

**CAPITAL PROJECTS ADVISORY REVIEW BOARD**

**PROJECT REVIEW COMMITTEE**

Northwest Carpenters Facility

First Floor Conference Room

25120 Pacific Highway South

Kent, Washington

**January 26, 2017**

*Draft – Minutes*

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**MEMBERS PRESENT**

John Palewicz, University of Washington (Chair)

Rustin Hall, ALSC Architects (Vice Chair)

Ato Apiafi, Ato Apiafi Architects

Vicki Barron-Sumann, BarSum Consulting (Telecon)

David Beaudine, Heery International

Kurt Boyd, Valley Electric

Jim Burt, King County

Steve Crawford, Issaquah School District

Chuck Davis, Seattle Central College

Bill Dobyns, Lydig Construction

Jim Dugan, Parametrix

Curt Gimmestad, Absher Construction

Howard Hillinger, Parametrix

Matt Lane, McGranahan Architects

Jon Lebo, University of Washington

James Lynch, Ahlers & Cressman

Mark Ottele, Granite Construction

Darron Pease, Shinn Mechanical

Linneth Riley-Hall, Sound Transit (Telecon)

Jeanne Rynne, The Evergreen State College

Yelena Semenova, Department of Enterprise Services

Mike Shinn, Shinn Mechanical

Joe Stowell, City of Oak Harbor

Janice Zahn, Port of Seattle

**STAFF, GUESTS, PRESENTERS**

Talia Baker, Department of Enterprise Services

Rick Benner, Western Washington University

Cindy Blansfield, Auburn School District

Connie Burton, Auburn School District

Dan Cody, Parametrix

Tom Coleman, Cornerstone Construction

Amy Beth Cook, Lake Stevens School District

Brad Cornwell RMC Architects

Tadd Giesbrecht, Brown and Caldwell

Tom Gow, Puget Sound Meeting Services

Jeff Grose, Auburn School District

Jessica Guerrette, City of Seattle

Ron Harpel, BLRB Architects

Richard Hefti, City of Everett

Dan Huber, BNB

Sheina Hughes, Stantec

Tim Jewett, Dykeman Architecture

Jim Kalvelage, Opsis Architecture

JC Kennedy, City of Airway Heights

Bill Kent Mortenson

Bob Kenworthy, Auburn School District

Ed Kommers, MCAWW

Aleanna Kondelis, City of Seattle

Patrick McCord, Hill International, Inc.

Robynne Parkinson, Thaxton-Parkinson

Forest Payne, Western Washington University

Ed Simpson, Western Washington University

Robb Stanton, Lake Stevens School District

Matthew Walker, Hill International, Inc.

**Welcome and Introductions**

*Chair John Palewicz called the CPARB Capital Projects Review Committee to order at 9:05 a.m.*

**Public Comments**

There were no public comments.

**Auburn School District – Olympic Middle School – GC/CM**

Panel Chair John Palewicz reviewed the timing and the presentation format to consider the GC/CM project application from the Auburn School District for the Olympic Middle School project. Panel members David Beaudine, Kurt Boyd, Darron Pease, Jeanne Rynne, Joe Stowell, and John Palewicz provided self-introduction. A majority vote of the panel is required for approval of the application.

Jeff Grose, Executive Director of Capital Projects, Auburn School District, thanked the panel for the opportunity to present an application for GC/CM delivery of the Olympic Middle School reconstruction project. He introduced team members Cindy Blansfield, Assistant Superintendent, Business & Operations; Ron Harpel, Principal-in-Charge, BLRB Architects; Jim Dugan, GC/CM Advisor, Parametrix; and Dan Cody, GC/CM Procurement Manager, Parametrix. Other team members not present are Bob Lindstrom Project Manager with BLRB, and Graehm Wallace, Perkins Coie.

The City of Auburn and the Auburn School District are located between the cities of Seattle and Tacoma and are surrounded to the north by the City of Kent, to the east by the cities of Black Diamond and Enumclaw, to the south by the cities of Bonney Lake and Sumner, and to the west by the City of Federal Way. The City of Auburn was previously called the *'New Detroit of the West'* because of the extensive number of car dealerships along Auburn Way. Today, the City's motto is *"More Than You Can Imagine."* Auburn is a great place for children to attend school.

The Auburn School District is a mid-size school district in the state of Washington with approximately 16,000 students enrolled in 22 schools served by 1,900 staff members. The district is 120 years old with the first school started by early settlers in the Auburn area.

The voters approved a \$456 million bond issue in November 2016 to fund two elementary schools, replace five elementary schools, and replace the Olympic Middle School and modernization. The Olympic project is the first one to proceed from the bond measure serving as the keystone project because other projects depend on the completion of the middle school project. A new school will be built on the existing school site with the existing school remaining intact. After construction and opening of the new school, the existing school building will be used as an interim elementary school during the replacement of the elementary schools.

