

**CAPITAL PROJECTS ADVISORY REVIEW BOARD (CPARB)  
PROJECT REVIEW COMMITTEE (PRC)  
Northwest Carpenters Facility  
25120 Pacific Highway South  
Kent, Washington  
March 24, 2016  
9:00 AM**

**Draft Minutes**

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**PANEL MEMBERS PRESENT**

John Palewicz, University of Washington	Janice Zahn, Port of Seattle
Tom Peterson, Hoffman Construction Company	Linneth Riley-Hall, Sound Transit
Rob Warnaca, Mortenson Construction (Telecon)	Ato Apiafi, Ato Apiafi Architects
Steve Crawford, Issaquah School District	Jim Burt, King County
Vicki Barron-Sumann, BarSum Consulting LLC	Chuck Davis, Seattle Central College
David Beaudine, Heery International	Bill Dobyns, Lydig Construction (Telecon)
Curt Gimmestad, Absher Construction	Howard Hillinger, Parametrix
Rustin Hall, ALSC Architects, P.S. (Telecon)	Rusty Pritchard, Washington State University
Jon Lebo, University of Washington	Jeanne Rynne, The Evergreen State College
Darron Pease, Shinn Mechanical	Phil Lovell, Turner Construction
Yelena Semenova, Department of Enterprise Services	Joe Stowell, City of Oak Harbor

**STAFF, GUESTS, PRESENTERS**

Danelle Bessett, Department of Enterprise Services	Darrin Sweeny, City of Richland
Tom Gow, Puget Sound Meeting Services	Robynne Parkinson, Thaxton & Parkinson
Joe Schiessl, City of Richland	Matthew Walker, Hill International
John McLean, Blue Moon Architecture	Renee Jensen, Summit Pacific Medical Center
Dick Bratton, Summit Pacific Medical Center	Joe Kline, Washington State University
Louse Sweeny, Washington State University	Bob Eggert, Washington State University
Dave Johnson, City of Tacoma	Kurt Miller, Citizen
Debbie Terwilleger, Metro Parks Tacoma	Jim Dugan, Parametrix
Robert Sawatzky, Tacoma Public Schools	Paul Popovich, Parametrix
Brian Fitzgerald, TCF Architecture	Brian Ho, TCF Architecture
Lucy Morello, Seattle Public Schools	Michael Davis, Bassetti Architects
Richard Best, Seattle Public Schools	Mike Finnegan, Heery International
Lorne McConachle, Bassetti Architects	Tom Coal, Cornerstone Construction

**Welcome, Introductions & Rule Review**

Chair Curt Gimmestad called the CPARB Capital Project Review Committee meeting to order at 9:04 a.m.

All members provided self-introduction.

Chair Gimmestad reported that during the process of assigning the panel for the special meeting on February 25, several panel members with terms expiring or expired were not reappointed by the CPARB at its February 9 meeting. Because of the overlap in time, the issue is whether members with an expired term and who have not been reappointed or replaced are able to participate and vote as a panel member.

John Palewicz added that as the Chair of that panel, the previous panel had sufficient members and the vote was unanimous. Chair Gimmestad advised that he would discuss coordination issues with CPARB members at the May meeting to ensure voting members of panels are current members of the PRC.

Chair Gimmestad said he's had several conversations with members about applicants presenting information about an owner's approach to project management to ensure a successful GC/CM or Design-Build (D-B) project. Often, after receiving approval and following implementation of the project, the PRC often learns through the industry that the project management plan, as presented, wasn't implemented as outlined creating a dilemma for the PRC because approval was based on the proposed management plan. The issue is identifying potential options the PRC might have to address the issue. Chair Gimmestad said he plans to address the issue the concerns during his report to the CPARB in May.

Mr. Palewicz pointed out how disconcerting it is for the PRC when an applicant presents a team of experienced and less experienced personnel in alternative delivery methods and commits as a team to follow through the life of the project, and for whatever reason, the commitment doesn't occur. The PRC's approval of the project was based on specific assumptions. The PRC doesn't have any follow-up or policing authority/capability to ensure the project team followed through with those assumptions. The PRC considers many applications where the owner has a lack of experience and must secure necessary experience. It's uncertain whether the PRC has any prerogative or a role to follow-up in those instances.

Tom Peterson remarked that the PRC has no statutory authority; however, the CPARB has intervened in some cases. Unless PRC is afforded any authority, there is little recourse to address the issue. Either the PRC or CPARB should have the authority to re-review applications as the issue is concerning.

Rusty Pritchard said he had similar questions, as oversight by the PRC is not included in the statute. Until that is resolved, the issue will continue.

Jeanne Rynne questioned whether the authority is required statutorily as it could entail the PRC or CPARB developing procedures addressing the issue. One option is requesting notification by the applicants should personnel changes occur during the project.

Chair Gimmestad said the PRC lacks any policing authority and the challenge is how the issue is addressed and managed and by what body.

Janice Zahn commented that the issue is a "slippery slope" because there is no role for PRC within the original formation of the committee. Perhaps the venue to have the dialogue about what occurred during a particular project is when the applicant submits a new project application. Information on lessons learned could include both positive and negative factors. Pursuing a path of requiring owners to notify PRC of any personnel changes could be problematic because the industry is robust with activity. Having the mindset that a project team would never experience change is unrealistic.

Chuck Davis said every project is required to submit an evaluation to the CPRAB and the PRC should utilize that process to monitor whether project team changes impact the outcome of a project. If the applicant is able to successfully complete the project using the alternative delivery method and demonstrates success through the evaluation, the issue is likely moot. However, when those changes begin to degrade the overall success of alternative delivery methods, the PRC should be concerned.

Mr. Peterson commented that the evaluation process at this time is problematic because the reporting process hasn't been resolved. The problem is project failure and the PRC's role in helping to prevent those failures.

Chair Gimmestad affirmed he would share the concerns with CPARB members in May.

**City of Richland – Certification for Design-Build**

Chair Gimmestad outlined the presentation format to consider the City of Richland's certification application for Design-Build. A meeting quorum of the PRC is required to consider and render a decision on the application. Members in attendance included Curt Gimmestad, John Palewicz, Steve Crawford, Janice Zahn, Tom Peterson, Linneth Riley-Hall, Ato Apiafi, Chuck Davis, Howard Hillinger, Rusty Pritchard, David Beaudine, Darron Pease, Joe Stowell, Yelena Semenova, Joanne Rynne, Vicki Barron-Sumann, Jim Burt, Bill Dobyms, Rustin Hall, Jon Lebo, and Rob Warnaca.

Joe Schiessl, Director, Parks and Public Facilities, City of Richland; Robynne Parkinson, Thaxton & Parkinson; Darrin Sweeny, Project Manager, City of Richland; and Matthew Walker, Hill International, provided self introductions.

Mr. Schiessl reported the City of Richland, with a population of 53,000 people, is located in the south central part of the state. The City provides typical fire, police, sewer, water, and planning services, as well as a solid waste utility, municipal landfill, Emergency Management 911 Call Center, Electric Utility, Broadband Utility, and a Library. Staff members are experienced in leadership, budgeting, project management, and administration in support of the various operations. Additionally, the area's federal presence includes the Hanford Site, Pacific Northwest National Laboratory, and Hanford's Vitrification Plant under construction and the largest federal construction project in the country for the last three years. Most of the Laboratory's facilities were D-B projects. Kadlec Regional Medical Center was recently purchased by Providence, which also has many D-B projects. Local school districts located throughout the greater Tri-City area have used the GC/CM delivery method for school projects.

While D-B is somewhat new for the City of Richland and for many other local governments in the area, it's the preferred method for large public projects. The area has a large D-B knowledge base.

Mr. Schiessl said he's been with the City for 15 years in various roles ranging from economic development, federal affordable housing, long-range and current planning, and parks and facilities. The City has 3,000 acres of property and 250,000 square feet of occupied buildings. As a member of the City's leadership team, he's involved in all capital planning initiatives for all departments serving as program administration for capital projects within the department and peer review/capital administration for other departments. Today, he serves as a program administrator.

Mr. Sweeny reported that he's been with the City for three years. He studied construction management at Brigham Young University. After graduation, he worked for a large general contractor in Salt Lake City as a traveling superintendent/project manager overseeing projects in New York, Ohio, and Florida. In 2003, after completing a \$15 million mixed-use residential/commercial project, he established a construction company in Idaho Falls until 2013. During, that time, he delivered projects using different delivery methods to include Design-Bid-Build (D-B-B), D-B, and GC/CM. He personally prefers D-B as the best method to deliver a project because it provides early collaboration with the team to work through project details resulting in a stronger team. He had no experience in the public sector until 2013, when he sold the company to his business partner and moved to the City of Richland to work in the facilities field. For the last several years, he learned about facilities management and was involved in construction during the Fire Station project when he suggested the City should pursue D-B for the project. Today, he is the Facilities and Project Manager.

Mr. Schiessl said the department is a relatively small organization. Similar to other agency approvals, the City relies on contracted subject matter experts. As with the Fire Station project and the City Hall replacement project, the City hired consultants to assist in delivering the projects.

The City's typical capital program averages \$30 million annually. Projects are typically renewal and replacement projects encompassing utilities and enterprise funds. The City has approximately 30 project managers, architects, and engineer professionals who oversee and operate the projects. If granted certification for D-B, the City plans to move forward with a \$16 million City Hall project, two fire stations valued at \$4 million each, and upgrades to the wastewater treatment plant valued at \$3 million.

The City understands its capabilities, staff resources, and differences in administration of D-B projects, and consequently would be smart and diligent about which projects to move forward. The City Council is also evaluating whether D-B is an appropriate delivery method. Because the City is located within the conservative side of the state, both fiscally and politically, the City Council, leadership team, and the City Manager are questioning the process and ascertaining the City's risk. Consequently, he continually assures leadership and the City Council that D-B is the right delivery method for the City.

Mr. Schiessl addressed a prior question from the PRC on how the City determines which projects are candidates for the alternate delivery method. He displayed a chart describing the delivery method selection process. Rather than creating a new model, staff included an additional step within the existing process for capital projects. The step entails a D-B review committee comprised of Mr. Sweeny and Mr. Schiessl serving as the consultants for any City project manager submitting a project for a typical capital project planning review process. The typical planning process entails submittal of the project proposal to department directors. The proposal is forwarded to the City Manager and Administrative Services Director for review and then to a City Council subcommittee for additional review. The proposal is then returned to the City Council for a public hearing and approval. The additional step includes an additional review by the committee for any project manager recommending a D-B delivery method. After the first level of review, the proposal is reviewed by subject matter experts to seek an external opinion to determine whether the internal evaluation was appropriate.

