will include the cost matrix, as well as required documents. Section 3 of the outline touches on the advertisement process. There has been a significant amount of time spent on this document, and there likely could have been more time spent. But it is important to the drafters that we get the document in front of the GC/CM Committee for feedback sooner than later in the development process. Section 4 is the GC/CM selection process. Section 5 of the outline discusses debriefing, then the final section 6 is focused on awarding the pre-construction services contract.
 - c. General Contractors: Are we still in a position to comment on this document, or are we past that in the process?
 - d. Ports: There are at least 2 comments on the document that we'd like to get feedback on today. Then we would invite further comments for discussion.
 - e. Chair Datz: The whole manual is still open for comment.
 - f. Ports: The first comment I'd like to discuss is *Discuss practices on asking for labor estimates for pre-construction services. What are the pros/cons? This is not scored.* This topic is coming up in different areas of the document, including the total contract cost section. In the writing of the RFQ/RFP section 2b, we discuss the minimum amount of things that you must have and other information that may be included. The bullet this comment references discusses the draft pre-construction work plan. The bullet says that we would require a line item for staff to do work at a monthly rate in the original submission. Then after we select the finalists, we would collect a more detailed budget with tasks, rates, key personnel, and estimated amount of hours to complete the work. The question is, do we still ask for the more detailed budget after we award the contract and then negotiate rates? Or do we ask that to be submitted with the original bid? Pros and cons are listed below.
 - i. The proposals may cover different levels of effort.
 - ii. Evaluators may become biased with seeing cost without level of effort included.
 - iii. This provides an opinion of cost and can show the proposers understanding of the undertaking of the job.
 - iv. This should not be a scored element due to the inability to have an apples-to-apples comparison.
 - g. Architects: In my experience of reviewing proposals, contractors can put many costs into different buckets. I agree that it's not apples to apples. Sometimes I see pre-construction submittals that list no cost.

We all know that's not accurate, but it is a way they put resources into the proposal. Unless we are very specific with what we require in the proposal, the costs provided by different applicants will be very different.

h. Chair Datz: My experience is to do an A&E agreement. To [Architect's] point, if pre-construction is not clearly defined, the costs will not be able to be compared. You are driving down the price when you use it as a selection point, especially for something fairly critical in the GC/CM arena. I do like the idea of getting the rate up front, then discussing level of effort during negotiation.

i. Ports: The intent is to keep the latter. We would still tell them not to exceed the pre-construction value, cost and price. What we are really trying to figure out is the rates. How do you approve the level of effort and the rates? Do we start bidding out the rates? Or do we negotiate them after award?

j. Engineers: From experience during the Seattle seawall project, we could have done better articulating the basis of design and engineering requirements for pre-construction. If you do not have clear expectations up front, the coordination of pre-construction ends up taking much more time and money.

k. Chair Datz: Do you advocate that we have the owner put a clear level of effort for pre-construction in the proposal package? Or have them submit their assumptions of negotiation or evaluation points for level of effort?

l. Engineers: At the very least, we need to be on the same page on outcome.

m. Chair Datz: That is a good comment for the pre-construction section.

n. Ports: We did go into that in this document in a few places, and hopefully we've captured how it is important. It's definitely included under the "other information that may be included" section.

o. Engineers: Does the document make sure to discuss temporary works and things like that?

p. Ports: Temporary work? Can you say what that is?

q. Engineers: It's things the contractor may have to do to maintain the stability and condition of the project during the intermediate stages of construction.

r. Ports: Those are considered the early work packages; that's not necessarily part of pre-construction services. That is considered construction and captured under the early work package.

s. Engineers: But the early work packages happen during pre-construction, yes?

t. Ports: Yes.

u. Chair Datz: [Engineers], that's probably more appropriate in the pre-construction section of the manual, whereas this is the section where we are putting together the procurement for the project. If we are getting into specifics of things that need to be considered and developed during pre-construction, that would be more appropriate. [General Contractors], you had your hand up?

