

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE
Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington
February 25, 2016
9:00 AM**

Draft Minutes

PANEL MEMBERS PRESENT

John Palewicz, University of Washington	Janice Zahn, Port of Seattle
Tom Peterson, Hoffman Construction Company	Linneth Riley-Hall, Sound Transit
Kurt Boyd, Valley Electric	Ato Apiafi, Ato Apiafi Architects
Steve Crawford, Issaquah School District	Ian Kell, Seneca Group

STAFF, GUESTS, PRESENTERS

Danelle Bessett, Department of Enterprise Services	Brian Buck, Lake Washington School District
Tom Gow, Puget Sound Meeting Services	Dan Chandler, OAC Services
Forrest Miller, Lake Washington School District	Janene Fogard, Lake Washington School District
Rebecca Baibak, Integrus	Howard Hillinger, Parametrix
Rob Robertson, Citizen	Lori Cloud, Tahoma School District

Welcome, Introductions & Rule Review

Panel Chair John Palewicz called the CPARB Capital Projects Review Committee meeting to order at 9:13 a.m.

All members provided self-introduction.

Lake Washington School District – Juanita High School Rebuild Project – GC/CM

Panel Chair Palewicz reviewed the presentation format to consider the GC/CM project application from Lake Washington School District for the Juanita High School Rebuild Project. Members in attendance included John Palewicz, Steve Crawford, Ian Kell, Janice Zahn, Tom Peterson, Kurt Boyd, Linneth Riley-Hall, and Ato Apiafi.

Forrest Miller, Director of Support Services, Lake Washington School District, thanked the panel for the opportunity to present the district's fourth GC/CM project. The presentation will identify the team members, project schedule and scope, budget, and how the project meets the requirements of the statute.

Janene Fogard, Deputy Superintendent, Lake Washington School District, provided an overview of the school district. The district's mission is to graduate students to lead a rewarding and responsible life as a contributing member of the community and greater society. The school district's graduation rate is 92.3%. Facilities are a key role in accomplishing the high graduation rate. One of the district's strategic goals is providing safe and innovative learning environments for students and staff to afford the best opportunity to achieve success.

Lake Washington is a large school district encompassing 27,830 students as of October 2015 covering 76 square miles in 52 schools serving the communities of Kirkland, Redmond, Sammamish, areas of unincorporated King County, and a small area of Bellevue. The district is the state's fourth largest school district. Student enrollment continues to increase annually. Historically, enrollment lessened in the late 1990s and early 2000s. Over the last seven years, the school district has experienced enrollment increases. Over the last five years, the district has averaged 625 new students equating to a large elementary school each year.

The school district employs 3,500 individuals to include 1,700 teachers. The school district has approximately 3.7 million square feet of buildings and 1,400 classrooms. The district's annual general fund budget is over \$300 million with 21% of the budget from local funded levies.

Over the last seven years, the school district has completed 25 projects to include 25 schools (new or remodeled) of which three were successful GC/CM projects.

Mr. Miller reported the Lake Washington School District is a successful public builder of schools. Since 1998, the district has expended over \$700 million in either replacement or new schools and over \$315 million in other capital building projects. The district has a strong and stable background. All projects have been successfully delivered in terms of time and budget with no outstanding issues. The district has a well-developed model and internal process enabling the district to deliver successful projects. The district also has a long-term relationship with OAC Services.

Mr. Miller introduced the team. Brian Buck, Associate Director of Support Services, Lake Washington School District, has been with the district for three years and worked previously at Boeing for 17 years. Mr. Buck has attended AGC GC/CM training and has been very successful in the last three years delivering over \$50 million in capital projects for the school district.

The team also has experienced GC/CM legal representation and the support and assistance of OAC Services, Parametrix, and Integrus.

Ms. Fogard shared that she has been with the school district for 34 years and has been the Deputy Superintendent of Operational Services for the last 16 years. She's been involved in all capital projects since 1998. Over the last year, she has worked closely with a 63-member community-based group to develop a long-term plan for the district's facilities.

Mr. Miller said he's been with the district for 24 years and has direct experience with all projects since 1998.