Mr. Sweeny addressed questions about the level of D-B experience of staff. Several years ago, the City presented its fire station project application as part of the pilot program for projects under \$10 million. At that time, the PRC affirmed the project fit within the parameters of the pilot program. The PRC was correct in that assessment because the project was successfully completed. Initially, the City evaluated the project for D-B-B delivery. However, under that delivery method, costs exceeded the project budget. The consultants conveyed that the project couldn't be scaled to \$3.5 million unless some amenities were eliminated. At that time, he recommended pursuing D-B. The City presented the application, which the PRC approved. The City developed a team. Team members challenged one another to construct the fire station at \$3.5 million to include a fourth bay. Everyone, up to that point had indicated the cost would likely be over \$4 million. One of the most important aspects of the project was the location of the fire station in an area that was underserved by the City. The project was important with respect to timing to ensure citizens of Richland had emergency services. Throughout the process, the City was able to include all amenities through cooperation between team members, as well as completing the project for less than \$3.5 million. D-B-B consultants previously advised that construction would take one year exclusive of design. The team successfully delivered the project in one year to include design and construction.

When the fire station was designed, the City worked closely with the City of Kennewick to design a prototype manual to use as the basis of design for fire stations. The City of Kennewick elected to pursue D-B-B for a similar fire station project. The City of Richland completed its project using the D-B delivery method and the

City of Kennewick elected to complete its project using D-B-B delivery method. The D-B delivery method enabled the City of Richland to initiate the project earlier. Today, the fire station is operational while the City of Kennewick's station is still under construction. The low bid for the D-B-B project was \$600,000 higher than the City of Richland's actual cost of construction for the fire station. The City plans to complete a case study on D-B versus D-B-B. However, with similar projects, the D-B delivery method affords many more efficiencies while achieving cost savings.

Mr. Schiessl acknowledged the delivery method centers on personnel, resources, and commitment. With respect to the City's standard capital projects, the City has an established process for legal and project administration, purchasing, and project management across the departments with decades of experience. He acknowledged the difference in the D-B delivery method. Currently, his department is undergoing a minor reorganization because of retirements to include repositioning Mr. Sweeny from supervising a crew of 20 to full-time project management. The City is implementing some changes to accommodate the delivery method and allocating resources to effectively manage projects.

Mr. Schiessl referred to the City's Swift Boulevard Master Plan and identified the location of the existing city hall and the site of the new city hall project. A local community college is pursuing an infill project. The infill and redevelopment projects will help urbanize the downtown area. The purchase included some obligations, such as off-site improvements to include infrastructure improvements and asphalt paving. Federal easements are included in the transaction until the improvements are completed. If the City successfully acquires the funding for an additional fire station, the master plan area will be the site of the station.

Matt Walker commented on how he's impressed with the mindset of Mr. Schiessl and Mr. Sweeny towards D-B because both understand the method and are collaborative and hands-on.

Mr. Schiessl referred members to several letters of recommendation to include the Office of the State Auditor. He suggested one way the PRC can ensure commitments are carried throughout an alternative delivery method project is by working with the State Auditor and educating the office on the delivery method because auditors evaluate the projects and many are not familiar with D-B. The City found that it was necessary to educate the auditors on the D-B delivery method process. It might be a good opportunity for the PRC to work with another state agency that evaluates project outcomes.

Robynne Parkinson shared that she attended the meeting when the PRC was formed. The PRC was established to expand the use of D-B to all public agencies. There were concerns that smaller public agencies would pursue D-B and GC/CM without any oversight, knowledge, or preparation. The City of Richland completed a great D-B project and one of the goals for the certification is to repeat that success in future projects, as well as utilizing the delivery method for a complex project. The PRC's oversight and responsibility are important as it ensures the right projects are selected for D-B. The City of Richland has the experience and meets the requirements. In her role as the consultant, she provides the same service as she provides for other certified public agencies by assisting with the D-B contract with the City administering the contract. Mr. Walker is serving in the same capacity as he does for other certified public agencies. Staff has a great, on-site day-to-day operational knowledge of D-B that meets the requirements and addresses the concerns when RCW 39.10 was created.

Panel Chair Gimmestad invited questions from panel members.

Mr. Peterson asked how other City entities, such as Public Works, Electric Utility, and the Broadband Utility are managed, and whether those entities have completed D-B projects. Mr. Schiessl said his department is involved in selecting the project delivery method, as well as serving as an advisor on the project team. Mr.

Peterson asked whether the entities have staff with D-B experience. Mr. Schiessl said staff do not have D-B experience; however, staff members have decades of experience with D-B-B. Based on the flow chart, those projects in other departments lacking staff with D-B experience are required to include him and Mr. Sweeny on the project team as advisors.

Ms. Rynne asked about the role of Hill International. Mr. Walker shared that his role in the fire station project included assistance with the D-B procurement, Request for Qualifications (RFQ), Request for Proposals (RFP), proprietary meetings, selection of the team, negotiating the contract, and issuing the notice to proceed. During design, he assisted with estimating review, change management, and project closeout.

Ms. Parkinson added that Mr. Walker is located in Spokane and Mr. Sweeny is the day-to-day onsite representative for the City.

Mr. Pritchard asked whether the City plans to retain Ms. Parkinson and Mr. Walker during the certification period as subject matter experts. Mr. Schiessl affirmed that the City plans to retain the services of both individuals during the period of certification.

Ato Apiafi inquired about any lessons learned from the previous D-B project and any process improvements the City plans to implement. Mr. Sweeny replied that at the conclusion of the project, the entire team met and reviewed lessons learned. The team established a strong base of trust at the beginning of the project enabling participants to comfortably share good and bad results. One electrical subcontractor pointed out a late payment. As a result, some internal controls were adjusted. Other problems pointed to the exclusion of some subcontractors early in the process and ways to ensure it doesn't happen in the future. Another suggestion involved electrical and mechanical consultants, as well as improving internal controls in the City for phased permitting. The City of Richland's permitting process was not well acquainted with phased permitting delaying the front-end of the project. Subsequently, meetings were held with the Building and Public Works Departments to improve the process to afford timely permitting as design moved forward.

Mr. Davis congratulated the team on completing a successful project. His only concern, should he have any, would be the limited amount of experience to set the City up for success when evaluating projects to determine the appropriate delivery method. He asked whether staff has contacted other agencies that have received certification for information on best practices and process. Some of the responses in the application and to the questions indicate a process is in place; however, he questioned how subjective the process is and whether it's possible to seek assistance from other certified agencies to improve the objectivity of the process.

Mr. Schiessl agreed the suggestion warrants consideration by the City if certification is awarded. During the last several months, staff visited some local federal sites, the hospital, and the school district to learn from their respective project management staff how those agencies make the determination for project delivery, administration of contracts, and lessons learned and process improvements. While some of the agencies operate under federal authority and are not subject to PRC approval, other agencies are. The delivery method of D-B is the same regardless of approval authority. Staff has been meeting with area experts who have successfully completed D-B projects.

Mr. Davis suggested contacting the University of Washington, which has a robust list of steps and processes to guide the selection of a delivery method.

Ms. Parkinson commented that one important aspect of the entire process is the importance of people across the industry. As an advisor, the number one question to any agency contemplating the D-B delivery method is

whether it has the right people because if not, the agency will not be successful. The focus of the City is ensuring it has the right people in the organization and understanding how people make the project.

Ms. Zahn referred to different aspects of the D-B delivery method. Based on the narrative in the application, it appears the Fire Station was a Progressive D-B. Ms. Parkinson said the project was actually the first Progressive D-B project in the state; however, it was completed somewhat differently as it included a fixed GMP contract with an open scope. The project had some minimum requirements within budget and some additional improvements. The contract was designed to guarantee minimums but included a collaborative process for inclusion of a menu of enhancements, which were negotiated and included within the upper level of the GMP. Ms. Zahn said that when she considers D-B, some owners are using it more from the standpoint as part of the selection of a fixed price with a scope, while others are pursuing a Progressive D-B method to afford some price factors. In that determination and selection of the right project for the right delivery method, it isn't just a one size D-B delivery method, as it could entail slices of different ways of D-B and rightsizing the project for a particular method of D-B. She questioned how the City plans to consider candidate projects for D-B in terms of the kind of D-B.

Mr. Sweeny said the team has discussed various delivery methods for the city hall project. Following the meeting, staff is meeting with Ms. Parkinson and Mr. Walker to discuss ideas and determine the best method of delivery. Staff is not married to any particular delivery method but strives to determine the best method, which could include some variations from previous methods. The prior project was very successful and there likely will be elements from that project as well. However, as the team develops the RFQ and RFP, the best approach would be avoiding a one-size fits approach to D-B.

Ms. Zahn asked about the extent of providing support to other departments as an advisor because of the importance of day-to-day participation and the extent of influence that would be possible serving in an advisory role. In terms of the administration of the upcoming projects, she questioned whether it would entail a blend of consultant and in-house support. Mr. Sweeny responded that he's completed other utility projects, such as wastewater and water treatment projects utilizing other delivery methods. The department has a good relationship with other enterprise departments. In some instances, some staff members favored D-B-B and questioned the new D-B method. As the City progressed on the Fire Station project, other City project managers began contacting and querying him about the project. Working relationships have been established with other City departments and although his role is annotated as an "advisor," he would be on the project site daily. The D-B delivery method is extremely valuable for the City and it speaks to his future career within the City. To maneuver through the D-B committee and the City's check and balances, it's important he and Mr. Schiessl are ready, available, and can provide the sufficient amount of leadership and advisory oversight to ensure the project is successful. Ms. Zahn asked whether those efforts would also include training. Mr. Sweeny affirmed training is a goal as he intends to pursue resources to obtain DBIA certification to create a training program for other project managers.

Linneth Riley-Hall referred to the four projects slated for completion during the certification process. She asked about the proposed plan for submitting the projects to the PRC or whether the City plans to move forward with the projects. Ms. Parkinson advised that the City has a reporting obligation at the conclusion of each project under the statute. If certification is approved, there is no procedure or process to apply to the PRC. Ms. Riley-Hall pointed out that three of the four projects are under the \$10 million threshold and would fall under the pilot project statute. Ms. Parkinson disagreed as each certified agency can complete five, \$2 - \$10 million projects within the certification period. Ms. Hall acknowledged the clarification.

Ms. Rynne asked whether the City plans to apply for certification for the project valued over \$10 million. Ms. Parkinson advised that there is no need for certification of the \$10 million project. RCW 39.10 affords the

ability for public agencies to complete an unlimited number of projects valued above \$10 million and five, \$2-\$10 million for each certification period.

Mr. Palewicz inquired as to how many departments the certification would cover in addition to Parks and Public Facilities. Mr. Schiessl replied that in addition to the department, two other departments with significant capital projects qualifying for D-B include Energy Services (Electric Utility) and Public Works. Mr. Sweeny said the departments are required to submit projects to the Richland DB Committee and are unable to pursue D-B without completing the internal control process.

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

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

Mr. Pritchard said he had similar questions and concerns Mr. Peterson initially addressed and later clarified by Mr. Palewicz. It's important the City of Richland understands that the City's expert is certified. For example, Mr. Palewicz serves as the administrator of the process for his clients at the University of Washington. PRC certification for the City of Richland would be accorded similarly.