v. General Contractors: We've changed gears a little bit, but relative to pre-construction and price-related factors, there is a wide range of techniques we see. I generally believe that it is best when the level of effort is explained in the contract and provided in the solicitation that someone is responding to. You could ask for labor rates that are a non-price factor. This sets the table for how you will negotiate. It is just smoke and mirrors if you make it part of the competitive consideration. The profit and margin really comes from the execution phase, not pre-construction. Pre-construction and the work contributed to planning is really just the cost of doing business. For this section, I think it's best to omit discussion on how to price pre-construction competitively, because applicants will make themselves look low cost by hiding costs in other buckets.

w. Ports: I think that is what we were hoping to capture. If you do decide to include the key personnel and hourly rates with the proposal instead of after award, then perhaps you don't use it in the formula of your selection. It will be too hard to get that right.

x. General Contractors: I think that you [Ports] also mentioned including the not-to-exceed amount. We are about 50/50 on watching some owners choose to do that. Your pre-construction fee is not to exceed a certain amount. That is helpful in pricing the rest of the work, because the cost matrix will include some information on pre-construction services, tasks, deliverables, and level of effort. Then you can see how those things relate to the balance of the cost matrix and the job itself. That gives insight to set the fee on MACC.

y. Ports: The document does talk about putting the price proposal form options. You can bid with fee only and provide rates and level of effort later. You could ask for fee and rates. You could ask for fee and a fixed monthly price for the SGC's, or for everything. There are options. There is much to consider with key personnel, so we wanted to bring that to the bigger group.

z. General Contractors: I feel compelled to say that since I'm representing General Contractors, it is a strong opinion from some in our group that you must put a fee on the MACC. Then other price-related factors are an option. More and more, we see lump sum SGC's are part of it because that feels like a very fair price-related factor. But some would say that is a bad decision. You have jobs with different time frames and different people which can be difficult to price. That puts SGC's in the category of massaging the truth in order to be competitive if you include it. In the long run, that may not be in the best interest of the project for the contractor's sake. There are scenarios where the SGC value relates to the balance of the work and time extensions later. I encourage this manual to be clear on what the RCW requires, and then it should describe where you can exercise options.

aa. Chair Datz: Agreed. I think it would be easier to say the MACC fee is always required, and here are the additional areas you can include. We should change how it's laid out to not include MACC fee in options, simply stating how it is required before options are listed.

bb. Ports: It does say the RCW requires the final proposal to include sealed bids for the percent fee, which may include other price-related factors. We were listing the pros and cons under options. Again, please feel free to comment on it if you have another idea.

cc. Chair Datz: I see what you're saying. Could we include the pre-construction cost as a factor? That's not given as an option currently. When discussing key personnel cost considerations for the bid, is that for all phases?

dd. Ports: It is just pre-construction.

ee. Chair Datz: You could do that for construction, too.

ff. Ports: Depending on the project, that seems difficult to price up front for a 1- or 2-years long project.

gg. General Contractors: I think that's exactly the intent of this section of the manual. Some owners know that they have an exact window of time that this project would have to occur in. Therefore, time-related costs could be more clearly defined and bid through GC/CM and procurement. But if you have a project that is complex with phasing and vague duration, if you attempt to include time related cost items in the pricing then the table is poorly set for flexibility. Hopefully, we can give owners the insight to understand that nuance in the manual.

hh. Ports: Yes, I think we have some good language around that. The manual recommends providing that level of effort and rates with the bid, because many owners do not have the experience to negotiate rates. This prevents that. It provides today's market rates and provides insight into those that may be high or low outliers. We are leaning towards getting the rates, but not putting them into the calculation of selection. Perhaps we can talk about that today. If the group could read through the manual and then comment on opinions of if this is a best practice for our next check in. [AI] Another item to consider is audits, which the Port frequently goes through. Depending on who is completing the audit, they can rip rates apart. Auditors can say that the rate shows they are paying too much for insurance, rates are too high, and more. If you are just asking for the rate and not what is in the rate broken down, then the auditors cannot do that either. This saves time down the road when you just get the rate with the contract. The last bullet is also a good point, to determine increase on rates for the coming years so that isn't a negotiation later.