Mr. Buck reported that his role includes all maintenance and resource conservation management, sponsored projects (community projects), as well as all construction. Over the last three years, the district completed approximately \$10-\$20 million annually in capital projects. Prior to employment with the school district, he spent 17 years at Boeing in the Shared Services Group supporting many service deliveries, such as site services and information technology.

Dan Chandler, OAC Services, reported he has 35 years of experience with the last two years co-located with the Lake Washington School District Asset Program Manager. He spends approximately three-to five days a week at the school district office assisting Mr. Miller and Ms. Fogard with the bond measure. The Project Manager for the project is Dave Jobs, who has completed two GC/CM projects and has over 26 years of experience with 22 of those years at OAC Services. He's also completed AGC GC/CM training.

Rebecca Baibak, Managing Principal, Integrus, reported that she and her partners have extensive experience with GC/CM projects, appearing several times before the PRC. She was involved in the pilot project in 2001 for the Northshore Junior High School.

Howard Hillinger, Principal, Parametrix, said he is a member of the PRC and has the experience and understanding of RCW 39.10. Parametrix is currently involved in approximately six GC/CM projects including a number of school modernizations. Parametrix has partnered with OAC Services to deliver projects. Attorneys involved in the project are very experienced with GC/CM. Chris Hirst, Pacifica Law Group, served two terms on the CPARB and has worked for the school district for a number of years. David Alskog is the General Counsel for the Lake Washington School District and was involved in the district's previous GC/CM projects. Between Parametrix and OAC Services, many staff members are available to support the project.

Ms. Baibak reviewed the scope of the project. The project is located on the site of the existing Juanita High School. Work was recently completed on the fields located at the south end of the site. The gymnasium and pool building will remain operational during construction. Areas have been designated for temporary housing

for students as construction proceeds. The project includes demolishing an existing one-story main building and rebuilding a three-story building to provide space for all curriculum consistent with Lake Washington School District's educational specifications. The project is the district's flagship project for the school bond. At the time of completion, building capacity will be 1,800 students with a planned expansion for another 200 students. The site will accommodate 2,000 students with parking areas located on the east and west of the parcel with a new drop off area and renovation of the fields to replace damage caused from temporary housing.

Mr. Miller noted that the current school has a capacity of 1,300 students.

Mr. Chandler said one of the challenges of the project is how to accomplish the project within the smallest building envelope, as it will impact the educational process. Many questions surround whether to demolish the entire building or only parts. Different locations have been studied. The design team will revisit the option during the design process. The schedule slipped to some degree with the goal to release the Request for Qualifications (RFQs) as early as the next day or next week. Respondents will have approximately three weeks to submit proposals followed by a pre-application/pre-proposal meeting. The procurement has been delayed somewhat from the original schedule included within the application. The goal is to hire the contractor as soon as possible. Final occupancy is scheduled in September 2021, with the team aiming to complete the project earlier.

The construction budget is estimated at \$98.3 million. The team has worked to develop the budgets and estimates for the bond program. The team examined several comparable contracts at other schools to establish the construction budget.

Ato Apiafi arrived at the meeting.

Ms. Fogard reported the Lake Washington School District School Bond approved placing a bond measure on the ballot to fund the project. The district has worked closely with the community group that included extensive community involvement in developing the package for the bond measure. The district is positive about the potential for passage of the bond because of good community support. The bond measure is scheduled for April 26. Should the bond measure fail, the school district has an opportunity to place the measure on the November ballot. Additionally, some funds from a previous bond have been dedicated towards design to maintain the schedule.

Mr. Chandler said the team believes the project is prepared to meet the requirements of the statute. Fiscal benefits include predictability of outcome, which is substantial. The district plans to ask voters to approve another bond measure in two years. The successful execution of this project will be important. In two years, the project will be approaching construction and would provide information to voters on how the project is on schedule and within budget. The options for delivery are complicated and the team seeks the participation of the GC/CM. The project meets three of the statute's requirements. The site is occupied, the project is complex, and involvement by the contractor is critical.