The existing school was built in 1957 as a campus-planned school. The school has been expanded five times and is surrounded by residential neighborhoods. Existing buildings are located in the center of the property. To the right of the buildings is a baseball/softball field/field area and to the left of those facilities are a track and a football field. The new school will be built on the site of the track.

The first phase of construction starts on the south end of the site with the demolition of an existing 10-classroom building to be replaced with portable classrooms. The new school will be built in that area. Construction is scheduled to begin in March 2018 and completed by June 2019. The second phase occurs during the summer of 2019 to complete minor remodeling of the existing building to ensure readiness as an elementary school. The third phase is scheduled five years later with the removal of the remodeled elementary school building and construction of new sports fields and additional parking.

Mr. Grose reviewed the project's conceptual site plan. The conceptual plan was developed to ensure the new facility could be built in a manner to continue occupying the school during construction.

The owner's MACC for the project is \$45 million with a total project cost of \$65.7 million. The first bond sales occurred recently with \$96 million deposited and available to fund the project.

Mr. Grose reviewed the project schedule beginning with the presentation to the PRC through the end of the project. The procurement process begins immediately and continues through the end of March. The aggressive schedule provides a cushion should adjustments be necessary during the procurement process to meet milestones.

The Auburn School District conducted extensive research to ensure the projects were suitable for GC/CM. A 12-page detailed report was prepared for the school board comparing advantages and disadvantages of all alternative public works delivery methods and alignment with future projects. The district also interviewed 23 individuals with knowledge about GC/CM and collected data and forwarded recommendations. The district also ensured the project meets all statutory requirements. The project meets two of the criteria for GC/CM project delivery for complex scheduling and phasing on an occupied site.

Mr. Grose reviewed a diagram of the phasing plan. Phase 1 includes building a new school, Phase 2 involves remodeling an existing building followed by Phase 3 of demolition and site improvements. The project is located on an occupied site with students, parents, staff, and the public. Construction would be coordinated and scheduled. The district believes the GC/CM delivery method, as a tool, will help achieve project outcomes. Additionally, other factors for using GC/CM speak to better outcomes than the traditional Design-Bid-Build in addressing safety, risk management, partnership, and a collaborative approach.

The team is qualified for delivering a GC/CM project. Mr. Grose reported he has worked for the Auburn School District for 36 years managing capital projects. During that period, he has a good track record for successfully completing a variety of small, large, and complex projects by the Design-Bid-Build method. His background is in design, construction, and project management. He has worked for contractors and architects and is a certified value engineer. For over 30 years, he served as an arbitrator for AAA on the construction panel and is a member of the Dispute Resolution Foundation. Additionally, the team is supported by experienced GC/CM professionals to include James Dugan and Dan Cody with Parametrix, and Graehm Wallace with Perkins Coie. Although, the school district is new to GC/CM, the district meets the state requirement for staff experience by contracting with professionals who have the GC/CM experience.

Mr. Grose referred the panel to an organizational chart for the project with information on project assignments and anticipated time commitment of each individual. The Capital Projects Department is both efficient and flexible and when adjustments or supplementing staff are necessary to manage the project, the district has the necessary resources, flexibility, and administrative support.

Individuals listed within the organizational chart have decades of design and building industry experience. All have extensive K-12 experience. James Dugan has 39 years of building industry experience.

The school district has the funds to complete the project. The project meets two of the criteria in RCW 39.10, as well as a thorough and well developed management plan. The team has the experience and the project would have continuity throughout the project. Team members have the capacity and the time to commit to the project. As mentioned previously, the district has a good track record of managing projects of building schools with success measured by ensuring promises are kept to the voters, ensuring schools are open on time, completed within budget, and completed safely in an environment minimizing disruption of the learning environment and school operations. The GC/CM delivery method is a tool for ensuring the district meets all those successes in a way that is more effective. Additionally, the district would like the project to serve as a model for other school districts in terms of a school district managing a first-time GC/CM project successfully.

*Panel Chair Palewicz invited questions from the panel.*

David Beaudine thanked the applicant for the presentation. He asked for clarification of whether Phase 3 is not included within the GC/CM project application. Mr. Grose responded that the district would like to utilize the GC/CM's input on the design for Phase 3 construction. Because of the time delay associated with construction, the district would not use the GC/CM delivery method for Phase 3 construction.

Darron Pease referred to information within the application packet regarding Bob Lindstrom's information. Current information is lacking for work after 2012. He asked about Mr. Lindstrom's work experience after that period. Mr. Grose said the project would be Mr. Lindstrom's first GC/CM project.

Joe Stowell complimented Mr. Grose for the comprehensive presentation. In terms of the organizational chart, a number of personnel are assigned by the school district with "TBD" denoted for each position. He asked when the school district plans to assign personnel to the project. Mr. Grose said the main "TBD" is the construction manager. He is aware of the likely candidate with the school district planning to make a decision within the next several months in time for participating in the design phase. The individual is highly qualified but he is not ready to make the announcement. The management plan includes adding another staff member from district staff. Those decisions are expected in the next several months. The Assistant Director of Capital Projects is Bob Kenworthy who has been with the district for 20 years and has 35 years of project management experience. Mr. Kenworthy would likely be the "TBD." Mr. Kenworthy will review quality control during design and preconstruction.