ii. Chair Datz: I don't have any problem with this, but I know that as a public owner, we need to know how the pre-construction cost is structured. Is it cost reimbursable or a lump sum? With that comes different audit levels. We always struggled with cost reimbursable, because it was a challenge to get an actual direct labor rate for construction staff.

jj. General Contractors: In my opinion, it is inappropriate to treat pre-construction and professional services from your CM partner like a trades person with certified payroll on a burden labor rate that spills out on their paystub. Auditors bump heads on that difference too because they expect to see timecards. That does not exist on the majority of professional services for the people involved in pre-construction coordination on these types of projects. They are salaried employees, so their billable rate should just be a statement.

kk. Chair Datz: I agree, you're better off with a lump-sum for pre-construction. I believe that should be stated and list the risks of contract type.

ll. Ports: We can look through for other comments for our next discussion point.

mm. General Contractors: Let's discuss bonds. Does anyone have an opinion on the encouragement of separating bonds from the percent fee? Or experience?

nn. Chair Datz and Ports: No, not yet.

- oo.* General Contractors: There are multiple opinions of this among General Contractors. To me, encouraging separate bond from the margin in the percentage gives them greater buying power. From an equity standpoint, by blending that with the margin, you do create apples to apples, and no spotlight is on the lower and less competitive bond rate. Some in General Contractors say that the bond rate needs to be provided separately. How do we call that best practice when no one in this group is practicing that?
- pp.* Ports: I think the idea is to include it as a percentage on the bid form, rather than include it in the fee.
- qq.* General Contractors: A bond cost is always a percentage of the contract amount. Just like we can't price a lump sum fee amount, the MACC will vary just like bonds and insurance will. Some in general contractors say to provide an opportunity to display the bond cost as a percentage but separate from margin. I have never seen that done, and I'm not sure that's what I'm behind as a best practice.
- rr.* Chair Datz: I see your point. You're saying this based on equity, not on quality of work.
- ss.* General Contractors: Yes, I'm saying this on behalf of my competitors in the GC/CM procurement section. Those with worse insurance rates still need to be able to compete. If I pulled out Sound Transit and Port of Seattle's cost matrix, I'll find the check box for that cost item in the fee. Others in [General Contractors] feel that it should be separated. I don't agree. So much goes into a bond and insurance rate including the size of the company, stakeholders net worth, and more. Your bond rate reflects risk position. Because these projects require 100% performance bond, they are not insignificant costs. It seems like the best way to level the playing field is to have them include the bond insurance cost in their bid.
- tt.* Chair Datz: I don't have a preference either way, but what you're saying makes sense. It is important to have a level playing field. We are making changes with GC/CM to bring more firms into the fold. We've extensively discussed best practices in the last few years, and we all come from different fields but should be in agreement. If some in the industry do not feel something is a best practice, we should step away from that.
- uu.* Ports: Just like we did for the bid form, do we provide listed options with pros and cons? Or do we want to make a recommendation? Or just take it out and not make it a best practice?
- vv.* General Contractors: I suggest we just flag it at this point and we keep discussing when other voices from General Contractors are present. One of the things we recognize that owners desire is demonstration to their stakeholders of who participated in their process, the amount of participation, and how did they demonstrate value. The lower the fee, the better. This is one more way to break away cost to make the fee look less, but it's just moving it to another area.
- ww.* Chair Datz: Yes, let's massage this more and try to come to a middle ground. I don't want to kick it out now with other General Contractors voice not present.
- xx.* Ports: It simplifies things to keep as much in the fee as possible.
- yy.* Chair Datz: It simplifies negotiating, too. The more we can break things down and bid, but then more pressure goes onto the contractors.
- zz.* General Contractors: That's one of the best sentiments I've heard. Owners should be anticipating negotiations during their procurement. They should be trying to set the table effectively, but not dictate what it will be. If you do that, then you're just guessing, too. We see that occasionally, and if someone asks you to rely on ambiguity to set a hard firm price. If you do that, you end up paying more than you need to because you shifted risk inappropriately. That's a terrible situation for a bidder, because you speculate if your competition will understand that. We see some ambiguity and need to cover it in price and assume our competitors won't do that. If they miss that and bid less but win, then they have a financial problem. But we also didn't win the work.
- aaa.* Chair Datz: In pre-bid meetings, you always know the firms saw something that they aren't mentioning. They don't ask questions, but we want them to let us know what we missed or isn't clear.
- bbb.* Ports: We have bonds mentioned in several locations, so we'll have to come back to that.
- ccc.* Chair Datz: [Ports] you mentioned earlier that you can simply go with an RFP and not a 2-step procurement? The RCW doesn't require a 2-step process?
- ddd.* Ports: I believe that how we interpret the RCW is that you do an RFP, and then receive a price. That's how we see the 2-step.
- eee.* General Contractors: I also flagged this because earlier on in this document, I see a 1-step process referenced. I do not think that aligns with RCW 39.10.360, the award process. "You ask for proposals, a committee shall review them, and then at a time and place, a price related fee is put on the table in a sealed envelope." I understand that as a minimum of a 2-step process.

