

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE**

Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington

**Draft Minutes
September 22, 2016**

MEMBERS PRESENT

Ato Apiafi, Ato Apiafi Architects
Vicki Barron-Sumann,
David Beaudine, Heery International
Jim Burt, King County
Chuck Davis, Seattle Central College
Jim Dugan, Parametrix
Curt Gimmestad, Absher Construction
Rustin Hall, ALSC Architects
Neil Harman, WA State Bldg & Const Trades Council
Howard Hillinger, Parametrix
Matthew Lane, McGranahan Architects

Jon Lebo, University of Washington
James Lynch, Ahlers & Cressman
Shasta McKinley, Civil & Environmental Consultants
Mark Ottele, Granite Construction
John Palewicz, University of Washington (Chair)
Darron Pease, Shinn Mechanical
Jeanne Rynne, The Evergreen State College
Mike Shinn, Shinn Mechanical
Joe Stowell, Oak Harbor
Janice Zahn, Port of Seattle

STAFF, GUESTS, PRESENTERS

Talia Baker, Department of Enterprise Services
Eric Becker, Seattle Public Schools
Richard Best, Seattle Public Schools
Dan Cody, Parametrix
Dale Clark, Hart Crowser
Chris Colley, Forma Construction
Lori Coppenrath, DLR Group
Nancy Deakins, Department of Enterprise Services
Charles Demming, Bainbridge Island School District
Angeline Ernst, Department of Enterprise Services
Bill Fisher, City of Everett
Brian Fitzgerald, TCF Architecture
Valerie Gow, Puget Sound Meeting Services
Ralph Graves, Port of Seattle
Wayne Grotheer, Port of Seattle
Brian Ho, TCF Architecture

Nora Huey, Port of Seattle
Sheina Hughes, Stantec
Janet Knoblach, Department of Enterprise Services
Bill LaPatra, Mithun
Chris Lark, City of Everett
Erica Loynd, DLR Group
Robert Maruska, Port of Seattle
Amanda Mazucca, Port of Seattle
Kevin McCain, Skanska
Connie Myers, Seattle Public Schools
John Nottingham, City of Everett
Sheri O'Brien, DLR Group
Susan Olmsted, Mithun
Mike Purdy, Purdy Associates
Tina Soike, Port of Seattle
Tamela Van Winkle, Bainbridge Island School District

WELCOME AND INTRODUCTIONS

Chair John Palewicz called the CPARB Capital Projects Review Committee (PRC) to order at 9:03 a.m.

PRC TRAINING

Chair Palewicz introduced Talia Baker with the Department of Enterprise Services. Ms. Baker is providing support to the PRC. Chair Palewicz referred members to the 2017 meeting schedule. Typically, PRC meetings are held on the fourth Thursday of every other month beginning in January. Dependent upon need, special meetings may be scheduled to accommodate agencies with pending projects. All meetings are recorded for preparation of the minutes. Members were asked to identify themselves when speaking.

Chair Palewicz reviewed the meeting agenda of two agency certifications and three project panel presentations. His goal is to balance assignment of members on panels. He encouraged members to respond quickly to requests for attendance.

Chair Palewicz reviewed the PRC Operating By-laws, which govern the actions of the committee. He reviewed additional information on panel procedures, which is published on the PRC website. Other information provided to members

included sections from RCW 39.10.270 governing the committee's work for certification of public bodies and certification of agency projects using General Contractor/Construction Manager (GC/CM) or Design-Build (DB).

Important sections in the by-laws were highlighted to guide the training. The PRC was established in 2007 under RCW 39.10, which governs alternate public works. The RCW sunsets in approximately six years. The PRC was established to ensure the law was not abused and for oversight of agency expertise and experience in the alternative delivery methods of GC/CM or DB. The PRC reviews project applications and either approves or rejects the use of the alternative method for the project. Agency certification was added to the RCW to enable experienced agencies with demonstrated ability and knowledge to use alternative delivery procurement for projects for three years. After three years, the agency must be re-certified. Project proposals are submitted by public bodies that have not been certified to use GC/CM or DB.

The PRC has the ability to revoke the certification of a public body. Chair Palewicz said that during his service on the PRC no public body's certification was revoked. However, the provision was added to the RCW to address circumstances where a public body is mishandling a project and the Capital Projects Advisory Review Board (CPARB) or the PRC receive reports of concerns. A meeting can be scheduled to conduct a review.

Howard Hillinger noted that there is no provision for revoking approval of a project. Chair Palewicz affirmed that once a project is approved, the PRC has no authority to revoke its approval. Should information reveal the public body is not following proper procedures or working outside the law, the PRC has no authority to intercede other than referring the matter to the CPARB.

Mike Shinn asked whether certified agencies are required to conduct a public hearing prior to issuing a notice to solicit bids. Chair Palewicz responded that certified agencies are not required to conduct a public hearing. The PRC determines whether an agency is qualified by certifying the agency to complete alternative delivery projects for a period not to exceed three years.

Chair Palewicz reported the PRC is also responsible for certifying the public body has the necessary experience and qualifications, renewing the certification for an additional three-year period, or revoking the certification of a public body when its use of Design-Build or GC/CM contracting procedures no longer serves the public interest. PRC must comply with the Open Public Meetings Act, Public Records Act, and Ethics in Public Service Act. All PRC meetings are open to the public.

The PRC shall establish policies and practices, change policies and practices, but cannot change the law under RCW 39.10. One example is an issue surrounding recertification, which requires the public body to submit the recertification application 90 days prior to the expiration of the certification. Should the recertification application be forwarded less than 90 days, the public agency must seek a new certification. No exceptions are allowed, and although there has been some uncertainty as to why the provision was included within the RCW, the PRC is required to follow the RCW. The PRC website contains the application forms. Several years ago, the PRC simplified the recertification application through a review process over the course of several meetings.

Composition of the PRC is by appointment by the CPARB. Interested applicants submit a letter of interest to the CPARB to serve on the PRC. The CPARB balances appointments between private industries and public owners for the 30-member body. Each position is designated as either an industry representative or an agency representative.

Jim Burt requested clarification of PRC's role with respect to the provision under Section 4: Procedures and Practices concerning open public meetings affording an opportunity for applicants and the public to submit information. He asked about criteria the PRC uses. Chair Palewicz advised that additional information is included in another section of the By-laws. Many committee members attempt to broaden their respective reach through their respective agency/company. For example, the University of Washington consistently pursues outreach.

Curt Gimmestad noted that the 90-day requirement for submission of the recertification application prior to the certification expiration does not speak to waiting the full 90 days for the PRC's review of the application. He suggested there should be a timeframe associated with not reviewing the application until the public has had an opportunity to review the recertification application and offer comments. Often, the PRC considers the recertification application within 30 days of receipt, which could be 60 days prior to the original expiration. That doesn't allow sufficient time for the public to learn about the recertification application and offer testimony in support or opposition. The intent of the 90-day period was to enable sufficient time for the public to testify for or against a recertification.

Chair Palewicz acknowledged that the issue was discussed at the last CPARB meeting. The Board asked the PRC Chair to propose some language to clarify the purpose of the 90-day requirement to enable public participation. He plans to draft some language and forward to members for review and comment.

Chair Palewicz continued the review on the composition of the PRC. Each term is for a three-year period and reappointment is possible for more terms. However, the Governor has directed committees and commissions to limit membership to two terms. Vacancies occur through resignation or other reasons that would prevent a member from attending. However, if a member fails to attend two consecutive PRC meetings without being excused, the member's position is automatically forfeited. Members do not receive compensation for their time but may receive reimbursement for travel expenses. Members wishing to receive travel reimbursement should forward an email to Ms. Baker requesting reimbursement. Ms. Baker added that information required for travel reimbursement should include departure and return times.

Mr. Shinn added that for those members not seeking reimbursement, a form is signed by the member. He recommended instituting the process as it hasn't been followed for some time.

Chair Palewicz reviewed quorum requirements for panels and public body certifications. Public body certification requires a quorum of the entire PRC membership. Members can also participate by teleconferencing. The PRC Chair in consultation with the PRC Vice Chair may appoint one or more panels to carry out the duties of the PRC. The panels include eight members to assure a minimum of six members to comprise a quorum of such panel. The panel includes a lead person for each panel to conduct the panel and oversee actions by the panel.

Under Article 5 of the By-laws, the first day of July is when new officers are installed. The Vice Chair automatically assumes the role of Chair on July 1. During the May meeting, members elect a Vice Chair. Rustin Hall was elected as Vice Chair during the May meeting. Both positions are balanced with representation from private industry and public agencies.

All meetings are subject to the Open Public Meetings Act. All notices must be published in sufficient time (20 days) to provide notification to the public and to applicants.

Mr. Burt suggested the Chair might consider researching the option of conducting executive sessions, as there are specific conditions required to conduct an executive session. Chair Palewicz acknowledged that the PRC has the ability to call an executive session within the context of the law.

Chair Palewicz reviewed provisions for meetings. Regular meetings require a 20-day publication notice in advance of the meeting. Additionally, information submitted by the public body to be reviewed at the meeting must be available on the website at the same time notice of the meeting is published.

The Chair or a majority of the members may call a special meeting at any time. Previously, the PRC scheduled special meetings when an agency requested consideration because of timing related to a project.

Janice Zahn questioned whether the provision requiring written notice of a special meeting 24 hours prior to the meeting was correct. Chair Palewicz replied that he is able to call a special meeting with each member notified at least 24 hours

prior to the meeting. Ms. Zahn noted the notification period is very short and could be difficult for some members. Chair Palewicz said previous special meetings afforded a longer notification period to members. Ms. Zahn suggested a discussion on extending the notification period as 24 hours would not be sufficient for her in most cases. Chair Palewicz recommended including some changes within the By-laws.

Mr. Gimmestad clarified that the provision applies to the public notification period of the special meeting. He does not believe that the meeting would be held within 24 hours. The public notice must be published within 24 hours of the time of the meeting.

Chair Palewicz reemphasized that any member may participate by teleconference. Members are urged to attend meetings whenever possible.

The Chair is guided by *Robert's Rules of Order* when conducting PRC meetings. The PRC may conduct an executive session during any regular or special meeting to consider matters appropriate for those sessions under the Open Public Meetings Act.

Article 7 governs PRC actions. PRC action is a transaction of the PRC's official business, including but not limited to, receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions. Final action is a collective positive or negative decision, or an actual vote by the members present when sitting as the PRC, upon a motion, proposal, or resolution. A quorum of the PRC requires a minimum attendance of 60% of appointed committee members. A supermajority representing two-thirds of all present is required when acting on any public agency application before the committee. Voting outcomes by an individual PRC Panel when taking action on any application shall be determined by a supermajority of those panel members present as follows:

- Determining votes/members present: 6/8, 5/7, 4/6, with minimum of 6 panel appointees comprising a quorum for said panel.

The committee shall if practicable, render its determination at the public meeting during which an application for certification or project approval is reviewed. Public comments must be considered before a determination is rendered.

Mr. Hillinger referred to several instances when questions are asked following the question and answer session during the panel's deliberation. Based on the rules, members are not able to ask those questions of the applicant. However, it is often desirable to seek an answer to receive clarifying information. He asked whether the procedure allows delaying a vote to afford time to seek answers from the applicants. Chair Palewicz responded that another provision stipulates that within 10 business day of the public meeting, the committee shall provide a written determination to the public body, and make its determination available to the public on the committee's website. It appears the committee has 10 days to render a decision.

Members commented on several different scenarios. Chair Palewicz offered that it could also be possible to table action on the application until more information is provided rather than having the applicant reapply.

Mr. Hillinger recalled several of his first panels when some questions required clarification from the applicant because the questions related to the approval or denial of the application. In some cases, applications were denied that could have been approved if the process had afforded an opportunity for the applicant to provide clarifying information.