Mr. Palewicz acknowledged that all public works projects at the University of Washington are handled by Capital Planning and Development. It appears that the City of Richland's process would assign administration of the process to the Parks and Public Facilities Department. Mr. Pritchard added that in terms of advisory or support to the different teams, he would anticipate a memorandum of agreement or some form of operating procedures within the City to ensure the team is the lead on any City D-B project.

Mr. Crawford acknowledged the success of the prior Fire Station project, which would be beneficial to build on. He does have concerns about staff members and the level of experience and ability to manage all potential projects generated from certification of the City. Based on a recent denial of a public agency certification for a larger agency with a longer period of success in projects, as well as subsequent clarification from the CPARB that external consultants can't be utilized to develop the criteria for successful management of projects for agency certification, he's compelled not to support the agency certification. However, he agreed the projects outlined in the application would be good candidates for D-B.

*Phil Lovell arrived at the meeting.*

Mr. Peterson disagreed and indicated his previous questions were because of some concerns. The application speaks to four projects over the next three years, which is not too many. The City appears to have the staff and has retained consultant assistance to provide support.

Mr. Apiafi said his main issue was process improvements and comfort level. Ms. Parkinson has represented many other agencies and would likely share information with the agency. He is inclined to support the application.

Mr. Lebo expressed appreciation for the submission and the presentation as the fire station was successful and the testimonials from the architect, contractor, and the City department were very impressive. The owner selected the right kind of project for D-B. The agency also has the right people and understands the value of collaboration and behaviors for ensuring a successful project. The City has learned from it and has a management structure in place for completing a successful project. He asked for clarification of CPARB's direction on agency certification with respect to the utilization of consultants.

Mr. Crawford responded that there was clear direction by the CPARB that an agency cannot use supplemental consultant staff to build a resume to gain agency certification. A prior application for agency certification was denied even though the agency had 18 years of management experience and successful projects but lacked in-house staff to manage individual projects and hired consultants to supplement staff. The direction from the CPARB was indicative that the consultant experience didn't qualify.

Mr. Hillinger recalled another certification discussion surrounding personnel with appropriate construction experience. The issue in that particular application was whether one staff person qualified. His view was to ensure the agency had more than one experienced staff member. It could be argued that the statute stipulates singular or plural. However, having both in-house personnel and contractual subject matter experts meets the requirement of the statute.

Mr. Palewicz agreed with Mr. Crawford's assessment, as he understands the CPARB's direction. When the statute was enacted establishing the PRC and agency certification, an exception was made for agency certification for exactly those reasons for agencies that had developed the full hierarchy of agency expertise with alternative public works. It appears that the review of the application without considering Ms. Parkinson and Mr. Walker as part of the staff is whether the City of Richland has adequate staff for approval of the D-B method. He believes that's the way the application should be considered. In that instance, the application shouldn't be approved.

Ms. Riley-Hall commented that during a presentation to the CPARB on draft language that would allow consultants to supplement agency teams for agency certification, CPARB members deliberated on the language and declined to allow consultants to supplement the agency; however, members did convey that's up to each individual PRC member to evaluate whether the team presenting the application is utilizing the consultants as part of the team membership. Part of the issue was the uncertainty surrounding the duration of the consultant's participation. However, the certainty of staff participation is also a similar issue.

Ms. Zahn pointed out that even with the removal of Ms. Parkinson and Mr. Walker, it appears that Mr. Schiessl and Mr. Sweeny understand the tool and are bringing that leadership and perspective to train personnel to ensure the right people with the right personalities are available to collaborate on projects. The City has been involved in the industry with owner groups both in sharing information, as well as learning from others. Those pieces have occurred. It appears the issue is whether to entrust the two individuals to do the right thing for the City of Richland, as Mr. Schiessl has indicated Mr. Sweeny is moving from his previous involvement in projects. The intent is changing Mr. Sweeny's position for direct involvement in projects. Additionally, the description of an advisor and the way it was described during the presentation are reflective of more than an advisor. It appears the role served as an oversight of the team, which speaks to being the manager of the projects. That's the message that was conveyed when the applicant's were describing roles. Part of the issue is whether the City can deliver on the promises of training personnel and ensuring staff understand the process. Mr. Walker and Ms. Parkinson would augment staff to assist with contracts and negotiations. Even in agencies with much in-house expertise, many agencies utilize consultants for specialties.

Mr. Pease acknowledged the applicant's previous success but added that he feels there's a disconnect because a department is requesting approval of certification for the City. He would have expected the City Manager or Assistant City Manager presenting the request and speaking for the City. He's been involved in projects initiated through facilities. During the course of the project a primary facilities staff member was terminated and the project was assumed by public works, creating a different flair at the end of the project.

Ms. Semenova commented that four projects in three years with only two staff members would be overwhelming.

Panel Chair Gimmestad closed panel deliberations.

***Tom Peterson moved, seconded by Janice Zahn, to approve D-B Certification for the City of Richland.***

***Motion failed – 11/12 (14 yes votes required for approval).***

Chair Gimmestad reported the denial of the certification was because of the level of experience associated with the City of Richland regarding D-B processes and its ability to carry out other projects.

The meeting was recessed for a break from 10:20 a.m. to 10:45 a.m.

*Bill Dobyms left the meeting (via telecon) during the break.*

**Washington State University – Recertification – GC/CM & D-B**

Chair John Palewicz outlined the presentation format to consider Washington State University's recertification application for both GC/CM and Design-Build (D-B). The application represents the first time an agency has requested recertification for both delivery methods during one presentation. A full PRC meeting quorum is required to consider and render a decision on the application. Members in attendance included Curt Gimmestad, John Palewicz, Steve Crawford, Janice Zahn, Tom Peterson, Linneth Riley-Hall, Ato Apiafi, Chuck Davis, Howard Hillinger, Rusty Pritchard, Phil Lovell, David Beaudine, Darron Pease, Joe Stowell, Jeanne Rynne, Yelena Semenova, Vicki Barron-Sumann, Jim Burt, Rustin Hall (telecon), Jon Lebo, and Rob Warnaca (telecon). Rusty Pritchard recused himself from participating on the panel as the applicant retained OAC Services as a consultant.

Joe Kline, Assistant Vice President, Facilities Services, Washington State University, introduced Louise Sweeney, Lead Project Manager, and Bob Eggert, Lead Project Manager in Spokane and for urban campuses.

Washington State University is a land grant research university. The main campus is located in Pullman, Washington situated on 1,700 acres with over 12 million of gross square feet of floor space in addition to urban campuses in Spokane, Tri-Cities, Vancouver, and Everett (currently in construction). Facilities include a Research and Extension Centers in Puyallup, Wenatchee, Mount Vernon, and Prosser, as well as extension centers in each county in the state. The capitol budget for the University is \$320 million for predesign through completion.

Olivia Yang is the Associate Vice President and is currently serving as the Interim Vice President for Finance and Administration. The University's Operations Group includes 285 employees with 30 employees assigned to capital projects. Mr. Kline reviewed some recent personnel changes with the pending retirement of Bill Vertrees, Assistant Vice President, Administration. Administration includes Finance, Contracts, and the GIS Campus Planning Group.

Since the last recertification in 2013, the University completed 11 projects with eight projects underway using either GC/CM or D-B project delivery. Seven projects demonstrating the depth and breadth of work completed by the University include:

- **Northside Resident Hall.** The project is a 300-bed, 100,000 square-foot residence hall completed in 2013 as a D-B project constructed by Graham Construction and designed by NAC Architecture from Spokane.

- **Visitor Center.** The \$2.5 million project leveraged the creativity of the design competition resulting in three different designs. The final product was attractive and eye-catching with large letters and an illuminated spire.
- **Spokane Biomedical and Health Sciences Building.** The \$79 million GC/CM project, located on the Spokane campus, is a 130,000 square-foot building for school medicine. Construction challenges included a wide array of HCAV systems and balancing other systems while the building was occupied. The University received LEED certification for the building. NBJ was the architect with Graham Construction completing the project.
- **Football Operations Building.** The building was completed in May 2014 and used the GC/CM delivery method at a cost of \$61 million. Some of the building components included extensive weight room facilities, cold baths, hot baths, saunas, and kitchens.
- **Prosser Agricultural Technology Building Addition and Fruit Quality Building Center Renovations.** The D-B project included two separate projects as authorized by the Legislature at \$2 million for each project. The projects were combined for the D-B selection to garner savings and achieve mobilization. The project entailed a wood frame, ed/tech shop for outfitting of combines with GTS and robots, and light duty labs and offices in the Viticulture Building.
- **Washington Building Third Floor).** The third floor was renovated for psychiatric, counseling, and student services at a cost of \$7 million. The building was occupied during construction requiring access to occupied spaces to access the third floor. The project entailed separate mechanical and electrical systems.
- **Clean Technology Laboratory Building.** The project is the most recent D-B project. Total cost of the project was \$57 million. The project was on a Greenfield site with complex wet/dry labs for atmospheric and water research. Building materials featured composite wood, concrete and glue laminate beams as the lab develops codes for those types of construction materials.

Mr. Kline reported WSU has a leadership commitment to the alternative delivery method. Olivia Yang is very committed to alternative public works and serves on many of the same committees as panel members. Ms. Yang believes in the importance of applying the right tool to the right job. The team is committed to process improvement. WSU conducted a D-B conference in July attended by 120 individuals representing contractors, designer, owners, and other industry professionals to receive feedback on WSU. A second conference is scheduled in July. Personnel worked diligently on D-B and GC/CM team evaluations and debriefs to ascertain WSU's performance and the industry in general, as well as identifying ways to improve processes. WSU completed contract overhauls with Perkins Coie and partially rewrote and updated D-B and GC/CM contracts for alignment with state standards. Four members of the department are DBIA certified with four attending the prep class in Spokane in April. Another staff member is preparing to complete the test. The department is also pursuing CCMA certification for CM certifications. Position descriptions will include industry certifications for advancement by personnel.

WSU's accomplishments in the last five years include completion of seven D-B and six GC/CM projects. WSU has 10 Project Managers who have delivered either D-B or GC/CM projects or are involved in current projects. Project Managers who have completed D-B or GC/CM projects mentor new Project Managers. The department includes five Construction Managers (CMs) who have completed D-B and GC/CM projects. Eight D-B projects are underway and pre-design and studies for three other projects. WSU has successfully partnered with OAC Services and Hill International for the last three years. OAC Services assisted WSU through the RFP process and served as an on-site CM for the Everett project. For the digital class facility project in Pullman, OAC Services assisted in the RFP development and selection. Hill International served as the on-site CM providing assistance on the Football Operations Building and the Wine Science Center project assisting in procurement and with the CM.

WSU has developed a good logistical process for D-B and GC/CM projects and strives to address lay down areas, permitting processes, pedestrian and traffic routes, and parking impacts upfront. Internally, WSU is standardizing its building committees to create consistency throughout the process, seeking ways to manage the cost of competition, and enhancing program and consultant rules for quality control. In terms of contract incentives, WSU is working with legal counsel to incorporate shared savings clauses and evaluation driven incentives and schedule milestone incentives.

WSU has a history of alternative procurement success and a wide variety of project types, as well as an experienced team of project managers and construction managers.