fff. Ports: If you are asking for the same information 2 times and you are not planning on short listing, is that not a waste of time? For Ports, we rarely short list because there are not enough GC/CMs to short list from RFQ to RFP.

ggg. Chair Datz: Yes, if you look at number 4 under the RCW 360, it says that after you supply a list, you have to select a date and time for the price proposal.

hhh. General Contractors: I believe you can combine the 2 steps. I see your point in saving time. I think you could ask for qualifications for your proposal, as well as a price in a sealed envelope. But they would need to be evaluated separately.

iii. Ports: Yes, absolutely. The committee doesn't see the price with the proposals. That is what the 2 steps are.

jjj. Chair Datz: It is still a 2-step evaluation, but with 1 submission. Perhaps we don't call it steps.

- i. You can submit a clear RFQ shortlist to RFP with 2 different submissions turned in at separate times.
- ii. You can submit 1 package of qualifications and price proposal, but they will be opened at different times.

kkk. Architects: In terms of best practices, should one of these be considered a best practice? Should we explain why you would want to go one way or another?

lll. Chair Datz: To that point, you never know how many qualified firms will submit. I like the idea of recommending based on project type.

mmm. General Contractors: But if they qualify for GC/CM, then the project type is complex.

nnn. Chair Datz: That is true. How will you know how many qualified firms will submit based on a proposal?

ooo. Ports: We usually have an idea based on history and experience of who is out there and does the type of work, and who has been interested in the past.

ppp. Chair Datz: You do need to go through a short list effort, even if everyone is on the shortlist.

qqq. Ports: I understand, you're saying you have to shortlist even if everyone is moved through.

rrr. General Contractors: I just saw this topic get attention at a recent PRC meeting. How many to shortlist is appropriate? There was pushback from some committee members. The proposers' answer was that they couldn't define how many the shortlist would be, because whoever is in the competitive range would be moved forward. From a best practice standpoint, I believe we should take a position and say that the best practice is 3.

sss. Chair Datz: But is it?

ttt. General Contractors: Usually step 2 is an interview, which is a big burden on the bidder. If they are already pretty sure who they will select before the interview, that is not worth the applicants' time. It seems like it is appropriate to only select a limited amount of those in the competitive range.

uuu. Chair Datz: I see what you're saying, but that only makes sense if step 1 is qualifications, step 2 is interview, and step 3 is price. The other approach is to include the qualifications and interview in 1 process, so that the next step is only price. If 6 firms are highly qualified and already interviewed, I would like to get a price from all 6.