Nancy Deakins advised members that panel procedures are not included within the By-laws. The committee has the option of changing panel procedures and allowing further clarification if it serves the best interest of all parties to receive clarifications from the applicant prior to voting on an application.

Shasta McKinley questioned whether the committee's procedures would need to be changed to implement that option. Chair Palewicz said it appears it is not necessary, as the panel process is not addressed in the By-laws. The information provided earlier in the meeting on how to conduct a panel was for information only.

Chair Palewicz reviewed the appeal process. Final determination by the committee may be appealed to the CPARB within seven days by the public body or by an interested party.

Several members commented on several appeals when the PRC was first established. Mr. Shinn said several decisions by the PRC were overturned by the CPARB. Ms. Deakins added that one of the appeals was by a member of the public who had been involved in the formulation of the PRC involving a public body certification. The CPARB overturned the PRC's decision in that particular situation. Since then, the public body has gained more experience in alternative public works delivery with certification subsequently approved.

Chair Palewicz advised that actions are recorded in meeting minutes.

Chair Palewicz reported Article 8 speaks to the Department of General Administration (DES) to provide staff support to the committee.

Article 9 addresses legal counsel to the PRC by the Office of the Attorney General.

Article 10 addresses ethics and conflicts of interest. If a member has or appears to have an interest in an application that has been submitted to the PRC, that member is to (1) disclose that interest on the record, (2) recuse themselves from participation in any meeting involving PRC action on that application, and (3) have no discussion or other contact with another PRC member relating to that application. Any person who sits on the PRC or a panel is not precluded from subsequently bidding on or participating in projects that have been reviewed by the committee.

Article 12 speaks to amendments to the Operating By-laws. Operating By-laws may be amended at any time by a majority vote of the PRC members.

Chair Palewicz referred to the panel procedures as published on the website. It appears that the procedures were established through agreement by members on how to conduct panels. Typically, the applicant has 20 minutes to present the application with a five-minute warning notice. The presentation is followed by 15 minutes of panel questions and answers with the applicant. Often, PRC members submit questions in advance of the panel to the applicant. The applicant often provides a response, which is copied to panel members prior to the meeting if possible. Ten minutes is afforded for public comments with no questions allowed. Each person testifying is limited to two minutes. Chair Palewicz inquired as to whether the panel has the option to allow the public to ask questions. Ms. Deakins encouraged members to refrain from encouraging questions from the public.

Robert Maruska pointed out that when a public member offers a comment, the laws of Washington State do not require the individual to provide identification. During a public comment, the individual has the right to speak to anything to include asking a question. However, the panel is not obligated to answer the question.

Mr. Shinn said he has never encountered a panel answering a question during public comment.

Chair Palewicz reported that following the 10-minute comment period, 15 minutes is afforded for the panel's deliberations and determination. This particular process was subject to some discussion with several CPARB members addressing the issue. The intent of the 15-minute discussion is for the panel to deliberate the application to assist members in determining how they intend to vote. Some of the previous deliberations involved lecturing the applicant about projects elements, such as the adequacy of the budget or the quality of the project manager. Those issues are not the intent of the deliberation session.

Chuck Davis spoke to the issue of asking clarifying questions of the applicant. Typically, the PRC has refrained from asking questions during the deliberation process; however, if the answer is critical to the deliberations, the PRC might reconsider the process. Chair Palewicz urged members to ask questions during the question and answer session.

Ato Apiafi appealed for consistency during panel deliberations. Some panels have voted against an application because the applicant did not have sufficient experience while a different panel considering another applicant that lacked the same type of experience received approval. In that specific instance, he voted against the application. If the applicant has satisfied the criteria then the panel should approve the applicant. If the applicant has not satisfied the criteria then the panel should not approve the application. He has experienced some panels where some members asked questions with the answers revealing explicitly that the applicant lacked the basic qualifications while some panel members voted to support the application.

Chair Palewicz reviewed several sections of RCW 39.10. The provisions applicable for certification of public bodies include the necessary experience. Most members were involved in conversations on whether public body staffing should be a requirement versus a third-party consultant. That discussion advanced to the CPARB with CPARB members deferring the decision to the PRC in terms of how members believe the public body has integrated a third-party consultant and the effectiveness of that relationship for the public body. Lake Washington School District was an applicant not approved for certification. The School District reapplied and subsequently received approval. Members believed there was sufficient experience and knowledge within the school district because it was augmented by third-party consultants.

Mr. Shinn added that school district employees are often not working directly for the district and are contracted employees. During an application presentation, contracted employees present themselves as working for the district but they actually work for different agencies. In most cases, the contract agreement is based on the number of projects underway within the school district.

Chair Palewicz noted that specific information is another example of how that information should be examined and discussed during the question and answer and deliberation process.

Chair Palewicz reviewed the RCW provisions for project approval. One of the provisions stipulate that the committee shall determine that the alternative contracting procedure will provide a substantial fiscal benefit or the use of the traditional method of awarding contracts in lump sum to the low responsive bidder is not practical for meeting desired quality standards or delivery schedules. Although somewhat vague compared to other criteria, it is a provision members should review. Additionally, projects must meet the requirements for using the alternative contracting procedures as described in RCW 39.10.300 or 39.10.340, and have the necessary experience or qualified team. For DB projects, public body personnel or consultants are knowledgeable in the DB process and are able to oversee and administer the contract. However, the RCW is unclear because it allows the use of consultants for DB but does not include the provision for GC/CM. The PRC has interpreted the provision to apply to GC/CM project approvals and agency certifications as well.

Chair Palewicz reviewed RCW 39.10.340 General contractor/construction manager procedure – Uses. Public bodies may utilize the GC/CM procedure for public works projects where at least one of the following is met.

- (1) Implementation of the project involves complex scheduling, phasing, or coordination;
- (2) The project involves construction at an occupied facility which must continue to operate during construction;
- (3) The involvement of the general contractor/construction manager during the design stage is critical to the success of the project;
- (4) The project encompasses a complex or technical work environment;
- (5) The project requires specialized work on a building that has historic significance; or
- (6) The project is, and the public body elects to procure the project as, a heavy civil construction project. However, no provision of this chapter pertaining to a heavy civil construction project applies unless the public body expressly elects to procure the project as a heavy civil construction project.

Chair Palewicz recessed the meeting from 10:00 a.m. to 10:10 a.m. for a break.

Port of Seattle Recertification – GC/CM/Design-Build

Vice Chair Rustin Hall reviewed the presentation and timing format to consider the GC/CM/DB recertification application from the Port of Seattle. A quorum of the PRC was present

PRC members provided self-introduction.

Ms. Zahn disclosed a conflict of interest as she is employed by the Port of Seattle. She recused herself from considering the application.

Ralph Graves, Senior Director Capital Development, Port of Seattle, reported the Port of Seattle has been pleased during the last three years to operate under the certification for GC/CM and DB alternative public works. The review will provide information on recent projects completed.

One major organizational change since the original certification is a joint venture with the Port of Tacoma to operate container businesses. Over the next several years, construction projects that might occur at the Port of Tacoma (South Harbor) are managed by the Port of Tacoma while any projects for the alliance occurring in Elliott Bay (North Harbor) will continue to be managed by the Port of Seattle.

The Port of Seattle Project Delivery Leadership Team provided self-introduction:

- Tina Soike, Director of Engineering
- Janice Zahn, Assistant Director of Engineering, Construction
- Bob Maruska, Assistant Director of Engineering, Design
- Nora Huey, Director, Central Procurement Office
- Wayne Grotheer, Director, Aviation Project Management Group
- Amanda Mazucca, Interim Manager, Major Construction

Mr. Graves reported Mr. Grotheer's counterpart, Rick Jenkins, who manages projects for the Seaport and the Alliance with Port of Tacoma, was unable to attend the meeting. This team is the original team when the Port was initially certified with the exception of Ms. Mazucca.

Mr. Graves reviewed some completed projects:

- Rental Car Facility completed by GC/CM three years ago. The project went well despite suspension of work for six months because of the collapse in the bond market. The biggest lesson learned was the value of the GC/CM.
- The Port elected to pursue a traditional DB (lump sum) method to replace 44 escalators in the passenger terminal. The Port preferred to use DB to enable different systems manufactured by escalator companies. The project was completed on time and under budget.
- Recent publicity has evolved around the GC/CM North Satellite Expansion project. The use of GC/CM enabled administering the design and working closely with partner, Alaska Airlines, as well as reacting to the growth at the airport that prompted the expansion of the facility. The Port is scheduled to open bids later in the day for a significant portion of the buy-out.
- The new International Arrivals Facility includes several different components and is using Progressive DB. The project is currently in progress. Some portions of departing and arriving flights will require passengers to travel by bus from the main passenger terminal to airplanes parked on the ramp. To have a location for passengers to wait for buses, the Port is building a gate holding facility using traditional DB using pre-engineered or different building systems.
- Another project not using an alternative method is a complete backup power project at the airport. The project is currently under evaluation.

The Port of Seattle's participation in the industry is very active affording an opportunity for the Port to share experiences, as well as learning from others.

The Port of Seattle's Commission established a directive called the 'Century Agenda' establishing a goal of 40% participation by small businesses. This year, the Port anticipates achieving 35% participation by small businesses with 33% participating in all Port contracting last year. Last year, women, minority, and disadvantaged business participation was 3.4% with this year anticipated to be 5.1%. Alternative public works provides the Port with some advantages to meet those objectives.

Ms. Zahn reviewed questions previously submitted by the panel. The first question asked about overall lessons the Port has learned. Overall, the Port learned about owner readiness and understanding the differences and nuances between the different delivery methods. Each method has different ways for risk allocation, terms, and procurement of subcontractors. All those elements come into play in terms of what makes the right sense for the goals and objectives of the project. Overall lessons learned is how the Port, early in the process, engaged stakeholders to help them understand needs and steer them to the best delivery method to meet their needs.

Lessons learned from GC/CM included benefits by engaging the GC/CM early in the process. On the North Satellite project, the Port spent approximately one year with Alaska Airlines redefining and re-honing the project. Having the GC/CM engaged during those changes was very useful in helping the Port identify innovative solutions. The Port lacked legislative authority to pursue MCCM and ECCM for the Rental Car Facility; however, the Port is authorized for the North Satellite project, which provided value for direct engagement between the mechanical designer, contractor, and electrical subcontractor. A number of innovations were possible saving time and costs, as well as reducing impacts because the renovation element could be constructed while Alaska is also working on its project. The early work was also important. The Port learned the importance of pursuing more engagement during the procurement process as it helps define early work and how the Port might compensate for early work.

The Port entered GC/CM without defining Building Information Modeling (BIM) standards, which was problematic. It would have been useful to have a better understanding of the level of effort required for BIM to avoid time in maneuvering while all parties were under contract. However, there could be pluses and minuses with some belief of not being too set in the standards. The Port discovered that in today's market, some of the key team members that were included within the proposal were not available when the work was initiated creating some challenges when the Port attempted to build the team.

While the Port has done a good job on the cost allocation matrix included within RFPs, some elements related to MCCM and ECCM were not included that created some challenges. The goal is to continue to refine the cost allocation matrix to convey expectations clearly.

Some of the lessons learned for traditional DB were clearly understanding and articulating project goals and priorities in the RFP. The escalator modernization project incurred many change orders because of the lack of articulating needs before releasing the bid and hiring the contractor. Leadership commitment and obtaining it upfront is important, as well as ensuring leadership is educated about the delivery method. The Port learned that co-location was a value added in terms of reducing the level of miscommunication.