Panel Chair Palewicz invited questions from the panel.

Mr. Apiafi spoke in support of the conference conducted to discuss lessons learned and process improvements. He asked about the type of feedback shared, as well as indemnification in terms of consultant contracts because consultant insurance policies often do not allow indemnification provisions in contracts. Mr. Kline said the major issues arising from the first conference was the cost to compete and concerns by designers and builders about the internal management of the process in terms of the building and selection committees, which often entail different individuals on committees. There was some level of frustration with the constant change and WSU is striving to improve the consistency of the internal review process. Prior to the conference, WSU added a validation phase to the standard D-B selection as a way to limit the amount of work and cost to compete by advertising for three firms to compete for the design, but limiting the submittal of a complete lifecycle cost analysis or detailed HVAC work. During the competition after selection of the successful applicant, WSU executed a 75-day validation period to enable the applicant to complete that aspect of the work eliminating the need for all three applicants teams to prepare the information and expend the time and money. In terms of insurance, WSU's contracts and purchasing groups have organized one group representing purchasing and contracting and capital contracts to evaluate all requirements for the consultant selection and the requirements for insurance and how WSU can assist in increasing competition to provide opportunities to more businesses, as well as increasing participation by small disadvantaged businesses both in the consultant side and in construction contracting.

Mr. Lovell mentioned WSU's ongoing training and DBIA and CMA certifications and questioned whether at some point within the organization staff is learning about building. Mr. Kline responded that staff is well versed in building at many levels. WSU provides a training program for contract management, as well as a full standards review of all standards in consultation with operations. One example is examining why two water pumps might be required for a building if the only purpose is for hand washing throughout the building. Several phases of the internal trainings have been completed. Training is offered quarterly to employees with subject matter experts providing instruction on various topics such as scheduling, just in time delivery, or information on changes in the industry. Mr. Eggert added that WSU also has a continuous cycle of industry representative selling and demonstrating new products in the market.

Mr. Lovell spoke of his association with Ms. Yang for many years. Ms. Yang has been very forthright within the last 18 months with the CPARB and is participating on the committee for D-B provisions in RCW 39.10. He questioned the reason why WSU is using D-B as a preferred method of delivery. Mr. Kline replied that the major factor outside of the competitiveness and creativity D-B offers, is cost certainty. Cost certainty is important to WSU early in the project. Similar to GC/CM requirements, owners were receiving cost certainty from the GC/CMs at design development. However, regulations changed requiring 90% construction documents to obtain cost certainty. WSU prefers the option of cost certainty as an owner. One of the reasons for adding the validation process was to afford an opportunity after selection to work with one team for a short

period (30-75 days) to ensure all costs are factored affording the opportunity for the D-B to validate all costs and requirements.

Ms. Barron-Sumann asked about WSU's project track record for on time and within budget. Mr. Kline replied that currently, WSU is in litigation for two D-B projects involving the same contractor. Except for those two projects, all projects have been completed on time and within budget.

Mr. Davis asked whether there are any examples of completed projects that WSU would have preferred to complete with another delivery method. Mr. Kline remarked that the procurement method would likely not have changed. However, in hindsight, the selection or procurement could have been handled differently. One of the lessons learned was asking better questions during the interviews than in previous projects. Generally, WSU understands the overall process but has drilled down to the detail level and asking questions about subcontractor plans or small disadvantaged business plans. Switching to a different procurement method wouldn't likely have occurred other a desire to know more and asking better questions.

Darron Pease asked whether the two projects in litigation were D-B projects. Mr. Kline affirmed both projects were D-B involving the same contractor.

Ms. Riley-Hall said WSU and Ms. Yang are leaders in alternative public works within the state. WSU also has a balance of both GC/CM and D-B projects. She asked whether there is a preference that leads WSU to select one delivery method over another. Mr. Kline said WSU prefers D-B; however, the process for determining the delivery method involves animated discussions about the right tool for the right job. Initially, the museum project had been designated as a GC/CM delivery method. Later, another decision determined the delivery should be D-B. WSU recently determined a modified Progressive D-B is the preferred method considering the funding source and programming consultant. The GC/CM delivery method was considered for another project. Staff is considering whether GC/CM or Progressive D-B would be the preferred delivery method for the next dorm renovation project. WSU leans towards D-B primarily because of the design competition and the results of projects and cost certainty.

Mr. Eggert commented that one procurement model that creates the framework and foundation for a collaborative relationship throughout the entire project is the D-B procurement method while also recognizing the value in GC/CM, which speaks to the request for recertification for GC/CM because there are always different circumstances requiring different uses of procurement.

Chair Palewicz invited public comment. There were no public comments.

Chair Palewicz invited deliberations by the panel and a recommendation.

Mr. Crawford commented that WSU has a long history of successful completed projects using the D-B and the GC/CM delivery method throughout the WSU system. WSU staff member involvement is extensive from the Vice President to Project Managers and Construction Manager and all have the experience in both alternative methods. WSU is an agency that deserves recertification for D-B and GC/CM.

Ms. Zahn echoed similar comments. She also believes WSU and Ms. Yang have been in the forefront of educating the industry to improve alternative delivery methods, which has benefitted the entire industry. She doesn't have any concerns about whether there are appropriate people to make the right judgment about a specific delivery method. Having the certification allows WSU to select the method based on the circumstances and funding. WSU has earned the certification as a good public owner.

Mr. Apiafi said he is impressed with the GC/CM and D-B past performance by WSU but is somewhat concerned about the lack of representation of minority and women-owned businesses. As one of the highest institution's on learning, it's important for minorities to participate. Small and women-owned firms have a history and he would like to WSU to improve minority involvement and representation.

Mr. Hillinger expressed appreciation for the applicant's approach as WSU has demonstrated the development of staff and the development of systems, as well as the outreach and sharing lessons learned, which is commendable and important for alternative delivery. He is hopeful that WSU includes other agencies in the area that might benefit from mentoring, as it's important in the development of staff.

Mr. Lovell said he supports the application for both alternative methods. WSU has been a long-time player and heavy hitter in this area with the early efforts by Ms. Yang and early steps with the Legislature. He noticed that the application included a chart that spoke to reporting to CPARB on project results. The application indicates the CPARB reporting process hasn't been launched. He encouraged WSU to assist CPARB in efforts for launching data collection.

Mr. Riley-Hall supported WSU's recertification, as well as encouraging WSU to provide data to the CPARB on project results.

*Jeanne Rynne moved, seconded by Linneth Riley-Hall, to approve the University of Washington's recertification application for GC/CM. Motion carried. Rusty Pritchard abstained.*

*Tom Peterson moved, seconded by Chuck Davis, to approve the University of Washington's recertification application for Design-Build. Motion carried. Rusty Pritchard abstained.*

The meeting was recessed from 11:27 a.m. to 11:58 a.m. for a break.

**Grays Harbor Public Hospitals – Medical Office Building & Site Improvements – GC/CM**

Panel Chair Howard Hillinger reviewed the presentation format to consider the GC/CM project application from Grays Harbor Public Hospital District No. 1 for the Summit Pacific Medical Center Medical Office Building Project. PRC panel members in attendance included Ato Apiafi, Chuck Davis, Steve Crawford, Howard Hillinger Jim Burt, Yelena Semenova, Tom Peterson, and Rusty Pritchard. Panel members provided self-introduction.

Renee Jensen, Chief Executive Officer, Summit Pacific Medical Center, reported she has been with the District for approximately eight years. The proposed project is her third project. The first project was a Greenfield project for the construction of the Summit Pacific Medical Center. The center was moved seven miles from one area to another area. Services provided by the center include emergency services, in-patient and out-patient services, as well as primary care. A ribbon cutting ceremony is scheduled for the second construction project on a clinic in the City of McCleary. The proposed project for GC/CM is a medical office building. Currently, East Grays Harbor County lacks a minimum of six primary care providers. The Center has exceeded its capacity and needs to expand and provide more primary care services. To reduce costs and increase efficiency, the project would combine several clinics to enable the expansion of services, such as out-patient, physical therapy, and rehabilitation services.

The GC/CM delivery method was selected because of potential inference with existing hospital operations. The 22-acre site is complicated and construction activity must be calculated and precise, as well as on-time. The center, as a critical access hospital, is a sole community provider. The hospital is located 19 miles from the nearest medical facility. Because of the geographic area, the community is often prone to floods,

mudslides, and road closures. The community has been cut-off from all access several times over the years because of mudslides and road closures. During those circumstances, the hospital has become the critical source of support for the community.

Another factor in the selection of the GC/CM delivery method was due in part to the lack of a team in the construction of the first hospital project. The disconnect occurred between the contractor and the architect and often resulted in mutual blaming creating the need for many change orders, increased costs, and some project delays. If the contractor could have been a member of the team and assisted during the design, many of those conflicts could have been avoided during construction. Additionally, the site for this project is complicated and would benefit from the early involvement of the contractor to ensure an understanding of numerous site challenges.

Ms. Jensen introduced Dick Bratton, Project Manager. Mr. Bratton will serve as the Project Manager for the project. He worked on the first project and served as the owner's primary representative through the project. Mr. Bratton was hired to serve full-time on the project.

Mr. Bratton affirmed the complexities of the project and the desire to utilize the GC/CM delivery method. He shared information on his extensive experience in the state's alternative delivery process through D-B as the Principal-in-Charge of one of the first state initiated D-B projects for the Department of Ecology in 1990. During that process, learning occurred as the project proceeded. He worked both with the Governor, Director of ECY, state legislators, and the review committee. His construction experience spans many years and he believes the team has the experience and the knowledge to pursue the GC/CM process in a seamless manner. Additionally, Graehm Wallace with Perkins Coie is the attorney for the project. Mr. Wallace has considerable GC/CM experience through various school districts and is knowledgeable in the contract delivery method and the AIA 133 contract form that will likely be used for the project.

Mr. Bratton introduced John McLean, Blue Room Architecture, as the architect of record for the project.

Mr. McLean reported Blue Room Architecture is located in Spokane and works with critical access hospitals located west of Minnesota. The firm has worked with Ms. Jensen and the District for many years and is familiar with the site and challenges. He also attended a GC/CM training workshop during the last legislative session. The project will be a familiar routine for the firm.

Ms. Jensen reported the project is located in a rural community. The hospital provides critical services to the community. The Hospital District was approached by a pharmacist who owns a local pharmacy. The pharmacist proposed inclusion of a pharmacy in the new medical office building necessitating the need for drive through capability. A wellness trail of approximately one mile is also included on the property. The 22-acre site is designed to invite the public to the site as the Hospital District embraces the sense of community and public responsibility. It's important to have accessibility to the facility by the public, which will be part of the project design.

Mr. Bratton reported that approximately three-quarters of his experience over the last 20 years has been within the private sector negotiating contracts. Through that process, positive outcomes were gained through team interaction between the owner, contractor, architect, and the consultants. This particular project needs that type of interaction because of site constraints and an existing hospital operating environment.