vvv. K-12 Schools: In my experience with school districts, we often have firms bid trying to win GC/CM work for the first time since our projects are smaller. It would not have worked to combine the RFQ interviews, because there are generally 1 or 2 submissions that are not qualified. They are usually short listed. Because I do a 3-step process, I am short listing them along the way. The original RFP has it laid out that only 3 will be moved forward at the last step of price proposal. I never know how many submissions I will get. I understand General Contractors' point about bringing people forward that don't have a real chance to make it to the next step. I do hear people asking that if they are long shot, do not bring them through.

www. Chair Datz: What if you get 6 firms within a highly competitive range and they are all qualified?

xxx. General Contractors: Those firms will still put in a high level of effort with a lower chance to win at that size of group, if all are moved through to the interview stage.

yyy. Ports: The manual does state that 3 to 5 firms is ideal, and only those in the competitive range with a feasible chance to win. You don't want to end up with only 2 firms, just in case a firm drops out.

zzz. Architects: I understand that with Design Build, because the level of effort to put together a price is quite intensive. If we change GC/CM to where we are only getting fees, it's much less effort. I know that when we get shortlisted with 5 or 6 other firms it is always disappointing because of the level of effort and chance to win.

aaaa. Chair Datz: So if we took out the interview portion and you were only entering into a price proposal, does this calculation look different?

bbbb. Architects: I'll let a contractor answer that question.

cccc. General Contractors: Pricing is the easy part and it doesn't take us long to produce. It can be disheartening to be moved forward to interview when we shouldn't have been, based on the scoring revealed at the end. If our firm has an iron in the fire with an application, it influences our decision to pursue other work, too.

dddd. Chair Datz: I understand that, and it's hard to figure out the cutoff point to not move someone forward. If we are at the point of submitting a price, I would want every qualified firm within a competitive range to submit a price. To your point [General Contractors], there's not much effort required for that step. And we are recommending an interview process as well, so absolutely – only bring forward firms within a competitive range, 3-5.

eeee. General Contractors: Chair Datz, do you remember in the Alternative Subcontracting Chapter, how much time that subcommittee spent on trying to develop guidance on interviewing? It was enlightening to realize that the owners' procurement process does not require interviews. They are very standard in our industry. I don't remember if we stopped short of saying interviews shall or shall not be a part of alternative subcontract procurement. My point is that the owners set the example, which tends to be what others emulate.

ffff. Chair Datz: We landed that if they are going to interview, it needs to be very transparent. You must be very clear on who will be in the room, what you are asking, share the scores, etc.

gggg. General Contractors: That goes further than what the owners' Procurement RCW rules currently require. I'm not advocating that it be added, but it is interesting that there are more prescriptive requirements on alternative subcontractor hiring than at GC/CM hiring. Sometimes, silence means that people will take it too far. That is why I will keep advocating best practice is 3, or someone very clearly in the competitive range and has the chance should be moved forward in the process.

hhhh. Chair Datz: I understand what you're saying. When you are asking for a higher level of work in procurement, you need to assure applicants that there is value in their effort. Perhaps we say that if you have a shortlist before an interview, you should take 3 to 5. You shouldn't take more than 5. And if it's the less common situation where you do not have an interview, you move straight to price. I wouldn't want to give owners the impression that you couldn't take more than 3 or 5 if you are not asking for extra level of effort with interview. Frankly, I don't think we've ever had 6 firms qualified.

iiii. General Contractors: I think we're saying the same thing. I'm glad [K-12 Schools] spoke from their perspective, because we are seeing that in K-12 right now with 10 proposals. It shows how competitive it is. But to try and interview 6 firms from that pool is a giant level of effort for both K-12 and the applicants. We should use the multiple steps to whittle the field down, which I believe is the intent. How you decide to move forward is largely based on how many proposals are received. We can't have too much of an opinion until you know how many proposals are on the table.

jjjj. Chair Datz. I like phrasing it that way. The steps in the process have the intent to whittle it down to the most qualified. You don't want anyone winning the job who is not the most qualified. If we want to say 3 to 5, I'm fine with that. But when we get to the price, we need every qualified firm to submit a price.