Mr. Chandler said he is hopeful that the team has demonstrated that the Lake Washington School District has the necessary experience and team to complete the project. Dave Jobs will be the project manager with support from other team members. The Lake Washington School District is a very experienced GC/CM practitioner and decided to pursue GC/CM based on experience. The project team will have good continuity throughout the process. Additionally, the school district has never had any audit findings, which speaks to the experience of the public builder with a clean track record.

Mr. Miller thanked members for the opportunity to present the proposal and the team looks forward to the PRC's approval of the GC/CM delivery method for the Juanita High School Rebuild Project.

Panel Chair Palewicz invited questions from the panel.

Ian Kell asked for more information on the phasing plan because it appears the new school will be constructed on the site of the existing school. He asked how the GC/CM would build around occupied portions of the site. Ms. Baibak replied that the initial options included partial demolition of the building and adding fewer portables versus developing a large grouping of portables in another area enabling full access to the existing building. Working between the two extremes is a key element to work through with the GC/CM by testing different scenarios. Mr. Kell said the response is indicative that either option could be pursued. Ms. Baibak said both scenarios were considered and that the team believes both can be workable while valuing the input from the GC/CM to fine-tune phasing.

Mr. Chandler said many different options were considered to solve the problem. The existing school is the ideal location although different locations and different designs were considered, as well as reducing the overall student population to reduce the portable site as much as possible. Mr. Miller added that both the pool and the field house would remain in operation necessitating contractors to work around those buildings.

Linneth Riley-Hall asked about the specific scopes of work required of the GC/CM during the construction to arrest the risks. Mr. Chandler responded that at the onset, the team would revisit some of the completed studies/options with the GC/CM. The team studied six options in terms of the new location for the school, determining the mix of temporary housing, and the speed of construction. Some input was received from contractors during the preliminary study. However, once the GC/CM is contracted, the team will revisit those options and identify the costs of temporary housing and the benefit to the district in terms of temporary housing and partial demolition of the site. Because the site could be a large portable campus, the construction alone is a large project. Trying to minimize the costs of the portable campus and analyzing all options will entail much work with the GC/CM. Ms. Baibak added that the GC/CM would be asked to complete some selective investigation that would be difficult to perform by the design and engineering team.

Ato Apiafi asked for additional information on the contingency plan given the number of unknowns associated with the project. Mr. Chandler said that after the PRC application was posted, much interest was generated with the team approached by contractors interested in the project. The team is confident that the project will generate good coverage within the contracting community. Many contractors are interested in the RFQ and the team anticipates receiving six or more statement of qualifications from the area's best contractors. The project includes a contingency within the overall bond program. The owner held contingency is 7%. The expectation of the GC/CM is to carry another 2%-3% contingency. At the beginning of construction, the net total contingency should be \$7-\$10 million for unforeseen conditions.

Janice Zahn asked whether the procurement is a one- or two-step process. Mr. Chandler responded that the procurement process entails three steps with the RFQ released followed by a shortlist of up to four contractors for interviews. Following interviews, the shortlist would be further reduced followed by acceptance of pre-proposals. The schedule included in the application has been extended. Ms. Zahn asked whether the process also includes Request for Proposals as part of the short-list process. Mr. Chandler said that during the interview process, it's not uncommon to interview up to three to four contractors. Following the interviews, selected contractors will be asked to submit fee proposals entailing a scripted fee proposal form to include information on bonds, insurance, and a cost responsibility matrix to help the proposers understand what the district is requesting. Contractors selected for fee proposals would have the opportunity to ask any questions as well as offer suggestions on improving the fee proposal to ensure a level playing field to the extent possible. Ms. Zahn suggested the team should reconsider the schedule, as it appears there is only a two-week window from receipt of the short list to award of the contract. Mr. Chandler affirmed the schedule in the application lacks some of the steps. Ms. Zahn asked about the timing to award the GC/CM contract, as the precon would only be performed by the successful proposers. Mr. Chandler said the award would likely occur by the first or second week in April allowing approximately three weeks for SOQ responses, a week for interviews, and a week for fee proposals. The schedule is approximately six weeks from release of the RFQ to the award of the GC/CM contract. Ms. Zahn remarked that the timeline is short for proposers to understand the project scope. Mr. Chandler replied that the timeline is the typical pace for OAC Services. The RFQ is a straightforward process and gives the proposers background information to determine whether to submit a RFQ. The interview

process is extensive and often includes site and office visits. A four-hour interview is not unusual. During the six-week period, applicants have the opportunity to learn more about the project.