Lessons learned with Progressive DB include defining project team roles upfront. During the review of the RFPs for the first Progressive DB, the team should have condensed the project definition document as it entailed spending much money and time to generate. Some of the information was useful but much of the information set a framework for stakeholder role expectations, which may not be useful when the design-builder is engaged to leverage innovation and ideas. Another lesson learned was ensuring the Port Commission and leadership were completely committed. The Port welcomed a new CEO after the decision to pursue a Progressive DB delivery method. It took some time to educate and familiarize the CEO with the delivery method with some angst remaining about the delivery method.

Mr. Graves added that it didn't satisfy the CEO that the delivery method was very successful in California. Public owners in Washington could help one another by employing the method. Owners and the Port should publicize other successes achieved in the state. The Port is hopeful and optimistic that the project will be a success.

Ms. Zahn said there likely are more lessons to learn and that the Port would be sharing those lessons with members and others as projects are completed.

The second question asked by the panel concerned the Port's acquisition planning process. That process is largely unchanged. Essentially the project delivery method selection process begins with the Port working with stakeholders to define project goals and priorities. The process works through a decision matrix. The process has remained unchanged since the Port's certification in 2013. The Port's leadership team reviews all alternative delivery projects and either approves or denies the project.

The panel's third question asked for elaboration on planned versus actual completion date/cost on the matrix for the Consolidated Rental Car Facility project, as there were some references to significant disputes. The Port did experience cost and schedule growth. The Port was two months underway with construction when the recession and bond market presented some challenges. Approximately two-thirds of schedule delays were associated with suspending the projects and restarting later, which was challenging and costly. However, the Port deemed the project a success although the Port did experience several claims at the end of the project. Most of the claims were related to the electrical scope surrounding low bid, design issues, and challenges with the Department of Labor and Industries in terms of the department's interpretation of the electrical design and the belief of the designers of record. With all the challenges with the project caused by the suspension and restart, as well as the electrical components, the project was a success and the customer was very satisfied with the facility. The delivery method assisted the Port in working through the challenges associated with the suspension and restart.

The fourth question from the panel requested clarification of staff member changes since the Port's last certification, as there were many designations on the organization chart listed as "TBD" (To Be Determined). The Port has a number of staff members with alternative delivery experience. The Port also augments with consultants to help staff projects. Some employees have joined and left the Port. Since the 2013 certification, three new employees have DB experience obtained from other agencies.

The final question pertained to the Port's audit. The Port's internal auditors conducted capital project audits and found no audit findings. In addition to internal audits, the Port is also audited annually by the State Auditor's Office with no audit findings.

Ms. Zahn reported the Port is committed to leveraging best practices from the industry, continued training of staff, augmenting projects teams with experienced consultants, improving the industry in alternative delivery, and leveraging alternative delivery projects to increase small business participation. The application includes a list of all projects completed since 2005. The Port completed 72 projects totaling \$5 million. Of those projects, three were engineered building systems or Job Order Contracting, and seven were either DB or GC/CM.

Panel Chair Hall invited questions from the panel. He noted that panel members were provided with project evaluation sheets rather than an agency evaluation form. As the agency evaluation forms were not available, he asked panel members to rename the document as "Agency Recertification" and include a reference of "RCW 39.10.270" to document the criteria panel members considered when evaluating the application.

Mr. Apiafi said his questions speak directly to minority and women businesses. He was informed that all procurement of women and minority businesses by agencies in the state is only ½ of 1%. He has since made it his duty as a women and minority business representative to bring the issue front and center. He asked the presenters to elaborate on the actual numbers of women and minority businesses participation, as well as what actions the Port has implemented to ensure some degree of fairness.

Mr. Graves replied that in 2015 for all Port contracting, minority contracting was approximately 1-1/2%, women-owned firm contracting was approximately 1.3%, and disadvantaged businesses was approximately ½% totaling 3.4%.

Measures the Port has implemented continue to be a work in progress. For a long time, the Port of Seattle saw it as a good thing to have women and minority firms secure work. The Port used the small contractor and supplier program, which is open to all types of firms and tended to attract women and minority firms. The Port established goals for small contractors & suppliers (SCS). In 2015, the Port's SCS performance was 7%. What helped was the number of women and minority firms. The Commission and leadership are working to improve participation levels by ensuring clarity to general contractors of the Port's desire to seek more women and minority business participation. In Progressive DB, the Port has asked design-builders to provide preference for women and minority firms. Although the Port is not authorized to require participation, design-builders have responded. When the Port receives federal funds for projects, the Port has the opportunity to increase participation to attain a 4.7% participation goal. The Port is seeking more federal funding opportunities for projects to take advantage of the program.

Panel Chair Hall asked whether the disputes for the Consolidated Rental Car Facility project pertained to the delivery method. Ms. Zahn said the outcome would have suffered more if the alternative delivery method had not been available. The Port worked very well with the GC/CM to work through suspension, restart, and L&I issues. Without that relationship and participation by the GC/CM, the outcome would have been much more contentious and the Port could have likely experienced a delay in completion. The GC/CM assisted the Port through that process until the electrical issues escalated.

Mr. Graves added that the dispute hurt the cooperative relationship that many alternative delivery methods rely on. At the end, some of the benefits were not achieved as desired.

Mr. Palewicz asked about the Port's dispute resolution process and whether the process was utilized for that particular project. Mr. Graves said the Port had a Dispute Resolution Board (DRB) in place. An escalation of issues occurred on the project. The contractor and the electrical subcontractor wanted to use the DRB sooner than preferred by the Port, as the Port wanted to work through the layers. As the process evolved, the Port negotiated with the general contractor and the electrical subcontractor and settled without involving the DRB. Mr. Palewicz asked whether the Port typically uses a DRB on all public works projects. Ms. Zahn responded the Port only uses the DRB on larger projects. Mid-sized projects include provisions for partnering by conducting monthly meetings with owners on smaller projects to ensure the process is proceeding appropriately. The escalator project did not include a DRB; however, monthly meetings were held with Ms. Zahn's counterpart to monitor conditions.

Mr. Hillinger acknowledged the Port's increased participation and outreach during industry events, which has been helpful to other agencies that are newer to the process of alternative delivery. Discussions have surrounded how GC/CM can be prescriptive and essentially become a low bid process. For many members involved in amending the statute, similar to the Heavy-Civil effort, he asked for input on what would make the process more effective for projects. Mr. Graves replied that the Port has not utilized MCCM and ECCM; however, the Heavy-Civil provisions increased the attractiveness of GC/CM. It is a fact that the competition requirements for sealed bid subcontracting with respect to GC/CM are not as flexible as DB. Many of the packages released by the design-builder are DB or design assist resulting in more flexibility in terms of the relationship and pricing with subcontractors. Some of the provisions for GC/CM make it more difficult to pursue objectives, such as increasing participation of small and minority business or having flexibility in the relationships.

Ms. Zahn added that as part of the MC/ECCM Subcommittee, discussions have centered on whether there might be some other disciplines and trades to consider for a similar kind of procurement beyond mechanical and electrical. Building envelope is one area where design and construction are very much intertwined. Other pieces within the GC/CM umbrella could provide the Port with that same type of capability.

Mr. Hillinger cited as an example broadening the negotiated self-performed provisions in Heavy-Civil to include more facility projects. Ms. Zahn agreed it would be beneficial as the Port has some pending projects to redo all low voltage in the main terminal. It is an area that doesn't qualify for Heavy-Civil; however, the specifications of the project in terms of the design and construction lend itself to those types of provisions.

Mr. Stowell thanked the Port for utilizing the process for selecting the appropriate delivery model. He referred to the organizational chart and asked whether the TBDs link to the matrix listing of employees. Ms. Zahn noted the presentation materials include three organizational charts. When the Port considers establishing a team that involves many departments, many staff members are available to staff the projects. As projects are evaluated, staff evaluates the right project manager and construction manager, engineer, and contract administrator to form the core team to manage the project. The Port operates as a cross-department organization while the nucleus of the team in the center is comprised of three individuals who receive support and leadership from other staff members. The Port also augments with consultants.

Mr. Davis asked whether the Port envisions a time when the Port might support removal of “alternative” allowing public agencies the option of using all different methodologies as part of the mainstream delivery process. Ms. Zahn replied that would be the hope because Port projects span different delivery methodologies from Job Order Contracting, DB, GC/CM, and Small Works. It would be useful for owners to have a set of tools in the toolbox instead of treating some of the methods as alternative when they really represent a set of tools that are not used interchangeably but satisfy a certain discreet function dependent upon project risks, size, and the goals and objectives to achieve. If there were interest by the industry to pursue that course, the Port would be supportive.

Mr. Graves added that the toolbox is not completely stocked to handle all projects. The Port is nearing release of a \$90 million phase of rebuilding the baggage handling system at the airport. The Port would have preferred to use a best value from a fixed price process for that project. The Port is using supplemental bidder criteria and other tools to ensure good contracts, but it has been somewhat awkward.

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

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

Mr. Shinn said he is supportive of approving the application for both DB and GC/CM. He served as a mechanical subcontractor on the Consolidated Rental Car Facility. He is aware the Port changed some policies since that project based on utilizing the MCCM and the ECCM process for the North Star project. If the Port had used that same process on the car facility project, many of the electrical problems would not have occurred, as the electrical would have been involved earlier to resolve issues upfront.

Mr. Apiafi said the audit with no findings offers him assurance and he appreciated the response to his questions concerning WMBE participation.

Mr. Stowell admitted that when he first reviewed the application, it was difficult to follow and that he was largely responsible for many of the submitted questions. He conveyed appreciation for the presentation as the discussion addressed his questions.

Mr. Lebo commended the Port’s role in alternative public works and its outreach to other agencies.

Panel Chair Hall commended the Port’s commitment to alternative delivery and the process the Port uses to ensure the delivery method meets project goals, as well as moving MCCM and ECCM to the next level to help the industry. He’s appreciative of the Port’s approach and supports approval for authorizing both applications.

Ato Apiafi moved, seconded by Chuck Davis, to approve GC/CM recertification for the Port of Seattle. Motion carried unanimously.

By acclamation, members voted unanimously to approve DB recertification for the Port of Seattle.

The meeting was recessed from 10:54 a.m. to 11:11 a.m. for a break.

Chair Palewicz asked members for consideration for updating the bylaws correcting “General Administration (GA)” to reflect “Department of Enterprise Services (DES).”

Darron Pease moved, seconded by Mike Shinn, to update the bylaws to change “GA” to “DES.”

Ms. Deakins noted that the bylaws also include language reflecting bill language from 2007. Many references and provisions require updating to comply with current law. Many other changes are housekeeping in nature.

Chair Palewicz recommended a separate review and action to update the entire document.

Motion carried unanimously.

Department of Enterprise Services Re-certification – GC/CM/DB

Chair Palewicz reported the application is for recertification of GC/CM and DB for the Department of Enterprise Services (DES). He outlined the panel and presentation procedures.

Janet Knobloch, AIA, Program Manager, Engineering & Architectural Services (E&AS), DES, presented the application and introduced Nancy Deakins, PE, Assistant Program Manager, DES. DES clients are varied and include 34 community and technical colleges, Capitol Campus, and state facilities with recent projects including K-12 projects directed by the Legislature last summer to include the agency’s first Progressive DB project and Cross Laminate Timber (CLT) project.

Ms. Knobloch reviewed the organizational chart and recent organizational changes. The new organization includes four assistant program managers. Asset management was added. She manages Team G overseeing the State Capitol Campus. Aaron Young oversees the Department of Corrections and DSHS. Dwayne Harkness and Nancy Deakins oversee technical colleges, Washington State Patrol, and other agencies. She identified employees with experience with alternate public works and other employees scheduled to complete DB certification training in October. A number of training spaces are still available through DBIA. The training is over a three-day period in Olympia. Ms. Knobloch identified staff members who have completed GC/CM training since the last certification.