kkkk. Ports: So you're saying that number 6, "shortlist to the most qualified firms in competitive range" should not be here?

llll. Chair Datz: Oh no, I agree with that. I was just saying to put a number on it. Once we start stating a number or range, everyone will default to that. If you look at Design Build, we started out at 5 and now it is 3, which makes sense.

mmmm. Engineers: I've seen in one or two procurements where there's 3 or 4 who submit, but then all the firms are shortlisted to the next phase. Should we comment on that or remain silent? Shortlist implies that you are reducing the amount still under consideration.

nnnn. Chair Datz: That's a fair question. From the procurement side, I always considered shortlist as keeping everyone who is qualified and eligible to win the project. So sometimes, the shortlist isn't shorter than the number of firms.

oooo. Engineers: Ok, it just seems a bit deceiving. It implies something that you are not necessarily following through on in the process. There are always good reasons to advance everyone who submitted, I'm not questioning that. I'm just making a comment more than anything.

pppp. Chair Datz: Yes.

qqqq. General Contractors: Does this conversation strike any desire or need to emphasize the price of the overall ideal? Best value procurement? Qualifications and price? I'm referencing the math behind the scoring. Is there any language in this about the importance of the price step? I appreciate these differences of opinion on details. I think that what I'm hearing with this difference of opinions on how many or other details is great. One of the things I like to see even on a job we use, is when I can see that it was a very competitive process. Through the process, the stage was set for a competitive pricing round. Whoever was brought through to that step was within a close competitive range with no outliers. In contrast, there are many examples of getting back scoring at the end of the process and it is blatant that they knew who they wanted to work with before they even went out to bid. Is there guidance on setting up scoring?

rrrr. Ports: Yes, some.

ssss. Chair Datz: I agree. The whole intent is to get competitive pricing. The best is when all the prices are very close to each other, and within your estimates of budget. And all firms are highly qualified. That is the ideal situation, where all firms would be a great choice. Sometimes the misconception in this process is that the competition is at the pricing stage, when really it's set at the qualifications stage. You can have 2 at the pricing stage and it was still a competitive procurement. The concern is if 1 drops out. And at GC/CM, that's less likely. What are the chances that 1 firm would not submit a price if we give them 2 weeks?

tttt. General Contractors: That's a good point for scoring.

uuuu. Ports: I'm not sure we made any specific statements to that effect. We talk about how scoring will be approached for each factor for consistency. Each person scores differently but the team should understand how they score together.

vvvv. K-12 Schools: I don't think we really address weighting of steps. We give a scoring example, but I know what you're saying and I don't think we have it explicitly written here.

wwww. General Contractors: Yes, the example gets close. It's stated as a number of points, but I just equate that to percentage. RFQ with only 15% feels very low to me. Isn't it usually 30-40%? The interview is normally the majority chunk to add to qualifications. Pricing is usually 15-20% and this suggests only 10%. If price is only 10% of overall scoring, you're effectively communicating that is lower on the priority list than qualifications. That is fair, but we should provide thoughts about the weighting. It's very important to maintain a competitive range through to the end.

xxxx. Ports: I hear what you're saying, but I think we're already at 16 pages and telling people how to weight their RFPs and criteria is a bit too deep in the weeds. Doesn't that depend on what's important to them? We give them an example, but I don't want to tell them how to do an RFP because they know how to do that. Our goal is to help them understand best practices for GC/CM.

yyyy. General Contractors: I would love to see some major owners' representative scorecards as potential attachments to this manual. We see variance, and that's not necessarily a bad thing. I think we cringe a bit when we see major outlying weights compared to standard. Too often, those outliers are devaluing price because they are thinking that is appropriate for priorities. When you are navigating how to score the previous steps, you may have inadvertently excluded someone from winning if they are 10% behind their competitors. That is the relationship between the scorecard and weights.

zzzz. Ports: When we developed this, we discussed every criteria and how important it is. As the owner, we walk through these and don't just grab what we did last time. It should definitely be a practice that every owner does. We also should take this into what-if scenarios to make sure the numbers make sense.