Kurt Boyd said it appears the schedule is sliding as it appears only two weeks is available for selection of the GC/CM. Mr. Chandler affirmed the schedule was extended. Mr. Hillinger noted that since the school district has completed prior GC/CM projects, contractors would have opportunity to review the contract documents and RFPs and become familiar with the project during the process. Mr. Chandler said the school district is flexible should any contractor express concerns about the ability to complete the pricing. The intent is to ensure the contractor community responds, as the goal is to secure the best team members for the project.

Ms. Zahn asked whether other school district employees would be assigned to the project. Mr. Miller said that other than for administrative support staff, no other employees are assigned to the project other than himself, Ms. Fogard, and Mr. Buck. Project management will be provided by OAC Services with support from Parametrix on the site. The model has been very successful for the school district in terms of both in-house and contracted support. The school district considers the model as one team with demonstrated success since 2004. The consultants are integrated within the office with other school district team members.

Panel Chair Palewicz requested additional information on staffing and the relationship between OAC Services and Parametrix in terms of the number of staff members from each organization assigned to the project, as well as the role of Mr. Chandler because of his commitment to other projects, which would total a combined time commitment of approximately 120%, which speaks to a strong commitment personally. Mr. Miller advised that he is responsible for the programming and the design element of the project. Mr. Buck will assume some of that work with most of the work transferred to him as the project is implemented on the site. Mr. Chandler acknowledged that the school district project is the largest project for OAC Services. He's been assigned as the program manager for the last two years. Dependent upon workload ebbs and flows on other projects, he is the overall program manager. For the last two years, OAC Services has assisted Mr. Buck on system projects (small capital projects). Currently, OAC has a staff of four members dedicated to the small capital projects program including one staff member from Parametrix. If the bond is successful, the total number of staff members between OAC and Parametrix will increase to nine to ten personnel to include the small capital projects and the major program. Panel Chair Palewicz asked for the specific number of staff assigned to the high school project. Mr. Chandler said the increase would be three staff members comprised of a project manager and two project engineers during construction reporting to Mr. Jobs. Mr. Chandler advised that his commitment to the district is 75% of his time. Mr. Jobs is fully dedicated to the project.

Mr. Riley-Hall asked Mr. Chandler about his personal commitment to the project as the application indicated the time would be 75% devoted to the project. However, the response is indicative that Mr. Chandler is committing 75% of his time overall to the school district. Mr. Chandler affirmed that 75% of his time is dedicated to the entire program. It's difficult to identify how much time he would spend on the project as the project is a flagship. It likely would entail 25% to 35% of his time.

Mr. Boyd pointed out that Mr. Jobs is committed 100% to the project while also committed to the Sehome School project, which recently initiated its process. He asked about Mr. Jobs' workload as the application indicates his involvement as 100% during preconstruction and construction. Mr. Chandler replied that Mr. Jobs was the project manager for the Snohomish County Courthouse. The project was shelved and he is no longer assigned to the job. For the Sehome project, OAC Services is serving as the GC/CM advisor to the district. It's relatively easy to share the responsibilities within OAC Services as an advisory to the Sehome project. Should the bond measure succeed, it entails OAC Services reassigning assignments, which could occur at the Sehome project. If the measure is unsuccessful, Mr. Jobs will continue and help guide the design if the work for Juanita High School continues.

Ms. Riley-Hall asked about the methodology for selecting GC/CM as the delivery method for the project versus Design-Bid-Build. Mr. Miller replied that one of the first considerations of the high school project was the small site and the complexity of the project. The site is one of the district's most difficult sites to complete

the work because of the many environmental issues surrounding the site, poor soils, and other program complexities to include limited space to relocate students. One of the goals is ensuring the non-disruption of the educational process to the extent possible. The GC/CM's input is critical early in the process to ensure the educational process is not disturbed. Additionally, the school district's 63-member community task force has indicated a desire and direction to produce projects that are effective and efficient in its delivery. The team believes the GC/CM delivery method will afford the efficiency and effectiveness needed for this particular project.