Selection of the delivery method is through client discussion with the project manager and the assistant project manager. Sometimes, the Legislature selects the delivery method. In most cases, it involves DB more than GC/CM. A number of legislative driven projects include community and technical college projects.

E&AS works closely with a number of professional committees:

- Capital Projects Advisory Review Board (CPARB)
- CPARB Subcommittees
- Project Review Committee
- Architects, Engineers, & Agencies Committee (AEA)
- Associated General Contractors Facilities Group

Alternate public works projects include:

- **1063 Block – DB:** The 1063 Block is the largest project under construction. Jon Taylor is the Project Director. The DES website includes updated pictures of the project site every 15 minutes. The DB contractor is Sellen Construction. The project is on time and within budget. One of the lessons learned prompted changes in the RCW for public records requests to protect proprietary drawings until after the project is awarded.
- **Student Housing, Bellevue College – GC/CM:** The project was recently awarded to Walsh Construction Company.
- **Pacific Tower improvements, Department of Commerce – GC/CM:** DES is no longer involved as the Department of Commerce assumed oversight. DES worked with the initial GC/CM packages with South Seattle Community College.

- **Main Building South Wing Renovation, Community Colleges of Spokane – DB:** The RFQ process is midway completed for DB for the south wing of the main building.
- **Pierce County Readiness Center, Military Department – DB:** The project was completed in August 2016. The DB contractor was Absher Construction Company.
- **Clover Park Technical College, Center for Advance Manufacturing Technologies – DB:** DES is finalizing selection of the DB contractors. Finalists include Absher-GGLO, Korsmo-SRG, and Mortenson-Schacht Aslani.
- **K/3 Modular Classroom CLT Proviso Projects – Progressive DB:** The project has been challenging, as the CLT industry is limited today. However, the Legislature wants to increase the use of CLT in Washington State. Five school districts comprise the project with two schools in eastern Washington and three in western Washington. Both projects are nearing completion for the selection of the contractors. CLT will be used in walls and on roofs. Walter Schacht is a member of the selection panel for the western projects.
- **South Puget Sound Community College Lacey Campus – DB:** The project was completed in July 2015 and involved the remodel of an existing office building located off 6th Avenue.
- **Natural Resources Building Capitol Campus, Garage Fire Suppression & Critical Repairs – Progressive DB:** DES recently initiated construction on the Garage Fire Suppression & Critical Repairs Progressive DB project. DES selected Patriot Construction, a veteran-owned firm. DES is a member of the Governor’s Cabinet on Diversity. Charles Wilson is the Diversity Coordinator. The Governor is promoting small business, disadvantaged businesses, and veteran-owned businesses.

Future DB projects with funding include:

- Green River Student Affairs Tenant Improvements, \$3 million, September 2016
- Lower Columbia Main Building Renovation, \$3 million, December 2016
- WSP Replacement of Weigh Station, \$2 million, February 2017
- GHS, Birch, Acute Mental Health Remediation, \$3 million, January 2017
- DSHS WSH E Campus Building Renovation, \$6 million, February 2017
- DSHS WSH New Kitchen/Commissary, \$18 million, March 2017

Ms. Knoblach reviewed pending projects dependent upon construction funding during the next session:

Ms. Knoblach addressed panel questions previously submitted on lessons learned.

- All projects need good communication and planning
- Projects benefit from having existing site and building as-builts, design standards, and committed leadership
- Need realistic contingencies for type of construction
- Eligibility to submit RFQ based on prior work for client
- Honorariums

Design Build

- Is not for every client/project
- As Jon Taylor attested, “owner should not mistake DB as a magical solution for basic financial issues or hidden conditions.”
- Limitations on number of boards, slides, pages, & fly threw to limit team efforts, expense, and design scope limits.

Progressive Design Build

- Verify budget with proposed design fees
- Limitations on presentation group size

The second question pertained to project experiences applied to decision process. Staff communicates with project managers and assistant project managers on issues that have been identified in GC/CM and DB projects. The Department’s experience with traditional DB helped in considering Progressive DB. It is best to determine delivery

method upfront and analyze issues on large D-B-B projects because it enables more consideration for using DB or GC/CM on larger complex projects.

Another question pertained to lessons learned that did not lead to process changes. Lessons may not influence how DES might use DB or GC/CM because each project has particular needs. It is important to increase communication and training for clients on alternative public works opportunities.

A fourth question addressed DES client understanding of different delivery methods. Project managers coordinate and plan projects with client agencies. DES provides DB overview to the State Board of Community and Technical Colleges as part of budget development workshops. A client workshop was included in a University of Washington GC/CM presentation. Staff members meet and conduct conference calls with clients considering different methods. Some clients request project funding without project management input, which creates problems for DES to help those clients. Clients have been invited to DBIA training in October.

Recent staff changes in the organization have been addressed by replacing retiring employees, adding project managers, re-establishing four team manager positions, adding a program manager, and increasing contract staff, as well as creating a diversity position.

Approximately 40% of staff has attended GC/CM training with 30% of the project managers trained with DBIA by October 2016. All staff will be trained on the RS Mean Cost Estimating method. Staff participates in Lean Huddles to share information on lessons learned. Staff attend project manager workshops and DES is creating a Project Management Manual for project consistency and customer services for DB and GC/CM.

Ms. Knoblach thanked members for considering the recertification application for DES.

Chair Palewicz recessed the meeting from 11:32 a.m. to 11:34 a.m. to address several administrative questions with Ms. Knoblach and Ms. Deakins.

Chair Palewicz invited questions from the panel.

Mr. Apiafi commented that it is obvious as to what the department brings to the table. Most of upper management is totally committed and invested in minority and women businesses from the directors to upper management. His question applies to large agencies as it relates to minority and women businesses procurement and projects. He noted that most of the project managers have not bought into minority and women businesses. He has called all the project managers and some of them pushed back. He asked about training and action steps for sensitivity training of project managers because they are in a position to improve trends.

Ms. Knoblach replied that within the last three months, DES has activated a tracking mechanism for consultants and contractors to report on the amount of minority owned and small business contracts and the amount of the contracts under the program. Conversations with project managers during construction meetings address diversity goals with an emphasis of addressing diversity goals during the construction process. Charles Wilson was recently hired as the Diversity Manager in the last three months. His focus is on diversity in construction and A&E contracting. Mr. Apiafi asked about specific diversity training for project managers as it relates to minority and women businesses.

Ms. Deakins said DES has incorporated inclusion plans within construction contracts responsibility criteria for planned participation for minority, women, small business, and veteran-owned businesses. Additionally, the criteria for consultant selection include information on outreach efforts, mentoring opportunities, and participation on the teams. DES recently updated the inclusion plan efforts, as well as consultant selection policies. Staff continually reviews updates with project managers. Mr. Knoblach added that the inclusion plans are included for DB, GC/CM, and D-B-B.

Mr. Davis said that several times during the presentation there were references to the intervention of the Legislature. He asked for additional information on the decision-making process for determining the alternative delivery method to use when the Legislature has directed the use of a particular method.

Ms. Deakins responded that staff follows the dictates of the Legislature seriously and evaluates each project to ensure it meets the criteria in statute for using DB. The Legislature also includes performance measures. DES plans to evaluate those projects to ensure they are an appropriate fit for the delivery method, as well involving the project manager in the budget development process and budget request process so that the clients understand the best procurement delivery method when requests are submitted. There are opportunities for projects with anticipated design funding for next year to be delivered by DB with appropriate timing. Ms. Knoblach added that the Legislature tends to focus on the DB delivery method.

Mr. Davis asked how DES handles those circumstances when the evaluation process determined the DB process was not appropriate for a project directed by the Legislature. Ms. Knoblach said in those instances, staff works with the legislative liaison to resolve issues and delivery method conflicts.

Mr. Burt commented on the limited number of completed GC/CM projects. Ms. Knoblach advised that the Pacific Tower project was a GC/CM project, as well as the Bellevue Housing project. Mr. Burt questioned the extent of involvement on the project assumed by the Department of Commerce. Ms. Deakins said the project manager completed contract selection and several bid packages. The project was transferred to the Department of Commerce to take advantage of historic tax credits available only to the private owner of the building. The Department of Commerce coordinated the process and was able to receive substantial funding of historic tax credits for the project.

Mr. Davis added that he was involved in the project. Chris Gizzi with DES was the project manager. The project was under construction when it was turned over to the Department of Commerce. Based on his observations, the project manager and team were fully engaged and familiar with the GC/CM process.

Mr. Burt asked for clarification as to whether DES is required to have one completed GC/CM project within the last five years since one of the projects was transferred and was not completed by DES, and the second project is in process.

Chair Palewicz said the question surrounds whether recertification requires one completed GC/CM project. For recertification, another project must be completed during the three-year timeframe. It was noted that recertification falls under Section 6. Chair Palewicz recommended discussing the issue during deliberations.

Ms. Zahn asked how the agency determines the section between regular DB and Progressive DB. Ms. Knoblach said the decision to pursue Progressive DB is based on schedule and scope. The schedule for the CLT project was aggressive with funding received late. The Progressive DB method provided more options. For the Fire Suppression project for the Natural Resources Building, the selection was dependent upon timing to enable a signed GMP contract by the first week in January to sell the bonds through the Treasurer's Office. Selection was based on the approach to the project and not the design solution. A design solution for the project included a sprinkler system install and correcting concrete slabs. The scope of work did not warrant design teams rather the selection was based on the contractor's approach to the different scopes.

Ms. Barron-Sumann asked whether the Pierce County Readiness Center and Pacific Tower projects were completed on time and within budget. Ms. Deakins reported the Pacific Tower project was transferred to the Department of Commerce.

Mr. Davis advised that the project was completed in June. Ms. Deakins reported the Pierce County Readiness Center was completed and had one change order for \$59,000. Some delay was experienced because of a strike. Ms. Barron-Sumann noted that her question was tied to whether DES had any disputes or litigation. Ms. Deakins affirmed there were no disputes or litigation.

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

Chair Palewicz invited panel deliberations and a recommendation.

Members referred to the outstanding question regarding the required number of completed projects. Mr. Burt said the application did not explicitly identify a specific number of projects but rather it addresses criteria established by the committee. The criteria within the evaluation form speak to successful management of a project. Chair Palewicz pointed out the evaluation form provided to the committee was for projects rather than for recertifications. Ms Deakins added that she is unsure whether the evaluation form for recertification is different.

Mr. Burt said his only concern surrounds the partial completion of one GC/CM project and one GC/CM project currently underway. While not conferring a lack of experience, as training is included on the organizational chart, it is important to be clear that the PRC would be approving a recertification that doesn't meet the criteria.

Mr. Gimmestad said he reviewed the statute during deliberation and it does not reference the number of projects that need to be completed as part of the recertification process. Criteria are in Section 3 of RCW 39.10.270 for recertification. Item 5 on the score sheet or evaluation criteria speak to demonstrated successful management of at least one GC/CM/DB project in the last five years.

Mr. Palewicz commented that documentation (#6) for renewal of recertification does not address another project.

Mr. Burt questioned whether not having successfully completed a GC/CM project within a three to four-year period affects eligibility because DES tends to pursue DB projects. It is a question for members to consider.

Mr. Gimmestad suggested the issue should be part of the deliberation process in terms of the evaluation of the criteria, the RCW, and feedback from the applicant to help the committee make a determination as to whether the applicant is qualified for recertification.

Mr. Hillinger pointed out that the committee has reviewed and approved other applications where projects were in process and had not been completed. He is not familiar with any language requiring completion of the project because some projects are lengthy to complete. The committee reviewed and approved Sound Transit for GC/CM and DB when the agency had not completed any DB projects based on the agency's performance on another project.

Chair Palewicz added that recertification does not require completion of a project within the last three years.