aaaaa. Chair Datz: I think that process is important to state.

bbbbb. Ports: I think we do have it listed in this manual.

ccccc. Chair Datz: If you look at best practices of Design Build, that's how we approached it. It's not the scoring, but how you develop it. Scenario testing is incredibly important. How often does someone score less than a 6 on an interview?

ddddd. Ports: We do discuss how evaluators evaluate. Most evaluators don't feel comfortable giving a 2 on a 20-point item. No one is using the full point range. You could add a comment or suggestion on that, and perhaps someone can develop text on evaluation.

eeeee. DES: One thing we began doing several years ago is the development of scoring bands based on percentages: excellent is 85-100%, good is 70-84%, etc. You score based on percentage, and that is multiplied by the 20 points. It allows more of a spread. This isn't perfect because there is still the human factor, but it is easier to score on a hundred percent scale than 0-20.

ffff. Chair Datz: We've tried to use 50% as 'meets criteria'. This allows more flexibility for up and down.
ggggg. Architects: I have a few comments on evaluation factors, looking at the bottom of the list of "Other evaluation factors to consider." For consideration of the group, I have a few suggestions.

- i. On the bullet point "Experience with conceptual cost estimating." That's a great point, but perhaps we should include subtrade costs. GC may have in-house estimating for things they are familiar with, but sometimes they shop it out to subs for MEP and other trades. It would be helpful to know how they handle subtrade costs and its worth consideration.
- ii. On the bullet "Experience and effective use of constructability reviews," I suggest adding "and demonstrated experience bringing value to the design process." I don't see anywhere else in the evaluation criteria how they are engaging the design process itself. A good GC/CM in some ways is a member of the team and design process.
- iii. May we add a new bullet "Demonstrated commitment to team continuity between pre-construction and construction." I don't see this listed anywhere else. It's not a hand off between the pre-construction and construction team because so much knowledge is gained through the pre-construction process. Ideally, some of the same staff would be on both teams. Or there is a process to create continuity between pre-construction and construction phases.

hhhhh. Chair Datz: I like them.

iiii. General Contractors: I agree with those thoughts. To confirm, these are in addition to the things listed in the matrix above this section?

jjjj. Ports: Yes. Section 2.3 lists more requirements of evaluation criteria to include, then considerations.

kkkkk. General Contractors: I also question the proximity reference. I don't think that should be a suggestion for best practice. You are trying to not let a firm's geographic location be a disqualification. That should not be a scored item.

lllll. Ports: For me, I think this question has to do with their relationships or knowledge of the local market and available subcontractors.

mmmmm. General Contractors: That's a better way of phrasing it, then, vs. proximity to location. This is a bit nuanced now because of agendas to keep dollars local and within your community.

nnnnn. Chair Datz: I agree with that.

ooooo. Ports: I'll delete that. Any other comments on proximity to location and knowledge of subcontractors in the area?

ppppp. General Contractors: I think it is smart to ask about self-performance. That sets the table and allows insight into what types of scope that may be.

qqqqq. Chair Datz: I think they have that for RCW.

rrrrr. Ports: Yes, they have scope they want to perform and past performance of that scope.

sssss. Chair Datz: Can we discuss the difference between RFQ, RFP and RFFP? The RCW only states proposal and final proposal. I really think we should keep it within those terms. All those ideas are usually submitted with the first submittal. I think that's something that the group should dive back into and make sure we're in line with what is in the RCW.

ttttt. Ports: Ok, agreed on consistency and alignment.

uuuuu. General Contractors: Were there loose ends in the subcommittee sessions?

vvvvv. Ports: Yes, here's another comment on hourly rates. Throughout this document you see the hourly rate conversation come up. Here's more about the selection process and an example of a consensus scoring. We discuss that it's important for the evaluation panel to support their scoring with specific comments and how to do consensus. Then, we talk about defining the percentage rate. There is more guidance in the document about that, which is good.