Mr. Chandler pointed out that the project is similar to the Lake Washington High School project, which was completed from a prior bond measure. The old building was successfully demolished and replaced with a new building. The school district elected to follow the same model for the Juanita site. The scale of the project is also a major factor. It's important to receive input from the GC/CM to assist in decisions and guidance throughout the process. Predictability of outcome is the major driver.

Ms. Riley-Hall asked whether the design would be placed on hold should the bond measure fail. Ms. Fogard advised that the school district has funding from a previous bond to continue the design work.

Panel Chair Palewicz invited public comments.

Rob Robertson, 23311 NE 15th Street, Sammamish, said he lives within the Lake Washington School District. The panel has asked some very good questions and the team provided a comprehensive presentation. As an experienced general contractor and having previously worked with the team, the project meets the requirements of the RCW. Input from the general contractor will be critical for the project, not only to understand the temporary conditions but on how to minimize temporary conditions to maximize the program. Typically, the contracting community has a six-week period to complete the selection process. He cited the timing for the SOQ, interviews, and pricing as standard in the industry. For K-12 projects, the school district has established an A-team. His company has direct experience with Integrus and is constructing its fourth project with Ms. Baibak and her team. He and Ms. Baibak worked on the pilot project at the Northshore Junior High School. The firm has a key understanding of how to work and develop plans for projects on existing campuses. All four projects were located on existing campuses. His company is mid-way through construction of the Alderwood Middle School with Integrus. The company has a good understanding of the process. His company is also working with OAC Services and Parametrix on other school district projects and is currently in process with a third project with OAC for the Tahoma School District for a \$115 million project encompassing 320,000 square feet. OAC Services not only understand the nuances of the RCW but they have a great depth of team members. As a taxpayer and as a father of two daughters attending high schools in the Lake Washington School District, he believes the best outcome for the project's success is to use the GC/CM delivery method.

Lori Cloud, 28910 230th SE, Black Diamond, reported she is the Assistant Superintendent of the Tahoma School District as is responsible for all capital projects in the district. The district is currently in the process of completing three GC/CM projects involving the conversion of the Cedar River Middle School and Tahoma Middle School into elementary schools, and the complex project of Lake Wilderness Elementary School as an occupied site. She works very closely with OAC Services as the owner's project management team on all three of the projects. To date, the school district has achieved 100% success on the projects. All the projects are on time or ahead of schedule and on or below budget. The relationship has been a very positive experience for the school district. She strongly supports the GC/CM delivery method. The community passed a very large bond measure and expects the school district to complete successful projects. All eyes are on the school district as many community members are viewing surrounding districts that had some projects that were not as successful. She contributes the school district's success to the GC/CM process and the team.

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

Tom Peterson agreed with the comments on the timing for the procurement process. It's not unusual to have a five or six-week turnaround for the overall process. As a general contractor, he prefers a short but efficient period. As mentioned previously, OAC Services has been working on the Snohomish County Courthouse process, which included Mr. Jobs' involvement. Mr. Jobs is very capable and understand the nuances of the GC/CM delivery method. The project meets the criteria under RCW 39.10.

Ms. Riley-Hall agreed the project meets the criteria for GC/CM. However, she would have preferred to receive more information about the depth of the process the school district undertook to determine the project delivery method versus other forms of project delivery. Although, as stated, the reasons are adequate to meet the RCW; however, it did not appear the school district completed a rationale process for selecting the GC/CM delivery method. Nonetheless, she supports the project for GC/CM. In terms of the tight schedule, the process enabling feedback from contractors to request more time, would likely result in the school district's consideration to afford more time.

Mr. Apiafi commented on the positives and negatives of the proposal. In terms of the positive, there is good intent by the Lake Washington School District having known Mr. Miller for some time. The involvement of Integrus and OAC Services increases his comfort level. In terms of the negatives, it appears that Mr. Miller is over stretched; however, based on the negatives and positive, he recommends approval of the project.