Ms. Jensen reviewed an aerial photograph of the site and the existing hospital. She identified the main entrance, parking, location of the new medical building, and public road access. Prior to the construction of the existing hospital, a former creek was located on the site. Over 100 years ago, the natural path of the creek

was along the hillside. Later, when the creek was rerouted, culverts were added and part of the creek was undergrounded eliminating the ability for salmon to spawn. Rerouting of the creek also created downstream flooding. When the hospital was constructed, the creek was rerouted to its natural path, as well as adding 400% more flood storage capacity eliminating downstream flooding events. Many years ago, the property also housed a convalescent center. The initial intent was to retain some of the building for the new facility; however, soil testing in different areas produced different results creating approximately \$600,000 in additional costs not anticipated. It's important for the contractor to be involved early to assist in identifying some of the site issues surrounding soils.

Ms. Jensen presented another aerial photograph of the parcel and the site of the proposed new medical office building. The photograph designates some areas of concern. The site includes a helipad, bridge over the creek, two ponds, and parking for patients, staff, and the emergency room.

Mr. McLean shared that when he was contacted by Ms. Jensen to explore options for placement of a new building on the campus, the first review identified two level areas for the building. He was then informed that the building must be connected to the existing hospital for services and infrastructure with a creek located between the two sites. Between soil analysis, environmental concerns, flood hazards, and maintaining essential healthcare services at all times, Blue Room Architecture identified key site locations for the project to thoroughly address prior to construction, which formed the basis for seeking the GC/CM delivery method. GC/CM is desired to ensure the contractor is onboard early to identify every possible scenario prior to construction that could expose the community to potential mudslides, floods and other environmental factors, or negatively impact the critical access hospital.

Ms. Jensen added that today, salmon spawning has been restored in the stream. The creek is a community asset and is contributing to the restoration of the environment.

Ms. Jensen shared several photographs of the construction process for the stream. She identified a rare sycamore tree on the site. The species are uncommon in western Washington but prevalent in eastern Washington. During the project, the civil engineer and architect identified the location for water and sewer lines. After the contractor was hired, he identified the location of old growth trees that would have been removed if not for a change order that added more costs. If the architect and the contractor had worked together earlier, the old growth trees would have been acknowledged as a valuable resource that shouldn't be removed, providing an example of why a team approach is so important for this project.

Ms. Jensen displayed a picture of a trail recently added to provide public access. She pointed out the location of a fish-bearing pond.

Mr. Bratton reported the team understands RCW 39.10. He also has registered for the GC/CM workshop in June. Having the GC/CM on board is important to help prevent safety incidents. Typically, he develops a strategic working plan addressing various categories of responsibilities during the project. He also develops a functional matrix identifying all team members and responsibilities.

Ms. Jensen spoke to Mr. Bratton's capabilities for monitoring responsibilities and schedules. Largely due to his experience, the last project was completed on time and within budget.

Mr. Bratton described the RCW prescribed GC/CM RFP and selection process.

Mr. Bratton referred to information on the budget included within the application, as well as the schedule, which has been revised to reflect RCW 39.10.

Ms. Jensen spoke to her other prior public hospital district experience. She acknowledged the importance of protecting public assets and ensuring the delivery method is responsible for the expenditure of public money. She understands the importance of protecting public assets and was able to turn around another hospital district that was failing and losing millions of dollars to a \$68 million budget during a five-year span.

Panel Chair Hillinger invited questions from the panel.

Mr. Apiafi asked the team to elaborate on the desired experience level of a GC/CM and whether a contingency is included to mitigate risks. Ms. Jensen replied that the last project included a 10% contingency divided evenly between the owner and the contractor. The proposed project budget includes a 10% contingency. A feasibility study identified a conservative budget estimate. The Hospital District has the cash flow and the ability to expand beyond the scope of the budget. The budget for the project is small in comparison to the District's balance sheet.

Mr. Bratton said the selection of the GC/CM would be very important and based on an extensive public notice and RFP for those contractors interested in submitting. A basis of qualifications will be identified and the contractor should have an established successful record of similar projects over the last five years, as well as demonstrated experience and expertise in preconstruction services.

Ms. Jensen said selection criteria would be similar to the Summit Pacific project to ensure a qualified contractor. Mr. Bratton added that the qualifications would likely be more stringent with a bias on preconstruction services experience and any public service expertise.

Mr. Peterson acknowledged that although the budget may change as the team mentioned, the construction cost reflects \$300 per square foot. He inquired about the metric that was used to establish that amount. Ms. Jensen said there was some reliance on Mr. Bratton's current construction projects and his industry knowledge to provide a rough estimate. Mr. Bratton commented that the typical range is between \$280 and \$330 per square foot on similar projects. The estimate is a baseline to establish a beginning point. The Hospital District hasn't finalized the scope of the project and the estimate is a starting point to move forward with the development of the program.

Mr. McLean said another element is the history of Blue Room Architecture and knowledge of the current market. For this type of building at this stage of predesign prior to schematics, the advice to the owner is to consider the project as a Type 2 building until all healthcare services are fully defined to enable the ability to construct a steel structure to replicate a hospital in the event hospital-based services are placed within the building in the future. That decision drives the costs of HVAC and filtration systems putting the owner in the best possible position to receive a flexible asset. A premium is included in the budget at this point. In comparison, critical access hospitals have been constructed at approximately \$400 per square foot.

Ms. Semenova asked whether other agency employees with Blue Room have GC/CM experience. Mr. McLean advised that he has GC/CM experience.

Mr. Pritchard asked whether the medical office building would offer anything other than small procedures, family practice, and internal medicine services. Ms. Jensen said the programming at this time includes physical therapy, outpatient therapies, family practice, internal medicine, and minor procedures, as well as overflow space for nonessential service currently residing in the hospital. The previous hospital was constructed in 1956. The most important aspect of constructing the project is ensuring flexible space because

of the uncertainty of healthcare in the future and what may be needed in the future. One of the guiding principles that Mr. Bratton was asked to consider was looking at flexible space for future use.

Mr. Pritchard asked Mr. Bratton to explain how he would contend with contingencies within a GC/CM project because of the difference versus Design-Bid-Build. Mr. Bratton advised that the construction contingencies would entail the general contractor considering contingencies for areas relating to design questions that would entail RFIs and potential change orders to utilize the contingency. Owner contingencies would be used for owner-elected changes or additions to the contract.

Mr. Burt commented that he doesn't understand the complexity of the site if the project is slated for placement on the opposite side of the creek. He asked for additional information on the technically complex nature of the site if located as a separate facility on the opposite side of the creek. Mr. Jensen replied that although the facility is a stand-alone building, the infrastructure must connect between existing and new buildings. It essentially entails moving a primary care clinic currently located within the hospital and expanding it. There is no plan for more than basic lab services in the building requiring patient flow from the new facility to the main building for other outpatient services, such as radiology and outpatient procedures requiring a continuous connection between the two buildings. The other major impact of the project is existing parking. One of the two flight paths entering the helipad would originate from the new facility.

Mr. McLean added that based on the preliminary site evaluation, there is no way to avoid site disturbance. The emergency department is located downstream of the creek. Regardless of the location of the project, it's important to be careful and thoughtful in the approach, especially pertaining to site disturbance to ensure against any risk to the emergency department.

Ms. Jensen said another location that was considered wasn't level and generated some concerns about impacts to the budget. Further evaluation is necessary to determine whether it's possible to place the facility on the hospital side of the creek and adhere to the budget and the design.

Mr. Burt said it appears the project has to complete the SEPA process because of sensitive areas. The schedule lacks any mention of a SEPA process and application of permits, which usually occur during schematic design. Ms. Jensen replied that a SEPA and NEPA review for the Summit project were required and she is very familiar with the process. Fortunately, Grays Harbor County is easy to work with. The Hospital District would likely use the same consultant for the SEPA who is familiar with the site and could assist in expediting the process. The project deadline is not firm other than for a desire to complete the project to hire more physicians and offer more services to the community. However, a delay by several months for completing the SEPA process is a nonissue.

Mr. Bratton shared information on another SEPA process for a similar-sized hospital in Port Townsend with more site constraints. The SEPA process was completed in six months. The schedule should accommodate timing for a SEPA review.

Mr. Davis requested additional information on the staffing plan and on-site day-to-day project manager of the project and whether the person is dedicated full-time to the project. Ms. Jensen responded that the application focused more on the leadership element of the project. The project includes assignment of a qualified Facilities Director with a support team. The staffing plan is to backfill his support team with another FTE to enable the Facilities Director to work 100% on the project. The Director recently completed a small construction project of a shop and parking lot expansion on the same site and is well qualified to work with the contractor. Mr. Bratton has allocated his time for project oversight. Ms. Jensen said she also is a very involved owner and would micromanage the project.

Mr. Davis inquired about the experience history of the Facilities Director in GC/CM delivery in the state. Ms. Jensen said reliance on Mr. Bratton would provide the direct GC/CM experience, as well as Mr. McLean and the remaining team. Mr. Davis asked about the allocation of Mr. Bratton's time on the project. Mr. Bratton replied that through the course of design to construction, he is devoting 70% of his time followed by 100% thereafter.

Mr. Peterson commented on the panel's responsibility to determine whether the team has the necessary GC/CM experience. In terms of the list of projects within the application, Lincoln Square is listed as a GC/CM project. However, he believes it was really a GMP project rather than a GC/CM project. Mr. Bratton affirmed it was a GMP project. Mr. Peterson said the UW Head Injury Clinic project is listed as a general contractor. He questioned whether that was a GC/CM project. Mr. Bratton replied that he doesn't have state GC/CM experience; however, the acronym for GC/CM is CM at-risk, as he finds it very similar and understands the state mandates for GC/CM under RCW 39.10.

Mr. Peterson remarked that some previous questions pertained to the schedule, which has changed considerably. He asked about what prompted the change in the schedule. Mr. Bratton said he had the opportunity to evaluate the context of RCW 39.10 after the initial submittal of the application to correct the application to align with 39.10.

Mr. Pritchard expressed concerns as the program and the building haven't been defined. Mr. McLean replied that at this time, the building has been defined as primary care. Mr. Pritchard asked whether there is an opportunity to expand that scope. Mr. McLean affirmed there is an opportunity to expand the scope. Mr. Pritchard asked whether the schedule would enable that process to occur prior to the selection of the GC/CM. Mr. McLean affirmed it would be possible.

Panel Chair Hillinger commented that the panel's questions center on the ability of the management team's ability to understand the process. The concern is whether the schedule is reflective of that understanding and the availability of individuals versed in GC/CM to understand the mandates of 39.10. He asked Mr. McLean to expound more on his GC/CM experience or address the availability to help in those areas where assistance might be required. Mr. McLean replied that as the architect, his firm was hired last week as the selected architect for the project. At this point, he is wrapping up construction documents on the Dayton General Hospital previously approved as a GC/CM project. His firm has recent experience, which has been very positive with the contractor. Construction is expected to start this summer on the Dayton General Hospital project.