Mr. Pease remarked that it is clear to him because DES completed one of each project type in the last five years. The agency's role on the Pacific Towers project was completed successfully regardless of whether the project was terminated because of contractual considerations.

Mr. Apiafi suggested that the decision should be based on the individual agency. However, moving forward, it might benefit the committee to clarify criteria to ensure agencies are aware of the criteria.

Ms. Rynne commented that DES has extensive experience in both GC/CM and DB and it appears the agency has a comprehensive training program for staff. Based on the presentation, she believes the committee may be preoccupied with the technicalities as she is confident that DES has the qualifications and experience to continue. She supports moving forward with a motion to approve the application for recertification of GC/CM and DB.

Ms. Zahn referred to Sound Transit as a matter of consistency in how the committee interpreted its application. For Sound Transit's recertification, although the agency had not completed a project in the last three years, the committee considered the agency to have successfully managed projects.

Chair Palewicz said his reading is that there is no specific requirement for recertification for an agency to complete a GC/CM or DB during the last three years.

Ms. Zahn noted statute language stipulates a public body must submit an application at least three months before the certification expires. She asked whether the DES application meets that deadline as the effective date of certification was September 26. Chair Palewicz said the brief recess he called was to address Mr. Hall's observation that the copy of the application was dated August 31, 2016. However, the application was a revised version of an earlier application submitted in June. At that time, Ms. Knoblach assumed a new position and the application was changed to include her name and title. It appears the original application was submitted on June 1 to the PRC and revised with Ms. Knoblach added to the application based on her new position. He stressed the importance of following the statute in terms of application submission dates as the PRC recently declined an application not submitted within the 90-day timeline.

Mr. Davis questioned whether the recertification application could also serve as a certification application should PRC determine the applicant failed to apply according to law. Chair Palewicz advised that the application for recertification is considerably less rigorous than a certification application.

Mr. Lebo asked for clarification of the application submittal date. Ms. Deakins advised that the application was submitted in June. Ms. Ernst indicated that one application was dated June 2 and another application was dated August 31.

Chair Palewicz reiterated that the recertification deadline was June 26. Ms. Knoblach affirmed that the application was submitted during the first week in June.

Ms. Zahn noted that DES is in an interesting position as the Legislature sometimes drives the delivery method the agency must use in order to receive funding. DES has managed to stay within the parameters of making the same choices versus the decision directed by the Legislature. DES has done a good job while maintaining budgets.

Mr. Davis disclosed that he might have an interest in the application as DES services all community colleges to include Seattle Central College. Because of that potential appearance, he would not be voting. Additionally, his comments regarding the application should be considered as public comments.

Mr. Hall shared that he also has a potential conflict of interest and did not participate in the deliberations and plans not to vote as well. One of the projects identified in the presentation is a project contracted with his firm.

Mr. Davis said that regardless of the outcome of the vote, he has the ability to ask DES to present on his behalf for an alternative public works project. Although his potential conflict is minor, he does not plan to vote.

Chair Palewicz checked on the status of the meeting quorum to render a vote. With two recusals, 19 members were able to vote on a recommendation.

Mr. Pease commented on the conflict of appearance, especially because so many members work with other agencies.

Mr. Gimmestad shared that he is a member of the Planning Commission for the City of Puyallup. The Commission often addresses financial issues that could present a potential conflict of interest. Although appreciative of the comments from Mr. Davis for recusal, he does not perceive a conflict of interest as Mr. Davis would receive no gain by participating in deliberations to determine if DES should be recertified. Mr. Hall's situation is somewhat different as he is under contract with DES for a project. However, moving forward, he does not perceive that as an issue either.

Chair Palewicz cited language in the bylaws stating, "If a member has or appears to have an interest in an application that has been submitted to the PRC, that member is to disclose that interest to the PRC on the record and recuse himself from participating in any meeting involving PRC action."

Mr. Gimmestad pointed out that based on the comments from Mr. Hall and Mr. Davis there is no interest in the application for recertification moving forward. Chair Palewicz agreed.

Members were advised that under the Open Public Meetings Act, a conflict of interest typically pertains to a financial interest. Unless members have a direct financial interest, no recusal is necessary.

Mr. Hall added that he is currently working on a project for the applicant and approval or disapproval of the application would not affect his participation on the project.

Chair Palewicz suggested a motion for a recommendation on the GC/CM application.

Jeanne Rynne moved to approve the DES recertification application for GC/CM/DB contingent upon verification of the application submittal date of June 2, 2016.

Mr. Pease pointed out that the PRC was previously advised that recommendations should not be contingent upon a condition.

Jeanne Rynne withdrew the motion.

Jeanne Rynne moved, seconded by Curt Gimmestad, to approve the Recertification Application from the Department of Enterprise Services for GC/CM. Motion carried. Jon Lebo abstained.

Mr. Lebo said he abstained from the vote because it was unclear to him whether the application was submitted in time.

Ms. Zahn said she had similar concerns.

Chair Palewicz advised that the assumption is that if the application was submitted to the PRC, it met the 90-day requirement. The assumption before the committee is that the application was received by PRC within 90 days, which is why it was forwarded to the committee. The date on the sheet that was presented is incorrect. Ms. Knobloch added that she was informed of the need to update the application to reflect her name and new title. She also added a new paragraph.

Jeanne Rynne moved, seconded by Curt Gimmestad, to approve the Recertification Application from the Department of Enterprise Services for DB. Motion carried. Jon Lebo abstained.

Chair Palewicz recessed the meeting for lunch from 12:18 p.m. to 12:45 p.m.

Bainbridge Island School District – Blakely Elementary School – GC/CM

Panel Chair Davis reviewed the presentation and timing format to consider the GC/CM application from Bainbridge Island School District for the Blakely Elementary School project. Panel members Curt Gimmestad, Rustin Hall, Jon Lebo, Shasta McKinley, John Palewicz, Jeanne Rynne, Joe Stowell, and Chuck Davis provided self-introduction. A majority vote of the panel is required for approval of the application. Neil Harman provided self-introduction and indicated he was not a member of the panel.

James Dugan, Program Manager, Parametrix, introduced the project team. Tamela Van Winkle is the Executive Director of Bainbridge Island School District. Charlie Demming, Project Manager with the School District was not included within the organizational chart submitted with the application as Mr. Demming was added later to the team to provide the necessary GC/CM experience. Mr. Demming is employed by the School District and has extensive GC/CM experience. Bill LaPatra and Susan Olmsted with Mithhun serve as the design team with GC/CM expertise. Dan Cody with Parametrix is serving as the GC/CM Consultant and will lead procurements.

Not in attendance are Dr. Peter Bang-Knudsen, Superintendent, Bainbridge Island School District and Graehm Wallace, Perkins Coie. Doug Holen is serving as the external GC/CM advisor.

The Bainbridge Island School District is located west of Seattle and is comprised of seven schools serving 4,000 students with approximately 500 staff members. The School District's capital bond was successfully passed earlier in the year with funds to support the project, as well as a number of other School District projects.

The GC/CM delivery method supports the mission, vision, and guiding principles of community and partnerships for the School District. The project involves an original building constructed in 1965 currently occupied by grades K-4 on a 12-acre site. The building is a single-story 43,503 square foot concrete block and brick building serving approximately 350 students. Complexity of the site includes the terrain with a steep slope that moves from the occupied portion to the lower non-occupied open playground area. The new school would be constructed within the existing playground area while the existing school remains occupied. The total project cost is \$38,964,667. The owner's MACC is \$26,291,948. The project is currently in schematic design. After completion of the new building and upon occupancy, the old building will be demolished and converted to playground areas.

While the current school will remain occupied with parents, students, and buses dropping off students to the west of the site, it will be important to maintain staff parking. Students will play in a small area of grass fronting a road, an occupied building, and the new building site. The new school will be built to the right of the site with a new bus drop-off facility, new parking area, and a new playground area to the north.

The budget is the same as included in the application, as well as the project schedule. By mid-December, the end of schematic is anticipated with the GC/CM contractor onboard at that time.

According to the schedule, most of 2017 encompasses design and preconstruction services with construction scheduled to begin in February 2017. Prior to the opening of the new school in summer 2019, the existing building will be demolished and replaced with playfields.

Of the five GC/CM statutory criteria, the project is required to satisfy one criterion. The one most predominantly satisfied is construction on an occupied facility. The project site will entail young children playing along a fence line away from construction activity, a fence line away from the site and the school. The School District is contending with market inflation with good success in GC/CM deliveries. The project requires collaborative relationships. The site is surrounded on three sides by trees and one side by a road. The team needs to work on mobilization and access for construction. From a public benefit perspective, safety is at the top, as well as managing financial risk in the marketplace, inflation, remaining connected to the community, and ensuring full transparency of the project.

The School District has recent and relevant capital project experience of similar sized and complex projects. Two prior bonds included a number of projects demonstrating the School District's ability to manage capital projects. This project is the School District's first GC/CM project.

The GC/CM team includes Mr. Deeming with GC/CM experience, Ms. Van Winkle with extensive capital project experience, Mr. LaPatra's GC/CM design experience, and Mr. Cody and Mr. Dugan with Parametrix providing procurement and advisory assistance.

One panel question previously submitted centered on Mr. Dugan's availability. Mr. Dugan said that previously, he has typically led the GC/CM procurement process and played a more involved role primarily because district project managers did not have the depth of experience. For this project, Mr. Cody will lead the procurement process with him serving in an advisory role. In addition, Mr. Demming's experience provides GC/CM experience from the owner side. Mr. Dugan advised that he has ample capacity to perform his role on the project.

Finally, the project is funded, satisfies statutory criteria, and a project management plan is completed that has been successfully utilized on other projects. The project includes seamless lines of authority and includes experienced based personnel with project experience continuity. Team members have the capacity to perform in their respective role. The RFP is nearly completed for release next week.

Panel Chair Davis invited questions from the panel.

Mr. Hall noted that the application and the cover letter speak to the option of maintaining services from Parametrix in a PM/CM support role through construction. Mr. Dugan advised that when the application was submitted, that circumstance was correct, as the School District's project manager did not have the level of GC/CM experience that was desired. Consequently, the School District supported Parametrix providing the GC/CM PM/CM strength. At that time, an individual with GC/CM experience was hired by the School District. The addition of Mr. Deeming is a change from the organizational chart included within the original application.

Mr. Hall questioned whether the School District retains the option of not utilizing Parametrix during construction and relying solely on Mr. Demming's expertise to complete the project. Mr. Dugan affirmed that for project management purposes that would be the correct assumption.

Ms. Rynne inquired about the extent of Mr. Demming's experience. Mr. Demming said his experience spans the management of 10 different GC/CM projects of approximately \$2 billion in the U.S., as well as in South Korea. The largest program was valued at \$1.7 billion program for EL International for building out the new Songdo City in South Korea. He managed the historic renovation of Roosevelt High School for the Seattle School District and a \$315 million program for Portland Public Schools in the 1990s involving 42 schools and three GC/CM contractors. He also worked on the Vashon High School GC/CM project and completed the largest building in Alaska delivered by the GC/CM method in the early 1980s for Atlantic Richfield for a one million square-foot structure housing ARCO Alaska, Inc.

Mr. Palewicz questioned the reason Bainbridge Island School District elected to pursue a GC/CM project based on previous experience of delivering Design-Bid-Build (D-B-B) projects. Ms. Van Winkle affirmed the School District's success in delivering D-B-B projects. Much of that success was based on the District's collaborative approach. Today's construction environment is escalating rapidly and the idea of having a contractor involved early during the initial stages of design would contribute to cost management and a successful collaborative relationship early in the process. She is very intrigued and interested in pursuing this type of delivery model, as it would be in the best interest of the community.

Panel Chair Davis invited public comments.