wwwww. General Contractors: There's a reference to one-on-one proprietary meetings as a component of the solicitation process. How much is that occurring? That feels more appropriate to Design Build.

xxxxx. Ports: We did discuss that a bit. We began with procurement planning and early outreach, the project team, and informational meetings. Then, at that time some quick one-on-ones with contractors happen to discuss goals of the project. Nothing is scored at that time. Then, the owner may have some questions about the project such as market conditions. That is all prior to the RFP being posted and the solicitation process.

yyyyy. General Contractors: Okay, that makes sense that it's all ahead of the solicitation coming out. I don't believe it's currently reading that way. Generally, it's known that you do not call the owner after an RFP is posted to have a one-on-one conversation.

zzzzz. Ports: I do know that there was someone on the committee who wanted to keep the option on the table to meet with the owner during selection, so there is language that says the meeting must be with all proposers in that scenario.

aaaaaa. Chair Datz: To [General Contractors] point, I think it's the first sentence that is troubling – that it's up to the proposer to request meetings. It should be that the owner can establish one-on-one meetings during the procurement process, but it should be established at the initial proposal stage.

bbbbbb. General Contractors: I think the same clean-up needs to happen in 3.1.1 "Proprietary/One-on-One Meetings."

ccccc. Ports: This is another location where we are saying during the RFP stage, prior to proposals, it may be beneficial to provide each interested firm an opportunity to take part in a meeting. This allows prospective proposers to gather information which may be relevant to the assembly of their proposal.

dddddd. Chair Datz: So is this different than the other section?

eeeeee. Ports: Yes. So maybe we take out "one-on-one" and call it "proprietary" to help differentiate.

fffff. Chair Datz: Is the intent behind one-on-one above to give contractors the opportunity to raise issue privately?

gggggg. Ports: That was for the owners to ask about the project. This one is for the contractors to ask about the project.

hhhhhh. Chair Datz: Okay. I still stand by the first one, that it should be defined in the procurement documents if you are having additional meetings with the potential proposers.

iiiiii. Ports: I'm not sure if it says that; I'll make a note just in case. There is one thing at the end regarding the awarding of the contract. Do we discuss in these best practices whether 1 or 2 contracts is the best practice method? I know the Port does the 2 contract method. The benefit of 2 contracts is that if you don't get to MACC, then you don't sign the second contract. It's also helpful that you don't have to pay tax on the first contract because it's pre-construction. The requirements of construction and ability to do early work packages helps to keep track of costs separately.

jjjjj. Chair Datz: I don't think that is discussed anywhere else in the manual, so this seems like an appropriate spot. I agree with 2 contracts as best practice for the same reasons.

kkkkkk. General Contractors: I agree with that reasoning, but I will note that about 70% of the work that we do is under 1 contract. L&I is revenue savvy on that and how much GC/CM work is in motion in the industry. The only thing I'd offer for nuance is that the pre-construction scope of professional services is often going to also imply a requirement to do some work tasks that may be hands-on construction activity. So, the pre-construction contract needs to provide a venue for how that work will be managed, such as a T&M contract.

llllll. Chair Datz: Yes, that's a good point. If you do early packages, where do those costs go since they are normally with the construction contract? If you move that forward, how do you pay for the additional work?

mmmmm. Ports: We just issue the contract at the early work package instead of the construction contract. Otherwise, without contracting separately, it's easy to do work that shouldn't be done in pre-construction without a contract. We're almost at time, and we didn't get into the SGCs. I see there are remaining comments about that.

nnnnnn. Chair Datz: I don't have any more specific comments for today. [Ports], this chapter looks very strong and I think we're very close. I do want to give it a bit of a closer look and add comments. I'll find some examples to add to the evaluation section. I think we can roll this chapter into the main manual, and then start working on the final version of that. If anyone has more comments for this chapter, add them. [Ports], can your team reconcile those comments? [AI]

ooooo. Ports: Yes.

pppppp. The group expressed appreciation for [Ports] pushing this effort forward.

4. Chair Datz: Adjourned the meeting at 2:56pm.