Panel Chair Hillinger asked about the availability of an individual to tap as a resource for issues that are not covered during the training. Mr. Bratton said he doesn't believe the team needs an extra set of eyes on the process. He has been through the process with the state before in terms of an unknown procedure with D-B. The team performed exceptionally well on that project. He doesn't foresee the understanding or the responsibility of following the mandates and the requirements of 39.10 to be huge hurdles. The team is an integrated synergistic team of intelligent people who have an exceptional level of experience.

Ms. Jensen added that from her perspective as a seasoned leader, she understands that she can't expect to know about all situations. Her leadership style is to find someone who has the knowledge if she doesn't have the information, she will hire the resource if she needs the answer.

Mr. Peterson inquired about the implications to the project if the panel doesn't approve the GC/CM application. Ms. Jensen said she would be devastated. One of the constraints during the Summit project was

the desire for the GC/CM delivery method; however, because federal funds were involved, there were too many hurdles to overcome for the GC/CM delivery method. The proposed project is not reliant on federal funds and the GC/CM is the most expedited way to complete the project. East Grays Harbor County is lacking six providers and each day the clinic is delayed hundreds of lives in the community are impacted by the lack of primary care. Under Obama Care, health care is changing rapidly and will not be the same in five years. The Hospital District is in a period of flux of transitioning from a volume-based system to a value-based system, which isn't possible without more primary care. If primary care isn't available, it means patients are using expensive tertiary centers or specialists to receive care costing more of the American healthcare dollar. Denial of the application would delay the project, delays care, and impact the health of Grays Harbor County.

Mr. McLean added that it puts the Public District at additional risk financially and impacts the schedule. Should the owner be unable to deliver the project within the window of opportunity there is additional risk. In terms of developing the site, it puts additional burden on considering scenarios and budgeting for them accordingly during a low-bid delivery method.

Ms. Jensen said she believes that by using the GC/CM delivery method, she would be able to deliver the project at less cost than if the project was completed under a low bid method. During the Summit bid, the choice of qualified bidders was limited. The GC/CM delivery method is another reason why it's a more responsible method for the Hospital District to choose.

Panel Chair Hillinger noted that part of the panel's concern is that the project must have necessary management resources. He asked whether the Hospital District is committed to secure additional resources as necessary. Ms. Jensen replied other sources specializing in GC/CM have been contacted as potential backup should the team lack the necessary experience. An hospital is an extremely complicated organization to operate as there are hundreds of RCWs and regulations to conform with daily. Although, she's not a healthcare professional, she has the clinical background and must ensure the team is compliant with all RCWs and regulations to deliver care as expected in Washington State. This project is no different in terms of accountability. Should the team be unable to perform, the District would seek assistance.

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

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

Mr. Apiafi asked panel members to shed some light on concerns surrounding the lack of GC/CM experience. It appears the architecture firm has some GC/CM experience. He was encouraged to learn that when the contractor is hired, the owner would undertake an in-depth search for an experienced GC/CM contractor.

Mr. Davis shared that based on his career of 35 years in healthcare facilities management and construction management, GC/CM project delivery is probably warranted in every healthcare project. However, having completed GC/CM projects, he knows there's a difference between standard delivery methods and GC/CM. To be successful, it's important to have somebody who can walk the owner through various traps that clearly occur. Healthcare is complicated and assurance is required for infection control processes and other issues. Projects are much more difficult and more complicated than a typical GC/CM project. To learn that the architect is the only person on the team who has been involved in a GC/CM project under 39.10 is a little concerning to him. He's unsure whether he reaches a point of supporting the application. It might involve a request to return and document the owner has a team if the owner is willing to hire additional consultants with the necessary experience.

Ms. Semenova said she understands GC/CM as a representative of a public agency and what's necessary to successfully complete a GC/CM project. She has several concerns. The budget reflects \$11 million for construction with an acknowledgement that it might be as high as \$13 million. No final program has been identified at this point, which means costs could increase. The owner lacks personnel with the experience to run the project within the agency. Relying on the architect concerning as it would be a conflict of interest. The agency should have someone within the agency who is knowledgeable. She is concerned with the application.

Mr. Prichard echoed similar comments shared by Mr. Davis. His prior questions about whether the program could be delayed were based on his concerns surrounding Mr. Bratton's experience. Although he supports Mr. Bratton's attendance to GC/CM training, it's not a catch-all measure. Defining the budget to some degree of certainty to enable the agency to advertise for an RFP is important to provide sufficient information to help contractors prepare their submissions, especially if the schedule includes some time to slip. That might afford an opportunity for the agency to reapply with some additional GC/CM experience. Currently, he would have problems with supporting the application based on those two issues.

Mr. Crawford said he believes the project conforms with the RCW for GC/CM; however, some of the issues surrounding the initial application, scheduling, and inconsistencies with the RCWs are issues that would result in his consideration that the project is premature and more work needs to occur and/or more experience with the delivery method. Blue Room was the architect on the Dayton Hospital project. However, in crossing off some of the issues listed on the evaluation form for GC/CM, it leads to him to the same position as other members in terms of the project is somewhat short on the management side for GC/CM experience.

Panel Chair Hillinger said he's also concerned in terms of the experience and the lack of understanding of the RCWs, which is a concern by the PRC. Some recent applicants were not ready and resubmitted with additional resources to support the application, which subsequently received approval. Should the panel not approve the application, he encouraged the applicant to seek additional resources as the project is appropriate for GC/CM delivery.

***Chuck Davis moved, seconded by Steve Crawford, to approve Grays Harbor Public Hospital's GC/CM application for the Medical Office Building & Site Improvements project. Motion failed 0/8.***

The meeting was recessed for lunch from 12:42 p.m. to 1:10 p.m.

**Seattle Public Schools – Lincoln High School – GC/CM**

Panel Chair Curt Gimmestad reviewed the presentation format to consider the GC/CM project application from Seattle Public Schools for the Lincoln High School Project. PRC panel members in attendance included Curt Gimmestad, Chuck Davis, Steve Crawford, Rusty Pritchard, David Beaudine, Phil Lovell, Jeanne Rynne, and Janice Zahn. Panel members provided self-introduction.

Panel Chair reported he is serving as Panel Chair on behalf of Rob Warnaca. Mr. Warnaca had another business commitment requiring his early departure.

David Beaudine recused himself from the panel discussion and voting on the application.

Richard Best, Director Capital Projects & Planning, Seattle Public Schools, presented the application for the Lincoln High School project for consideration of the GC/CM delivery method. He's been in his position for the last 18 months and during his first day, he received a phone call from an alumni member from Lincoln High School. The individual shared that she learned that Lincoln High School is a reconstruction project and

wanted to know more about it. He conveyed his appreciation for her enthusiasm as Lincoln High School is one of the District's important projects. That conversation speaks to the commitment by alumni from Lincoln High School, as the school has been closed for 35 years. The school has an incredible alumni association with a great interest in having the schools reopen for Seattle Public Schools. The District has capacity issues and Lincoln High School is part of a mosaic of solutions to address capacity problems. Seattle Public Schools will experience a shortfall in 2022 of 4,000 classroom seats. Lincoln High School would absorb 1,600 classroom seats once reopened. The goal is reopening the school in 2019.

Secondly, the school is a walk of time. One hundred years ago, Seattle Public Schools had an architectural staff. Three of the buildings located on the Lincoln High School campus were designed by iconic Seattle Public Schools architects. One is the 1906 building designed by James Stevens and located in the central portion of the western side of the site. To the north is a school designed by Edgar Blair and to the south is a school designed by Floyd Naramore with NBJ Architects. The school has much history. As management considered the process for selecting the design team and the project management team, the historical significance of the buildings and the alumni association played a significant role in management's deliberate selection of the project team. Heery International has many years of experience completing GC/CM projects for Seattle Public Schools. Heery International was selected as the construction project management firm. Mike Finnegan has an extensive resume of implementing successful GC/CM projects.

Management selected Bassetti Architects with a long a history of implementing GC/CM projects for Seattle Public Schools and GC/CM historic structures to include the GC/CM historic structures of Roosevelt High School and Franklin High School.

Mr. Best introduced Mike Finnegan, Lorne McConachle, Michael Davis, and Lucy Morello.

Mr. Finnegan reported the Lincoln Campus is a walk in time. The campus is located in the heart of the Wallingford Neighborhood one block off the major arterials of 45th and Stoneway. The original building was the second high school for Seattle Public Schools built in 1907 in the central area of the western portion of the site. The site is 6.7 acres in size. For a 1,600 student body high school, sites are typically 30 to 40 acres in size. As a high school site, the site is constrained. The site and campus have been built on over many years beginning in 1907 with the central wing designed by James Stevens. The central wing was constructed as unreinforced masonry and upgraded in 1997. The Lincoln site opened as a high school in 1907 and closed in 1981 as a high school. Between 1981 and 1997, the building was vacant and used for storage. In 1997, the site was reopened to act as a swing site for other schools under construction, such as Garthfield, Roosevelt, and Ballard High Schools. The site today houses two elementary schools and a skills center medical program.

Five primary buildings are located on the site in addition to several auxiliary structures. In 1914, the northern addition included a boys' and girls' gym and a large auditorium constructed of concrete, steel, and brick veneer. In 1931, Floyd Naramore designed the southern edition of classrooms, study hall, music and art rooms, and greenhouse space. The building was a concrete structure with brick veneer. As capacity increased in the 1950s, two other buildings were added to the east to include a gymnasium and an auditorium. The main gym building has an interior non-structural expanded shell block wall and a steel structure. The building envelope is comprised of aggregate precast concrete panels. The performing arts building to the south is a combination of steel with aggregate panels as well as structural CMU with brick veneer.

The site is extremely complex. Since 1907, over 41 project remodels and over 10 site projects have been completed on the site. When the buildings to the east were opened, some housing was occupied that was located on the Lincoln site that also included a large vacant field on the western portion of the site. The site

has a 15' elevation change between the northeast corner and the southwest corner. Five buildings are connected by exterior canopies with different elevations.

The challenge is providing 21st century learning to a campus modified and changed numerous times over the years. Many of the spaces are sized for elementary schools. Larger classrooms are required for 21st century high school learning with more complex labs and auxiliary spaces, such as athletics and performing arts. The major task was fitting a 1,600 study body high school within an historic structure that's been remodeled numerous times. Major issues include the presence of multiple stairs and unreinforced masonry with concrete shear walls with bracing frames. The challenge was fitting all classrooms within the campus to create a functioning high school. Two of the major moves to meet program objectives include creating a new addition to the school of a two-story student commons space. Additionally, as the building is so inefficient another objective is adding classrooms to increase capacity. In the 1914 north wing, the plan calls for infilling the entire floor of the gym space with classrooms and lab space to accommodate student capacity. Additionally, the old auditorium space would be converted to a 21st century learning auto library with the remainder converted to more classrooms and labs to meet capacity requirements.

Richard Davis reported the project is suited to GC/CM project delivery because the site is so difficult. Participation of a GC/CM is desired because the site was landmarked in mid-February. The landmarked areas include the old structures located on the westside of the site and some internal features. Site constraints include the limited size of the parcel for a 1,600 study body high school, multiple construction types with each building requiring seismic upgrades and assistance by the GC/CM to complete a cost-effective approach for the seismic upgrades, as well as the number of historic structures and tenant improvements in unknown conditions.