Chris Colley, Forma Construction, spoke to the importance of collaboration and partnership. His parents live within the boundary of the Bainbridge Island School District today. He and Ms. Van Winkle worked together on the Bainbridge High School 200 Building when he was a member of the design team at Mahlum. He now works as a general contractor. Throughout that project, which was a successful D-B-B project, the notion of collaboration and partnership with the community was a core value. It would have been beneficial to have the contractor onboard during key decision-making points during the design process. It is encouraging to see the School District pursuing the GC/CM delivery method.

Kevin McCain, Skanska, said his company has witnessed Parametrix successfully guide more than one school district that did not have previous GC/CM experience. Parametrix had done a great job and maintains the integrity of the GC/CM process.

Panel Chair Davis invited deliberations by the panel.

Mr. Stowell said he appreciated the presentation and the application. The PRC is charged to ensure adherence to the RCW. The applicant stepped through how the project meets the requirements of the RCW. He supports approval of the application.

Ms. McKinley said she was incredibly impressed with the application. The owner considered each criterion to meet the GC/CM requirements. The owner has also reached out to other agencies and owners to seek more information about approaches and share information.

Mr. Palewicz commented on his role on the oversight committee for the Seattle School District. The Seattle School District moved from D-B-B to GC/CM. This last September, the School District opened five schools. Three of the projects were GC/CM and two of the projects were D-B-B. Schools opening on time were the GC/CM projects while the D-B-B projects were just meeting the schedule. Many school districts are realizing the importance of commitment to voters when a bond issue has passed. Opening the envelope on bid day can be a traumatic event for a school district, especially in today's market. It is interesting that many school districts are moving to alternate project delivery. He echoed some of the prior comments as the school district has approached the project properly by securing the right expertise to help the district succeed.

Ms. Rynne reported that the district provided a well-prepared application and the presentation addressed one of her concerns about the initial proposed project manager and lack of GC/CM experience. She is encouraged the district found another individual with the necessary experience.

Mr. Hall agreed, as his first inclination was that the district lacked prior GC/CM projects and it was an option as to whether Parametrix would take the project through construction. That scenario would have been a "no go" for him. The addition of Mr. Demming helps; however, he questioned whether that would be sufficient as the School District could still opt out of having Parametrix assistance through construction. In his opinion, the School District needs that assistance throughout the project. If the responsibility were on one person that makes him nervous for the School District because if something should happen to Mr. Demming he would assume Parametrix would provide leadership on the project if a catastrophe event occurred. It was a good move to make the improvement because it moved his vote to approve the application.

Mr. Stowell said he found himself in a very similar position when his agency applied to the PRC to GC/CM. Many applicants do not realize the staff time required to manage a GC/CM project. His agency currently has a full-time staff member similar to the School District's proposal with much experience to support the project. The agency also has a full complement of staff to include a construction management company to keep abreast with the daily paperwork that is generated by the project. The School District will likely learn that it will need to have the assistance of Parametrix.

Mr. Palewicz said the discussion is interesting because once the PRC approves projects, its role ends. If the public agency determines it no longer requires consultant assistance that is scary. Hopefully, with the changes the School District has implemented, the agency will realize the need for that expertise through the entire project.

Panel Chair Davis said all panel members have a tremendous interest in the successful delivery of alternate methods. The risk the PRC takes in approving projects occurs for every project because once the PRC approves the project, the PRC has no further intervention. However, it is a risk because if alternate delivery methods fail, there is the potential that the authorization to use alternate delivery methods will be rescinded. Those are the factors panel members must consider. The concerns expressed by Mr. Hall are ones that the applicant should consider. His mindset is that almost every project could be delivered by an alternative method and more successfully.

Joe Stowell moved, seconded by Shasta McKinley, to approve the Bainbridge School District GC/CM Application for the Blakely Elementary School project. Motion carried unanimously.

The meeting was recessed from 1:14 p.m. to 1:45 p.m. for lunch.

Panel Chair Jon Lebo reviewed the presentation and timing format to consider the GC/CM application from Seattle School District #1 for the Webster Elementary School project. Panel members Curt Gimmestad, Rustin Hall, Jon Lebo, Shasta McKinley, John Palewicz, Jeanne Rynne, Joe Stowell, and Chuck Davis provided self-introduction. A majority vote of the panel is required for approval of the application. No members recused themselves from the panel.

Richard Best, Director of Capital Projects, Seattle Public Schools, invited team members to provide self-introduction. Brian Fitzgerald reported he is Principal-in-Charge with TCF Architecture. Eric Becker, Senior Project Manager, Seattle Public Schools, said he is providing management oversight for the project. Connie Myers, Seattle Public Schools, reported she is the Project Manager for the project. Mr. Best introduced Brian Ho with TCH Architecture.

Mr. Best reported that there are three iconic architects for Seattle Public Schools. They include James Pexton, Edgar Blair, and Floyd Naramore. Mr. Naramore was the founder of NBJ Architecture. The school building was designed by Frederick Sexton in 1908. The building poses some seismic issues for the School District. The School District also lacks drawings for the building, which is why the project is proposed for GC/CM procurement. Mr. Best displayed a series of photographs of the building and site depicting the 1908 entrance on the south side of the building and the Nordic Heritage entrance, which was moved from the south side of the building to the west side of the building.

Mr. Best reported the project team includes TCF Architecture as the project designer. TCF Architecture assisted the School District with another historic building adjacent to Garfield High School, as well as with Seattle World School, which opened in the fall of 2016. Mr. Becker has implemented three GC/CM projects and is working on the School District's Wilson Pacific site with two schools. The project is nearly 50% completed. Mr. Becker is also working on Royal Heights and is beginning design work on Bagley Elementary School. Ms. Myers is the Project Manager for the project and brings a substantial amount of history and experience with integrated building projects from South Carolina.

Mr. Becker provided an overview of the project budget. The overall project budget including all soft costs is \$31.7 million to include contingency and escalation projections. Estimated construction cost or MACC is \$17.2 million. The funding source for the project is the School District's BTA levy that was passed in February. The project has been occupied by tenants since the 1980s. The project lacks OSPI funding at this time because the School District intended to sell the property at one time. Subsequently, the property was surplus. Eligibility for OSPI funding will likely be restored in the future, but not for this specific project.

Mr. Becker reviewed the project schedule. The School District submitted its application for GC/CM approval. TCH Architecture was selected and is beginning some conceptual designs. Schematic design is scheduled to begin in November with completion in March 2017. The GC/CM is scheduled to begin in early 2017 to participate in early design. The project is scheduled for bidding in late 2018 with construction beginning in 2019 for occupancy in June 2020. The project is on schedule for the School District's requirements for the City of Seattle.

The property was designated as an historic landmark. The building features two significant building types with different building periods creating some tension to the designated site, the exterior of the buildings, as well as to portions of the interior, which will create some challenging aspects to the design as the interior designation includes stairways and hallways.

The project site is located in the Ballard neighborhood west of Interstate 5 and close to Puget Sound. The site is surrounded by single-family residences with narrow streets and well established trees surrounding the site. The site is not fully accessible from I-5 as the arterials to the site are challenging.

Mr. Fitzgerald commented that the site is interesting with a challenging building. The site includes 1-1/2 acres of usable space and is bordered on the north by NW 68th, to the south by 67th, and 30th to the east totaling three street frontages. A small park is located on the westside of the site, which is used by the school for playground and playfield uses. Another challenge is surrounding residential uses, which speak to the importance of initiating good communications between the contractor and the neighborhoods to avoid disruption to the neighborhoods. The site is flat with a six-foot retaining wall

along the south side of the property. The existing building is three stories. The project adds a gymnasium on an existing parking lot on the west side of the property.

The building lacks original drawings creating another challenge. The team is developing a 3D scan of the building. The first floor includes minimal landmarked space as it has been changed over time. One landmark space on the first level is the auditorium and a dining room. The first level affords some flexibility. The main entry stair is hidden and was recently rediscovered. The project will use that area as the front door. The intent is to respect the original layout to the extent possible while converting the space to a modern school. The second and third floors are very similar and very usable for classrooms and shared learning space. The new design retains the original stairs and an existing library. The third floor has less square footage than the second floor and includes classrooms and shared learning space.

Ms. Myers said the RCW allows public bodies to use GC/CM if one criterion is satisfied. For the Webster project, the project satisfies several criteria. The work will occur in a historical significant building. The project includes complex coordination because of the restricted site, location, and urban setting. The work environment is complex and technical because of the lack of as-built drawings and the project involves a complicated modernization involving seismic improvements, utility system replacement of 1908 systems, building envelope improvements and repair, and designation of the stairs and hallways as landmarks. Moving the materials in and around the building while protecting those areas will be difficult. Additionally, having the knowledge and experience of the GC/CM early in the project will provide many advantages. The GC/CM will help to verify existing conditions, consider constructability of the addition and the preferred location, consider seismic improvements, and determine building envelope upgrades. A contractor can also help to navigate the complicated permitting process with the City of Seattle that often require descriptions of construction methods, phasing, and scheduling. The current construction market in Seattle is exhibiting shortages and long lead times. Having a contractor involved in the project early will assist in developing competitive and successful bid packages.

Ms. Myers reviewed Seattle Public Schools experience with large construction projects over the last 10 years. The School District completed six projects receiving certificates of occupancy during the summer. Half of the remaining 10 projects are using GC/CM. Three projects are under design and two projects are currently in construction. Ms. Myer displayed a list of 13 projects completed since 2006. Six of the projects were completed using GC/CM. Of all projects, the School District used GC/CM on 12 projects. Seattle Public Schools has a long history of completing GC/CM projects successfully.

Ms. Myers reviewed the project's organization chart with estimated percentages of time dedicated to the project. The chart has been updated with Mr. Becker's time allocation changed to reflect 25% and Ms. Myer's time increased to 80%. Between Mr. Best, Mr. Becker, and Ms. Myers, Seattle Public Schools has key managers dedicated 110% to the project. Additionally, the legal team has a wealth of experience with GC/CM and available as needed. TCF Architecture has dedicated three team professionals to include a construction administrator, Andrew Hickman. The chart reflects each of the three members' dedicated time during the different phases of design. TCF Architecture is also providing a cost estimator consultant who has dedicated time to the project. The project team has a range of 29 to 37 years of successful experience. Collectively, the team brings many lessons learned to the project. Those lessons would be applied during execution of the project. The School District also has experience managing GC/CM projects and believes the Webster project will benefit from that experience.

The public will benefit by the School District having the ability to select general contractors with historical building experience, assisting with the permitting process, providing earlier cost information to inform both the design and the construction budget to reduce risk and costs.

The team has demonstrated the Webster project meets the criteria to use GC/CM, the project team has the necessary qualifications, and the delivery method will provide a fiscal benefit to a historically significant building. Ms. Myers thanked members for the opportunity to present the project and is hopeful the School District will receive approval.

Panel Chair Lebo invited questions from the panel.

Mr. Davis said he is pleased that the School District responded to the panel's previous questions. The response is indicative of the School District's knowledge. Ms. Myers has a tremendous amount of experience; however, as a new arrival to the state, she appears to lack GC/CM specific experience under RCW 39.10. Based on the presentation, Mr. Davis said it is clear that Ms. Myers has read the document. He asked about the differences she perceives in RCW 39.10 versus her GC/CM experience in other states. Ms. Myers said that in addition to South Carolina, she also was in the United State Navy as an officer and began her career in the ROTC at the University of Washington and was stationed at Bangor Naval Station. South Carolina did not have a statute for GC/CM delivery, as the state is non-union. However, the state afforded more flexibility when determining the construction method for major projects. It was up to each school district to determine the construction delivery method. Her employer used an integrated project delivery. The only difference is a three-party contract rather than a two-party contract. Both methods emphasize the importance of teamwork and collaboration.