Ms. Riley-Hall pointed out how the panel was informed that OAC Services increases its level of participation to support the various teams and has been able to manage the depth of the projects by the inclusion of additional team members with experience. The presence of many staff members from OAC Services demonstrates their involvement in GC/CM projects.

Mr. Apiafi remarked that one of questions pertained to why both OAC Services and Parametrix were involved. Having both companies involved demonstrates that the school district recognizes the need for some backup.

Ms. Zahn said that from a project standpoint, the project fits the GC/CM model; however, information was lacking in the application about the MC/EM component and whether it would be included within the GC/CM process. From the standpoint of readiness, she identified with the passion and the energy expressed to support GC/CM and the success of that process, which is important as it indicates that the leadership believes in the process and the benefits. Often, she has found that although owners might like the idea, when the details are revealed for what it entails for a collaborative and working partnership, the process may not proceed as well. She likes that the process includes co-location with OAC Services and that OAC Services is already embedded because it demonstrates that the school district understands the meaning of a partnership and collaboration. Although the application was unclear in term of the schedule, once the explanation was offered, the process makes sense. She prefers to avoid a protracted process, but also wants to ensure there is sufficient time for contractors to have a clear understanding of the GC/CM requirements. She supports approval of the application.

Panel Chair Palewicz commented that the application is an excellent project for the use of GC/CM delivery method. There are some comments in the application about consideration of early award for mechanical and electrical subcontractors. One concern is the commitment of OAC Services and specific staff members. OAC Services is a powerhouse firm with many personnel; however, it is troubling when Mr. Chandler is assigned to the project while also approved by the PRC for participation in other projects. It's important that the PRC is not disingenuous to previous project approvals. Mr. Chandler's time commitment totals 120%. It's important other clients are not underserved. Based on his personal experience and knowledge about OAC Services, the company has always delivered and there have been no negative comments. It does however; place the PRC in an awkward position when the panel considers the amount of commitments by a company or person.

Mr. Riley-Hall commented that the team indicated that OAC Services is committing 25% to the project and 75% to the school district program. Panel Chair Palewicz explained that the PRC has approved several other projects with time commitment and leadership by Mr. Chandler totaling 445%. That's the concern.

Steve Crawford reported that the passage of the bond requires approval by 60% plus one yes vote, which is difficult to attain. The Juanita High School project is the centerpiece of the bond issue and although Lake Washington School district has been through a long community involvement process to develop the bond, having a GC/CM on board prior to the actual vote helps to instill some confidence in the community especially with the bond development committee. That may be one of the reasons why the schedule is so short. Because the project is located on an existing site with an existing building, it's important to have the GC/CM to assist in evaluating alternatives and making the right decisions on the location of the new building and temporary housing. The Lake Washington School District has completed three successful GC/CM projects in the past as well as a number of other significantly-sized school projects under Mr. Miller's management. The project meets the criteria for GC/CM and the delivery method provides the best chance for success of the project.

Mr. Kell supported the project for GC/CM. It's unfortunate that Mr. Jobs was unable to attend, as he is the heavy lifter for the project. Mr. Chandler's role is largely as the program manager to ensure the passage of the bond. The majority of the responsibility falls to Mr. Jobs. Mr. Jobs is experienced in GC/CM and would be a key member of the team. Having personally managed two GC/CM high school projects with one a phased occupied project, he couldn't imagine pursuing a Design-Bid-Build delivery method for this particular project. The school district has established the right team and controls.

Mr. Boyd echoed similar comments as the project meets the criteria for GC/CM delivery. Since Mr. Chandler and OAC Services have been embedded at the school district for a year it adds value. Securing the contractor early during schematic design is beneficial. Although the bond is not scheduled until April 26, the schedule is insufficient and too aggressive. The team did however address the concerns properly about expanding the schedule to afford adequate time to general contractors. He supports approval of the project for GC/CM.

Tom Peterson moved, seconded by Linneth Riley-Hall, to approve the Lake Washington School District Juanita High School Rebuild project for the GC/CM delivery mode. Motion carried unanimously.

Adjournment

With there being no further business, Panel Chair Palewicz adjourned the meeting at 10:15 a.m.