Opportunities for success include partnering early during an early extensive investigation to assist in mitigating risks, advance planning for structural compatibility and to address building challenges, a team approach to mitigation of unforeseen conditions, and the requirement of transparent costs and estimating to remain within the budget for construction. The team is concerned about the escalation in rates that may be occurring in the next two years.

Mr. Davis displayed an historic photograph of the north addition. The main road, Interlake, is currently graveled. Historic renovation requires a heightened attention to protect the building, as well as numerous constructability reviews and continuous value engineering throughout the preconstruction phases. Some early mockups are necessary to identify some repairs to exterior features. A GC/CM would be able to assist in that work as well.

Mr. Davis displayed an arterial photograph of the urban site. The site is also the smallest high school site in the District with narrow streets. He outlined interconnecting one-way roads and major arterials through the Wallingford community. The intersections include no street lights increasing difficulties for general contractor subs to deliver materials and large equipment efficiently. On-street parking will also be an issue. The site will host over 150 construction workers at one time with parking moving to the local neighborhood. However, the site includes a paved parking lot and would be a great location for a lay down area and office staff. Reserve parking zones are located around the area with parking permitted during certain hours. Construction workers would likely park within the community requiring continuous neighborhood outreach to ensure good relations with neighbors.

Mr. Davis reviewed the project schedule. The schedule includes a two-year window for construction with substantial completion by May 2019 providing an opportunity for move in. Assuming the GC/CM application is approved, the early bid package would be released soon. The concern is the tight timeframe for schematic

design. The team is seeking the GC/CM's assistance to ensure complete, comprehensive, and error free construction documents. The last element is unpredictable permitting with the City of Seattle, which is onerous as best. The schedule accommodates a year for permitting to include the Master Use Permit and six to seven months for other permits. The GC/CM would be involved to initiate the permitting process quickly. Hopefully, the PRC will determine the project is suitable for GC/CM and if approved, Seattle Public Schools would begin the procurement for GC/CM services with the GC/CM hired by early June.

Mr. Finnegan explained why the project should be approved for GC/CM. Seattle Public Schools currently has three projects under construction utilizing the GC/CM delivery method. They include Wilson Pacific involving two schools on one location at a cost of \$116 million in the northwest area of Seattle, Olympic Hill Elementary School at \$40 million located on a parcel with a high groundwater table, and Loyal Heights, which is under design and scheduled to begin construction in early fall 2016. Seattle Public Schools has experience in the GC/CM delivery method. All team members have GC/CM experience. Lucy Morello is leading the Olympic Hills GC/CM process, Mike Finnegan has significant experience with high schools constructed using the GC/CM delivery method, and Lorne McConachle has been a Design Principal-in-Charge with Bassetti Architects for many years with considerable experience working in historic renovations with the GC/CM delivery method. Michael Davis has GC/CM experience both in Seattle and in Portland. Seattle Public Schools believes it has a great team.

Panel Chair Gimmestad invited questions from the panel.

Mr. Lovell asked when the MACC is scheduled for negotiation. Mr. Finnegan replied that the MACC would be negotiated at the 9% level of when the construction documents have been issued. Mr. Lovell asked for a specific timeline. Mr. Finnegan said the MACC would likely be negotiated at the end of May or early June. Mr. Lovell asked whether subcontractor bidding is intended to be a component of preconstruction or part of construction. Mr. Finnegan said the effort for sub-bid packaging is to set general conditions. Bid package preparation would be part of preconstruction followed by bidding after general conditions have been specified. Mr. Lovell asked whether the team discussed mechanical/electrical contracting. Mr. Finnegan said the issue has been discussed internally but determined that it wouldn't be appropriate for the project. Mr. Lovell asked about the holder of the Hazmat contracts. Mr. Finnegan replied that Heery International would hold the Hazmat contracts.

Ms. Zahn noted that she never received responses to her early submission of questions. One of the questions pertained to the table originally included in the application lacking sufficient information. Mr. Finnegan noted that an additional attachment was provided addressing the questions. Ms. Zahn asked why the determination for the MC/EM wasn't appropriate. Mr. Finnegan said essentially it's because its costly to a certain extent as it would include paying for preconstruction services above and beyond the GC/CM. The way the MACC is negotiated or provided by the mechanical and electrical contractors is essentially a not-to-exceed price rather than a fixed cost. It basically entails increasing the negotiated MACC. The team anticipates the GC/CM to hire electrical/mechanical subcontractors to assist the general contractor to complete constructability reviews and on-site investigations, as well as estimating. He believes it's a better value for the owner.

Ms. Zahn asked whether there is any intent to bid on early packages. Mr. Finnegan said early packages are up to the GC/CM as part of the strategy for construction. He outlined the period for sub-bidding on the schedule. He expects the GC/CM to begin hazmat abatement following the end of the school year in June 2017 followed by selected demolition both externally and internally. Ms. Zahn said the nexus of her question is that in many circumstances, early packages occur during design development. Mr. Finnegan said the biggest issue is permitting because early bid packages require proper permits. Mr. Best added that the site is an occupied school site until June 2017. Two elementary school programs occupy the building to include the skills center

medical program, which precludes many construction activities other than existing conditions investigations during the evening hours to minimize impact on educational programs. However no construction on the structures would occur while the school is in session.

Ms. Zahn asked whether procurement of GC/CM services is during the middle of schematic design. Mr. Finnegan said concept design is nearing completion at the end of March, which includes the program and educational specifications. During the following two weeks, architectural concept estimates would be prepared for comparison to the budget and the scope of the work defined in the concept design. Ms. Zahn asked about the GC/CM's role in schematic design because the hiring of a GC/CM comes with the expectation of the GC/CM providing a fee for services. Mr. Finnegan said bid documents would be in production. Basic scopes of work and all requirements for the MACC have been defined. The documents are ready pending approval of the GC/CM application. During procurement services, Seattle Public Schools will shortlist and conduct the interview process of those firms selected for an interview. The firms will receive the contract documents to prepare an evaluation and submittal of questions that might require preparation of an addendum for applicants to submit a bid package. Ms. Zahn asked whether the process entails a RFQ, shortlist, and RFP process. Mr. Finnegan said the process entails submittal of a Statement of Qualifications, short listing, and interviews, with selection of firms proceeding to a pricing proposal. It would entail several months to hire a GC/CM.

Mr. Pritchard commented that the application and presentation were great. He asked about the level of effort by each team member. Mr. Finnegan reported his time on the project is 100%. Lucy Morello has dedicated 25% of her time through the design phase and 20% during construction. Mr. Pritchard referred to the inclusion of incentives in contracts and queried Mr. Finnegan about what incentives he's found to be successful for time savings, cost savings, and cost sharing. Mr. Finnegan said he doesn't necessarily support incentives as they often create issues later in the process. The goal is to receive a fair and reasonable site general conditions bid and fair and reasonable fee while ensuring that during preconstruction services, all risks assumed by the GC/CM are factored in the GC/CM's fee. His experience with incentives in the past resulted in varying success.

Mr. Lovell asked whether the team has determined the amount for preconstruction services. Mr. Finnegan replied that the budget includes \$300,000 for preconstruction services.

Panel Chair Gimmestad invited public comments.

Tom Coal, Chief Estimator, Cornerstone Construction, advocated for approval of the GC/CM application for the Lincoln High School project for all the reasons stated during the presentation. The project will also benefit the public. GC/CM projects are the best opportunity to steward the District's funds to ensure the maximum benefit is received for the program.

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

Chair Gimmestad referred to some of the panel's questions regarding the schedule, and acknowledged the experience of the team leaves him with no doubt that the District would be able to bid the project to the GC/CM community and complete a successful GC/CM project. In terms of schedule and timing, the schedule presented is not untypical in terms of what a general contractor typically sees. Understanding and knowing what will be received from Seattle Public Schools in terms of the procurement method and the expectations would likely not result in any issues associated with time.

Mr. Davis said he believes the team is experienced and the project meets the qualifications for GC/CM project delivery. The team meets the criteria. He supports the application.

Mr. Crawford agreed the project is well suited for GC/CM and the team members, architect, consultant, and the owners have the experience in completing successful projects.

Mr. Lovell referred to the earlier presentation by Washington State University and his suggestion the University might want to consider assisting CPARB with project reporting. The kind of information developed by this team in terms of schedule, budget, contingencies, timing of different packages, and the timing of the MACC is a substantial amount of information representing good thinking and planning by Seattle Public Schools. Development of a matrix could be a starting point for project tracking and reporting throughout the project. He has always maintained that the success of the alternative project delivery could be measured against the requirements and the provisions of the process itself. The delivery method is a new game in town that is prolific throughout the state and the PRC's task is ensuring it remains prolific and high caliber. He supports the team as the members have the necessary experience.

Ms. Zahn expressed support of the application; however, her questions were from the standpoint of not having any experience with the Seattle Public Schools and some of the elements during the presentation were not well represented in the application. Because of the responses during the presentation, she was able to determine that the project was appropriate for GC/CM delivery; however, the application didn't clarify how the procurement would work and the timing of the elements. The comments regarding the MC/EC without further explanation led to questions whether the agency adequately considered the option and how it works. With those explanations, it leads to her believe that the agency included the information; however, it was unclear.

Mr. Lovell commented on Ed Kommer's previous attendance to a panel presentation and his remarks that the PRC was really drilling down too far into the details. However, the information the PRC is seeking is basic project information. It's important to ascertain whether the owner understands how the system works in relationship to bid packages, MACC, and contingencies, etc. There's no suggestion that the owner is not managing the project properly. Those kind of details when answered help the PRC understand that the owner understands the process.

Ms. Zahn noted that when the PRC approves an application, the PRC is trusting that the team can successfully complete the project. In those instances where the panel has no personal knowledge of team members, it's important for the team to share its thinking process.

***Phil Lovell moved, seconded by Janice Zahn, to approve Seattle Public Schools' GC/CM application for the Lincoln High School Project. Motion carried unanimously***

The meeting was recessed for a break from 1:52 p.m. to 2 p.m.

**Tacoma Public Schools – Browns Point Elementary School Replacement – GC/CM**

Panel Chair Rusty Pritchard reviewed the presentation format to consider the GC/CM project application from Tacoma Public Schools for the Browns Point Elementary School Replacement Project. PRC panel members in attendance included Curt Gimmestad, Chuck Davis, Rusty Pritchard, David Beaudine, Phil Lovell, Jeanne Rynne, and Janice Zahn. Panel members provided self-introduction.

Jim Dugan, Program Manager, Parametrix, introduced team members Robert Sawatzky, Director of Planning & Construction, Tacoma Public Schools; Debbie Terwilleger, Director of Planning & Development, Metro Parks Tacoma; Brian Fitzgerald, TCF Architecture, Principal-in-Charge; Brian Ho, Project Manager, TCF Architecture; Paul Popovich, Senior Project Manager, Parametrix; and Howard Hillinger, Parametrix. Not in attendance but members of the team as GC/CM advisors are Doug Holen, Parametrix and Graehm Wallace,

Attorney. Parametrix is under contract to Tacoma Public Schools in a program management project management agreement for the bond measure for delivery of the project.