Mr. Gimmestad said although he might be mistaken, he believes the project might be the first GC/CM project where the School District did not use a construction management firm. Mr. Best affirmed that belief. Mr. Gimmestad asked for additional information for not using a construction management firm, if any, and the lessons learned that might be applied.

Mr. Best said the School District implemented the in-house position because of the recent hire of an individual skilled in integrated project delivery from South Carolina. The School District has other project managers from Heery and SOJ who are working for the School District affording the ability to seek guidance and address questions. Earlier in the day, conversations with the other project managers centered on whether the Lincoln High School project should pursue the use of MCCM as Lydig Construction was the GC/CM for that project. The breadth and depth of knowledge exists within Seattle Public Schools because of the BEX Oversight Committee comprised partly of Mr. Palewicz, Steve Goldblatt, and Dick Prentke. Those names are familiar in the construction industry and they provide good guidance. In-house access to project managers with SOJ, Heery, and the Oversight Committee provides a great depth of knowledge and access to subject matter experts.

Ms. McKinley questioned why the School District was not pursuing ECCM or MCCM because of the lack of as-built drawings. All mechanical and electrical in the building will need to be upgraded because the last time the systems were upgraded was in 1980. Additionally, the budget is tight particularly when considering equipment and furnishings. She is unsure as to where electrical and mechanical are included within the budget. Mr. Best replied that if the School District is approved to hire the GC/CM contractor, a conversation surrounding those questions would be pursued with the contractor to discuss the benefits of utilizing a MCCM or ECCM approach. He acknowledged that all the systems in the building are essentially the original systems resulting in a 1908 main structure with a 1930 addition. Since the Nordic Heritage Museum took over operations, very little improvements have been made to the building's infrastructure. That would be an issue the School District would need to consider. The budget includes a program contingency that could be used. However, the goal is to work with the design team, cost estimators, and the contractor to bring the project within budget. The first objective is completing the project within budget while not compromising the quality of the systems or compromising the historical integrity of the building. The project includes seismic improvements and it is unknown as to what the solution might be for those seismic improvements to meet the objectives, architectural program, and aesthetic objectives of the Landmarks Committee tasked with overseeing the project. Multiple interests would need to be considered to complete the project successfully. The School District believes the GC/CM approach affords the best alignment to bring the project to a successful completion. It is important to obtain the GC/CM's input on MCCM and ECCM.

Ms. McKinley commented that she is very familiar with the City of Seattle's Stormwater Manual, which will require a substantial amount of flow control on the site. The project is adding quite a bit of impervious surface on a very small site that already has existing impervious surface. She asked whether the School District plans to add any features that are functional as well as educational, such as rain gardens, etc.

Mr. Fitzgerald replied that no addition of impervious surface is planned, as the location of the gym is currently an asphalt lot. Because of the small size of the lot, a storm vault may be added. Conceptual design was only recently started and during that process, the School District will be seeking different advantages for sustainability improvements to meet code requirements while also providing an educational opportunity for students.

Mr. Becker added that rain gardens require site space. The prime objective is providing educational space for students rather than play space. It will be challenging to identify sufficient space. However, the site does offer some opportunities on the east and south sides depending on the location of the main entrance. The site presents some interesting design challenges.

Mr. Gimmestad noted the presentation included information on the MACC at \$17.2 million with estimated construction costs at \$20.5 million. He asked about the reason for the variance and whether the information in the application included the construction contingencies. Mr. Becker affirmed the \$20.5 million includes construction contingencies.

Mr. Stowell asked whether the School District anticipates sufficient staff support if construction management is completed in-house to process RFIs, CCMs, and other submittals. He asked about School District support for those functions. Ms. Myers said the intent is to process most of the paperwork electronically to save time. The design team and contractor will be meeting with her weekly. She would rather address RFIs during the weekly meeting to avoid the need for documentation. She has previously managed similarly-sized projects and did not experience any problems. However, everyone works as a comprehensive team and she has access to Heery or SOJ personnel. Both companies participated with the School District in hiring some consultants with both firms reviewing and scoring consultant evaluations. They all sit together and work together. She believes that if she should need help or resources, they would be available to offer assistance. The School District is large and has sufficient depth.

Mr. Becker added that the architect was hired for services beyond the basics with enhanced construction management able to respond when required. The School District also has scheduling experts to assist when the team needs assistance with scheduling during construction or in design. Those resources are available to the team. It is possible to utilize SOJ or Heery or hire another firm. Some of the empty positions should have been reflected on the organizational chart; however, those consultant agencies have not been selected at this time.

Mr. Davis shared that he was recently involved in a historical project. The City of Seattle determined the project was a substantial alteration and required extensive requirements under the code. He asked whether the School District has determined whether the district might encounter similar challenges.

Mr. Fitzgerald advised that the team has not met with the City of Seattle at this time; however, the team believes the project will be a substantial alteration. The company has completed many similar projects involving substantial alterations. Some of the 1930 drawings are available to provide some assistance. The original building is a masonry building with no insulation. Early structural work completed by engineers suggests that most of the exterior walls will need to be furred for structural reasons affording the opportunity to add insulation to meet new energy codes. All roofing will need to be removed as well. The building includes three different construction types to include the 1930 building of reinforced concrete and structural clay tile. The auditorium is a landmark constructed with structural tiles.

Mr. Best noted that there is real tension between landmarking a structure and meeting the energy code for the City of Seattle. The City has the most aggressive energy code in the State of Washington. The School District has been successful in many structures providing some knowledge to the project. School District staff has worked fairly well with the City of Seattle on the energy code with the City official presenting regularly to district project managers and senior project managers regarding future changes to the code. In 2017, the School District will have the ability to complete a performance process. Additionally, the oversight committee also applies pressure to achieve net-zero. One of the challenges is with historic structures. Staff continues to work on those structures. Royal Heights is a GC/CM project proceeding to construction in October and is an example of an historic structure that the School District believes can achieve an energy index below 30. Some lessons learned were gained from that project.

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

Panel Chair Lebo invited panel deliberations and a recommendation.

Mr. Stowell said he believes the application meets the RCW but he does have some concerns about the staffing. These types of projects require adequate staffing and his concern is having resources for delivering the project. It is comforting to learn the architect is helping with some of the construction management; however, it could be a project whereby the owner anticipates the need for one person but the project actually requires two persons.

Mr. Gimmestad agreed the project meets the criteria and there is no doubt that the project is excellent for GC/CM delivery. Although he understands the questions for using MCCM or ECCM, there might be some challenges for one of those methods with respect to dollars regarding the \$3 million threshold. In terms of staff, he is not too concerned about staffing having worked with the School District before on this type and size of project. The three legs of the stool reflect many resources available.

Mr. Davis said that based on his experience with projects completed by Seattle Public Schools, the district would not allow the project to fail because of resource issues. He acknowledged Mr. Stowell's comment, but he is not concerned because of the important aspect of its high profile status and historical nature.

Mr. Hall said his sense is the application lacked information that appears to rely on others that should have been included in the application. Missing boxes on the organizational chart should have been included, which raises a red flag for him. All five GC/CM projects were not completed just by the School District but were completed with hired professionals and highly experienced assistance. It is too fast a move to move forward without that assistance when the five projects are not yet completed. What is offsetting that shortfall is the wealth of experience; however, it is not specific to GC/CM in Washington that is typically of focus. There is likely sufficient experience. The project has an experienced architect and it was beneficial to learn that Heery is located nearby. However, if that support is part of the project it should have been included in the organizational chart. Even though the project doesn't reflect everything that he would like, he would support approval of the project. He cautioned that it is not easy and not the same when the School District lacks a "hired gun" at its side.

Panel Chair Lebo supported the project as it meets the requirements for GC/CM. He also believes staff has the experience. He appreciated Ms. Myers background with both the Navy and working on IPD projects as it speaks to the importance of collaboration and communication for completing a GC/CM project. The Seattle School District can successfully manage the project with staff as identified.

Chuck Davis moved, seconded by Jeanne Rynne, to approve the GC/CM application from Seattle School District for the Webster Elementary School project. Motion carried unanimously. .

The meeting was recessed from 2:28 p.m. to 2:45 p.m. for a break.

City of Everett – Service Center Redevelopment – GC/CM

Panel Chair John Palewicz reviewed the presentation and timing format to consider the GC/CM application from City of Everett for the Service Center Redevelopment project. Panel members Curt Gimmestad, Rustin Hall, Jon Lebo, John Palewicz, Jeanne Rynne, Joe Stowell, and Chuck Davis provided self-introduction. A majority vote of the panel is required for approval of the application. No members recused themselves from the panel.

Chris Lark, Project Manager, City of Everett, said his is the project manager for the project. He thanked the panel for the opportunity to enable the City of Everett to present the Service Center Redevelopment project. The project is an ideal candidate for the GC/CM project delivery method. The City has assembled an outstanding team of Washington State

GC/CM experienced professionals. He noted David Davis, Public Works Director, was unable to attend the meeting because of his son's graduation.

Other team members provided self introduction: Bill Fisher, Construction Manager, City of Everett; Lori Coppenrath, Principal-in-Charge, DLR Group; Sheri O'Brien, Construction Administration and Inspection, DLR Group; Erica Loynd, Architect Project Manager, DLR Group; John Nottingham, Senior GC/CM Project Manager, City of Everett; and Mike Purdy, GC/CM Procurement and Contracting Consultant, Michael E. Purdy Associates, LLC.

Mr. Lark reported the Service Center serves as the operational hub of the Public Works Department, Facilities Department, Transit Operations, and the Motor Vehicle Department. The facility operates on a 14-acre site located off Interstate 5 near the City Center exit. The Service Center provides a range of critical services, such as public works, water, sewer, street divisions, traffic control, building department, and the facilities department. At this time, the City of Everett is the third largest supplier of fresh drinking water in the state, and as such, it is the City's top critical mission service in disaster response.

The project only encompasses the Public Works and Facilities Department affecting approximately 260 employees and 160 service vehicles. The project will also affect the public who visit the Service Center for building permits and payment of utility bills. The project is needed for two main reasons. The first is for safety, as the City believes some buildings could collapse during an earthquake. Following the Nisqually Earthquake, an inspection of the buildings identified damage to Building 1. The City commissioned a seismic survey, which identified Build 1 and Building 4 at serious risk of collapse. Secondly, the Service Center was built in 1971 and over the years, the footprint was expanded by purchasing adjacent properties and repurposing existing buildings. All the buildings have reached their useful lives and no longer serve as an efficient platform for current operations.

Ms. Loynd displayed some aerial photos of the buildings. She identified three buildings near the north end of the site off Pacific Avenue. The three buildings are seismically unstable and need to be replaced. Some initial sequencing has been identified with the first building, a warehouse structure to house equipment, and an office building to house maintenance employees and the Public Works Department. Additionally, some maintenance shops will be constructed to house maintenance equipment for all on-site repairs. At that point, all equipment will be moved from the existing buildings to demolish existing buildings and provide the necessary parking for staff and other City and service vehicles. A covered parking structure will be constructed, as well as a garage to house larger vehicles requiring shelter from weather. Other buildings on the site will remain intact during the initial phase of work.

Mr. Lark noted the cost of the project is \$74 million.

Mr. Nottingham explained the complexities of the project and how it meets the RCW requirements. He was invited to work on the project because of his experience on a GC/CM project recently completed. Currently, the City is in the close-out phase of a \$31 million wastewater treatment plant upgrade project. The project was very successful. The proposed project meets most of the criteria in the RCW. The project is not considered a historical project or a heavy-civil project; however, the project site is complex, includes phasing, and occurs in a technical work environment involving 11 City departments. To the east of the site is a heavily trafficked hotel with parking on the street with another hotel located north of the site. A light industrial area is located to the east. The site is bound on all sides. The site operates 24 hours, seven days a week. The site is visited by many citizens with equipment leaving and entering the site daily. Cedar Street runs down the middle of the site and would not be closed because it serves as an access point to many industrial uses. The GC/CM delivery method is desired to help the City plan, phase, and construct the project with City staff and the public located in close confinement during construction.

Mr. Lark reported the DLR Group provides the GC/CM experience. The DLR Group is a highly qualified firm with much GC/CM experience. Mr. Nottingham and Mr. Fisher are currently working on the City's GC/CM wastewater project. Mr. Purdy serves as the City's GC/CM consultant. Legal counsel also has GC/CM experience and supports the current GC/CM project. Not only does the team have GC/CM experience, team members have a long-term working relationship.

Mr. Lark reported he is a licensed architect and has been a Project Manager for the City of Everett for 25 years. He has completed 32 public works projects, has worked on the Service Center Site for 25 years, and knows the site very well. He has familiarity with staff and is on a first-name basis with all City staff members at every level. He has been working on the preliminary design for the project for the last 2-1/2 years with Ms. Loynd and Ms. Coppenrath. His role as Project Manager is to manage all aspects of the project from preliminary design to completion.

Mr. Nottingham said he joined the project based on the success of the recent GC/CM project. He and Mr. Fisher have worked together over the last four years on that project along with Mr. Purdy. He is assisting Mr. Lark to the end of the project and will serve as the GC/CM liaison and assist Mr. Lark through the GC/CM selection process, negotiate pre-construction services, subcontract review, scheduling estimates, and negotiating the MACC. Once construction begins, he and Mr. Fisher will work together with Mr. Lark completing pay estimates and addressing GC/CM issues and contracts. He will serve as a co-manager to Mr. Lark.

Ms. Loynd reported she would manage the architectural delivery of design and coordination with the GC/CM throughout the project. She will participate in the public review process for the City of Everett's Planning Department and Zoning to ensure the project meets needs. She has over 14 years experience designing and constructing public projects for all project delivery types. One of the most notable GC/CM projects was the Marysville Getchell High School. She has worked closely with Ms. Coppenrath, Ms. O'Brien, and Mr. Lark on the planning and the studies that have been completed to ensure the project is located within the right location and sized appropriately. She has worked with the City on other Design-Bid-Build projects and is aware of the relationships and how the City pursues construction processes.

Mr. Purdy reported he has a comprehensive contract with the City of Everett to work with them on the GC/CM project beginning with the PRC application through the procurement of the GC/CM, preconstruction, construction, and project close-out. He will be advising the City on compliance with RCW 39.10, best practices, and lessons learned from 11 previous GC/CM projects he has worked on as a consultant, as well as other GC/CM projects in the state and with other agencies.

Mr. Lark said the team has the ideal project for GC/CM. The project is complex with phasing and sequencing issues to resolve. The facility is critical and needs to be operational 24/7. The City has a highly qualified team with GC/CM experience to ensure the success of the project. The only missing link is the contractor. The City looks forward to hiring the contractor to begin the partnering process.

Panel Chair Palewicz invited questions from the panel.

Mr. Lebo said the project is appropriate for GC/CM. He questioned the staffing in terms of the reporting sequence as Mr. Nottingham has the GC/CM experience but is serving as the Senior Project Manager while Mr. Lark has completed many smaller-scale Design-Bid-Build projects but serves as the Project Manager. Mr. Lark replied that he is serving as the Project Manager based on his overall experience with the City for 25 years. Public Works Director Dave Davis delayed the project until he was available to work on the project. He has also worked on the project for the last 2-1/2 years. It will be much easier for Mr. Davis to bring him up to speed than for Mr. Nottingham to assume the lead knowing what is involved in the background of the project. Mr. Lark said he often works alone on small projects and is appreciative of the help on this project. Mr. Nottingham is located close to his office and is available for exchanging information and answering questions. They meet weekly during project meetings. He is also looking forward to having Mr. Fisher involved to provide construction inspection services.

Mr. Purdy added the City recognized that Mr. Lark lacked the specific GC/CM experience but when considering the overall project team, the City recognized the availability of Mr. Nottingham who is nearing completion of a very successful GC/CM project. Mr. Nottingham will report to Mr. Lark and provide the GC/CM lessons learned and best practices. Mr. Nottingham is well acquainted with GC/CM. Mr. Nottingham will supplement Mr. Lark's experience, as Mr. Lark will serve as the Project Manager.

Mr. Davis asked the design team about progress on project development documents. Ms. Loynd replied that currently, the design team has begun the design phase with the kick-off planned next week with the City. The goal is to begin schematic design to answer some of the master plan objectives, such as whether the project fits on the site. Having a GC/CM onboard will help to refine and ensure the facility arrangement is optimal. The goal is to have more information solidified to solicit information from the GC/CM.

Panel Chair Palewicz remarked that all members of the panel are advocates of GC/CM and other alternate public works. GC/CM is a good way to manage projects and it is obvious the City's project is a good candidate for GC/CM; however, the PRC has only one opportunity to provide input and ensure the team is in place and the project is properly resourced. The PRC does not have the capability of monitoring projects after receiving approval, which speaks to the City's lack of GC/CM experience with the exception of Mr. Purdy although Mr. Nottingham has completed one GC/CM project that appears to be successful. Most of the team members lack GC/CM experience although the team is a group of very qualified people. Mr. Purdy will help the team through the project. However, if Mr. Purdy should leave or was available, the City could elect not to include Mr. Purdy and move forward with the project. The dilemma PRC members have discussed during several projects reviews surround the project team good intentions and team organization because there is no way for the PRC to receive assurance the original team will continue to function. He asked the team for assurance that they understand GC/CM and would receive help as necessary to ensure the project is successful. Part of the success is embracing the GC/CM delivery.

Mr. Nottingham replied that six years ago, the City submitted the GC/CM project he recently completed. At the time of the project, he was not an employee of the City. The Project Manager retired and subsequently, the project stalled. He was hired by the City to manage the GC/CM project. Before the interview, he learned about GC/CM online from Mr. Purdy. He represents a success story when something happens during a project. He attributed that success to Mr. Purdy, who was available. Brown and Caldwell formed a GC/CM owners committee to afford an opportunity for all GC/CM owners to meet. He would like to replicate that process because he would like to pass his experience on to other owners. Today, Mr. Lark has two layers of GC/CM experience to depend through him and Mr. Purdy. The PRC does not have control once a project is approved; however, this project team includes Mr. Purdy to help the owner during the course of the entire project. The team relies on Mr. Purdy and confers with him on an as-needed basis. He foresees that process occurring during the course of the project.

Mr. Purdy noted that in addition to the GC/CM experience provided by Mr. Nottingham, Mr. Fisher has been on Mr. Nottingham's GC/CM project for the last four years. On the design sign, Ms. Loynd has GC/CM project experience, as well as Ms. O'Brien. The main team only has two members lacking GC/CM experience.

Panel Chair Palewicz said it appears shallow although he doesn't mean to downplay that experience, as the members have not completed dozens of GC/CM projects. There have only been several GC/CM projects.

Mr. Purdy said when the City established the team it was with a focus to ensure some members had an understanding of GC/CM.

Panel Chair Palewicz said the situation is an interesting dilemma as the PRC wants the team to be successful and it wants owners to use alternate public works while also avoiding approving a project that might fail.

Mr. Gimmestad asked Mr. Nottingham to describe three key lessons learned or components from the last project that will be critical for making this project successful moving forward. Mr. Nottingham responded that it is important to ensure the GC/CM is comfortable with the team and is not in an adversarial role, which is dependent upon the experience of the contractor. It is important the contractor becomes part of the team at the onset. The contractor should be involved in reviewing the estimates. The first month of the process will involve all team members and the GC/CM reviewing the project.

Mr. Gimmestad asked Mr. Nottingham about any lessons learned during the construction phase of the previous project. Mr. Nottingham replied that some small items of change include setting up NSS (Suction Specific Speed) categories and how NSS was managed by the GC/CM delivery method. Although it went well, some improvements could have been implemented. The same situation applied to bid packages. IMCO General Construction was the GC/CM for the prior GC/CM project. The contractor had never completed a prior GC/CM project. Both the City team and the contractor learned together. He is more knowledgeable about bid packages and could assist the contractor in developing bid packages. He believes the GC/CM selected for this project would have much more GC/CM experience.

Mr. Gimmestad asked what Mr. Nottingham learned from the bid packaging process. Mr. Nottingham said the packages included broad information with more detail required in the packages. Some instances included vague and confusing information to the bidders. Although it was resolved during the process, it could have been improved by including more details even though the upgrade project had many inherent unknowns.

Mr. Lebo asked whether the team has explored additional GC/CM training offered by the AGC and whether the wastewater treatment project included any MCCM or ECCMs. Mr. Nottingham replied that he supports GC/CM training and plans to pursue training for him and Mr. Lark. Additionally, the Design Build Institute also is involved in GC/CM projects. During the last project, the team and the contractor discussed MCCM and ECCM and determined it would not be pursued for the project. For the proposed project, the team plans to discuss the option with the GC/CM.

Panel Chair Palewicz inquired about any contact with GC/CM contractors who might be interested in the project. Ms. Loynd replied that the team has been in contact with a number of GC/CM contractors throughout the region. Contractors expressing interest in the project include Walsh Construction and Skanska. The team plans to reach out to Absher Construction based on connections from previous projects, as well as with contacts with Forma, Hoffman, JE Dunn, Clark, and others.

Panel Chair Palewicz advised that state law governing alternate public works require alternative dispute resolution as part of the contract provisions. He asked whether the provision was included in the prior GC/CM project and the team's plans to include that requirement for this project. Mr. Nottingham said the prior project included an arbitration process. For the proposed project, the team plans to use the owner's basic documents and contracts that were extensively developed over a long period.

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

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

Ms. Rynne referenced previous member comments that indicated owners have to start with an initial GC/CM project. She believes the City of Everett has done a good job of hiring the design team that has the experience, as well as another project manager with GC/CM experience. The team also includes a public procurement expert and she is confident that the project would be successful.

Mr. Lebo said the proposal is a terrific project for the City of Everett for the use of alternative public works. However, he echoed previous comments surrounding the experience of staff. He is appreciative of the presentation and that the team recognized the lack of experience by including some experience on the team. The City did a good job of providing additional support and recognition of the need for training.

Mr. Davis said that based on the presentation, he is convinced the City is not just presenting a project. Although it is possible for the City to hire Mr. Purdy to complete the application process, he does not sense that the City is conveying information that the PRC needed rather understands that the City comprehends the process and the value of having experience. As the City dedicated Mr. Nottingham to help guide the process, that decision speaks well of the City.

Mr. Stowell said the questions of the applicants were appropriate as they highlighted the strengths of members, as there are several members who worked together on a previous GC/CM project. Although a treatment plant is different from the proposed project, a treatment plant can be more difficult. The City has a good design team and he has some trouble asking hard questions because the City has a good team.

Mr. Hall said the proposal is a different approach in some ways because when an owner does not have a tremendous amount of GC/CM experience, the owner would typically hire an experienced GC/CM consultant to carry the project. In this instance, the City hired a coach to ensure the City learns and builds experience within the team. However, that approach makes him somewhat nervous while acknowledging that at the end of process, it would make the City much stronger. The organizational chart was somewhat confusing, as the project manager has never completed a GC/CM project, which is counterintuitive. However, through additional explanations of team responsibilities he understands the approach and is supportive of the application.

Chuck Davis moved, seconded by Joe Stowell, to approve the GC/CM application from the City of Everett for the Service Center Redevelopment project. Motion carried unanimously.

Adjournment

With there being no further business, Chair Palewicz adjourned the meeting at 3:22 p.m.

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