Tacoma Public Schools successfully passed a 2001 bond for two GC/CM projects of the Stadium High School and Lincoln High School. Both projects were successfully completed and delivered. The second bond in 2013 received record approval for two GC/CM projects currently in construction. One is Stewart Middle School and the second is McCarver Elementary School.

Browns Point Elementary School is located in northeast Tacoma. Mr. Dugan displayed an image of the bond map of schools included in the 2013 bond measure.

Tacoma Public Schools is currently concluding programming and is considering some conceptual ideas for site placement. Schematic design has not been initiated. The project is a new replacement school on an occupied site. The project will be built within a vacant area of the site with the students moved to the site and the existing building(s) demolished, completion of all site work, and maintenance of all other functions and events. Construction is scheduled to commence in summer 2017 with the school opening in fall 2018.

The original school was built in 1952. In 1960, Meeker Middle School was built adjacent to Browns Point Elementary School. In 1979, a small music room was added to the complex. Metro Parks Tacoma contributed \$1.4 million for the Browns Point Athletic Complex for sports fields, walking paths around the campus, improvements to access and ingress to the site, and site drainage improvements. The facility is used by the school, community, and Metro Parks programming.

The proposal is to construct a new school in the northeast corner of the site with parking, access, and ingress at the current building site. The existing school will be occupied and operating and located adjacent to the construction site, as well as to the Browns Point Athletic Complex used by the community 24 hours daily. The adjacency and the complexity of the phasing as identified at this time determined that Design-Bid-Build wouldn't be the appropriate delivery method while Design-Build wouldn't be the best delivery method. The choice selected is the GC/CM delivery method. Tacoma Public Schools is currently determining the best location for placement of the school on the site. Several conceptual locations have been identified. The multiple iterations of design concepts under consideration all include the same phasing and complexities of adjacencies.

The budget for the project is \$31 million. The project MACC is \$18 million with a GC/CM risk contingency of 3% (\$540,000).

Assuming approval of the GC/CM application, the RFP is complete and is ready to issue on Tuesday, March 29. The Tacoma Public Schools School Board is scheduled to approve the selection of the GC/CM on June 23, which is approximately two weeks before the end of schematic design. The timing affords assistance by the GC/CM in terms of conceptual ideas for placement of the building.

The project meets four of the criteria within the RCW. The project occurs on an occupied site requiring the assurance of safety and phasing to enable all ongoing use of the site by the school, community, and Metro Parks Tacoma. Phasing of construction would be necessary if the alternate location is selected because of existing structures that might be retained. The site is shared with Metro Parks with baseball and summer programs. Bus access, fire protection access, and neighborhood impacts are also project considerations. The site is tied closely to the community and it is important to accommodate the community's needs and maintain the use of the fields during construction in a safe manner.

Mr. Dugan reported on the challenges of escalating market costs. Materials, such as pipe and other items are becoming more difficult to source. During the Stadium project, the owner encountered problems with sourcing miscellaneous metals, steel, and other materials. Materials escalated by 9% and nearly crippled the schedule. Managing the relationship with the neighborhood is critical in terms of how to communicate, when to communicate, where to communicate, and how the Tacoma Public Schools responds to people.

From a complexity standpoint, the project requires safety oversight for students who are only separated from the construction site by a fence.

Mr. Dugan reported that he, Dave Johnson with the Planning & Development Services with the City of Tacoma, and Tacoma Public Schools mapped an info graphic to clearly outline the permitting process. Each spring, the City of Tacoma is overwhelmed with permit applications. Unable to increase staffing at the rate of increase in permit applications, the timeline for permitting extends. With a GC/CM, the ability to prepare early packages with TCF is important in the event demand delays permits and the building permit.

Mr. Dugan reviewed how the project meets the criteria for public benefit. Safety is foremost for all to include students on an occupied site. The GC/CM delivery method affords savings and smart bid package buying. Mr. Dugan reviewed some early bid packages that may or may not be needed dependent on lead availabilities and costs. The relationship with the community and partnership with the Capital Project Office team are public benefits because of the importance of communicating effectively, accurately, and honestly.

Mr. Dugan reviewed project completions from the 2001 and the 2013 bonds. Currently, Tacoma Public Schools has two projects under construction. Stewart Middle School is several months ahead of schedule and McCarver Elementary School is scheduled to open in August 2016. Both projects are on budget, which speaks to the strength of the GC/CM delivery method and the team. Tacoma Public Schools would like to use the delivery method routinely and plans to apply for agency certification in the near term.

Mr. Dugan reviewed the project organizational chart. He is listed as the Program Manager, as well as the GC/CM Process Manager. He will serve in a dual role. Allocation of time percentages are actual percentages from the McCarver and Stewart projects.

Mr. Dugan addressed the issue of sensitivity by the PRC on the availability of lead consultants. Paul Popovich is dedicated full-time on the project as the McCarver project concludes in early summer followed the Stewart project in the fall. Parametrix has bolstered its construction management support to enable Mr. Popovich to join the project team earlier. The organizational chart demonstrates the significant level of experience between him, Mr. Sawatzky, Mr. Popovich, and Mr. Hillinger. The same team was assigned to the McCarver and Stewart projects. The team will continue with the Browns Point project for continuity of learning, best practices, and process improvement.

The Browns Point project is funded, has an appropriate budget, and satisfies the RCW criteria. The management plan is the same plan used for the McCarver and Stewart projects successfully. The project team provides the continuity of those experiences to the next project in the portfolio. Tacoma Public Schools has the capacity and is ready to move forward.

Panel Chair Pritchard invited questions from the panel.

Mr. Lovell requested additional information on the dual role of Mr. Dugan. Mr. Dugan said he serves in a Program Manager role with Tacoma Public Schools and report directly to Mr. Sawatzky to help plan and implement the bond program. That role remains in the place. Additionally, he will guide the GC/CM process.

Ms. Zahn expressed appreciation that the presentation addressed concerns that were voiced during the prior school presentation. Although there was no question about the appropriateness of the project, the concerns centered on whether the team understands the essence of GC/CM.

Mr. Hillinger added that Mr. Dugan and Mr. Popovich have worked together on GC/CM projects for Tacoma Public Schools since 2001 beginning with the Stadium High School project. The team is experienced and has worked well together. He will provide assistance with questions but the team likely would not need much assistance.

Mr. Sawatzky added that in addition to the team, another senior project manager who worked on the Lincoln High School project will also serve as a good resource to the team.

Mr. Beaudine asked about lessons learned by the team from previous projects that might be considered for the Browns Point project. Mr. Dugan said the PRC allowed using one GC/CM for both the McCarver and Steward projects concurrently. Cost benefits and the seamless work were achieved as planned. However, optimal outcome really occurs when the same design team is used for both schools. While not necessarily missing, the struggle of not having a design team with no previous exposure to GC/CM and another design team with exposure to GC/CM integrating their processes acknowledged the importance of similar specs and language. Secondly, if mini MACCs and early bid packages are deemed necessary, it's important to initiate those processes sooner rather than later. During the McCarver and Stewart projects, bid packages were released as per the guidelines, which wasn't adequate and led to compression of the schedule for securing permits and impacting the City of Tacoma's Planning and Development Services Department. Additionally, credit change orders were issued to Tacoma Public Schools because the GC/CM implemented a new idea on how to buyout demolition.

Mr. Davis asked for input on the financial advantages of GC/CM over Design-Bid-Build. Mr. Dugan responded that during a presentation to the School Board on the project application for GC/CM, the team summarized a small table of past, recent, and relevant-sized Design-Bid-Build bid day and finished construction numbers versus GC/CM and GMP and finished construction numbers and compared those numbers with recent data. The results were profound with the D-B-B projects averaging a +5 to +6 ranging from +2 to +12 while GC/CM averaged -2 ranging from a -6 to +3.

Mr. Davis said he's mindful of Mr. Lovell's desire to collect data. Routinely, some members have indicated that there is no demonstrated value; however, this kind of data would be helpful to the CPARB and to the Legislature.

Mr. Lovell expressed appreciation to the team for providing answers to PRC's pre-questions. He asked for examples of the use of the GC/CM's risk contingency for subcontractor change orders. Mr. Popovich replied that the risk contingency for the contractor of 3% would be used for gaps between the contractor and the subcontractors on the project. Mr. Dugan noted that the contingency is often used for issues pertaining to the site in terms of anticipated conditions versus actual conditions. The team would confer with the GC/CM to determine which contingency bucket to utilize. Mr. Popovich added that the owner's contingency would be used for change orders involving changes by the owner or for other purposes outside of the contract.

Panel Chair Pritchard acknowledged the relationship between the Tacoma Public Schools and Metro Parks Tacoma. He asked about collaboration efforts to date for public outreach and whether the GC/CM would be involved in assisting with public outreach. Debbie Terwilliger responded that the overall collaboration with Tacoma Public Schools includes another GC/CM project for the Eastside Community Center on another school

site. Metro Parks and Tacoma Public Schools are active partners and are working through finalizing the design and public process. She anticipates that moving forward with the Browns Point project, the same kind of collaboration would be pursued with the neighborhood. Metro Parks is known for its robust public process.

Mr. Sawatzky added that he and Ms. Terwilleger meet weekly to review the SAMI Environmental Learning Center at the Point Defiance Zoo. Although not a GC/CM project, the project is adjacent to another GC/CM project for the aquarium. Multiple projects are underway concurrently in that specific area requiring continual meetings on issues that might arise. In terms of the District's interlocal agreement with Metro Parks for the use of the sports fields, ongoing coordination and communication often occurs with the community and would continue especially if the decision is to site the building in the rear corner impacting the use of the sports fields.

Panel Chair Pritchard asked whether the team envisions utilizing the GC/CM during its process to assist in public outreach and engagement. Mr. Sawatzky said the intent after hiring the GC/CM is to coordinate meetings between Metro Park, Tacoma Public Schools, and TCF Architecture to discuss phasing, field use, fencing, and other site conditions and coordination needs.

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

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

Mr. Davis said that most of his questions were answered during his review of the application, which speaks to the experience of the team. He supports approval of the application.

Mr. Lovell commented that the answers speak to efforts by the team to review and study the questions. He supports approval of the application.

Panel Chair Pritchard expressed appreciation for the team's thoughtfulness for the inclusion of the small works and disadvantaged women and minority owned businesses in the plan as part of the requirement.

*Jeanne Rynne moved, seconded by David Beaudine, to approve Tacoma Public Schools' GC/CM application for the Browns Point Elementary School Replacement Project. Motion carried unanimously*

#### **Final Discussions**

Chair Gimmestad reported the next PRC meeting is scheduled on May 26.

#### **Adjournment**

**With there being no further business, Chair Gimmestad adjourned the meeting at 2:35 p.m.**