Chair Palewicz commented that during his review of the application his sense is that the involvement from the project management level with GC/CM experience is very light based on his personal background with the University of Washington over the last 20 years. Twenty years ago, the University began using GC/CM as a delivery method for projects. The GC/CM delivery method has many nuances and many unknowns as the process proceeds. He is also a member of the Oversight Committee for the Seattle School District and has watched as the Seattle School District has moved to GC/CM. The use of GC/CM requires an approach and a mentality throughout the organization including those at the administrative level. Many may not have experienced GC/CM. He has both a concern and a question in terms of how those within the school district with the expertise would be involved, as it appears Mr. Cody will assist in the selection of the GC/CM and then his role diminishes while Mr. Ruston is only involved 5% during design and construction or two hours a week. The concern is the lack of GC/CM experience on a day-to-day basis. He acknowledged the experience of Mr. Grose while also acknowledging that he has no GC/CM experience. He asked how his concerns would be addressed.

Mr. Grose said the team conversed prior to the presentation because the Parametrix team warned that the experience factor would be red flag for the panel. He asked Mr. Palewicz whether the concern pertains to preconstruction, construction, or both. Mr. Palewicz responded that his concern pertains to the entire project from beginning to end. He cited the analogy of a wife and husband arguing while attempting to avoid a divorce. Mr. Grose is still responsible for representing the school district as well as himself with the contractor. Those are the types of nuances that continue throughout the project in terms on how to represent the district and how to argue a point without breaking the strong relationship with the GC/CM, which is critical to the project.

Mr. Grose responded that during the preconstruction phase, he considered the allocation of time and reviewed historic times used on other large complex project. He acknowledged the GC/CM process is different and the district would be on a learning curve. During the 23 interviews, one of the main comments was the need to learn. Those figures for preconstruction include a .7 FTE commitment. Mr. Grose said his time is support time. During construction, the time commitment is 1.3 FTE. During preconstruction, he plans to attend all design and project team meetings and would be directly involved in those processes. He has the necessary support staff to assist with coordination. If those meetings, time commitment, and activities require more than an FTE, he will be present. The district is approaching the project very seriously and everything during the process will be digested and responded too. The assigned construction individual will be available nearly full-time and could be working 5% to 10% on other projects. However, the individual would be supported by staff in the Capital Projects Department. If the team is light, then it is an underestimation, but not because of the lack of intent, but because the district has the flexibility and the resources to provide the necessary support.

Kurt Boyd remarked that the effectiveness of the GC/CM delivery method is the collaboration aspect of the owner once the GC/CM is onboard. The GC/CM should be involved during the preconstruction process as well. It appears Mr. Dugan is the key cog in the entire organization in terms of GC/CM experience. He asked about the plan for both Parametrix individuals as the organizational chart designates 7/10<sup>ths</sup> of an FTE during the preconstruction phase. For a project costing \$65 million, the project would likely require a full-time commitment. He is also concerned about the level of attention the GC/CM would have to complete the job successfully. Mr. Grose addressed the concerns. He would personally be involved in all meetings with all groups through the three processes. It is important to have the construction person also involved. At a minimum, the school district uses the construction person for quality control review of documents. However, if there were phases that require more involvement than identified, the district would add the support. If the amount of time has been underestimated, the district would adjust and ensure personnel are available. Mr. Boyd asked whether that would involve additional commitment of time by Mr. Dugan who has the GC/CM experience. Mr. Grose said it would be an increase in district team members. The school district project manager will be available to fulfill any needs. Because of his lack of GC/CM experience, he cannot identify the extra time. He interprets the main concern as adequate representation by the school district, which he can guarantee would occur. The district has an extensive contract with Parametrix and if supplemental support is required, the district would ensure it occurs. The district understands the importance of a collaborative process and is proud of its Design-Bid-Build projects completed through a collaborative process. The GC/CM delivery method affords a better opportunity.

Mr. Boyd commented that the schedule is aggressive especially in the current market to secure good quality GC/CM contractors to submit responses. The schedule indicates the release of the Request for Proposals (RFPs) within the next day. In two weeks, contractors are required to submit their RFPs. That is an aggressive schedule. Completing a proposal

entails much work in a limited amount of time. He asked whether the intent is to hire the GC/CM during the beginning of the preconstruction period and the possibility of extending the schedule to ensure good proposals are submitted.

Mr. Grose agreed the schedule is aggressive. The district wants to ensure the GC/CM is onboard before the end of design schematics. A cushion is included in March as the RFFP opens on March 2 with the school board not scheduled to meet until March 27 affording a three-week cushion in case milestone dates require adjustment.

Jim Dugan added that the team canvassed the marketplace of the top six firms to determine availability as many are competing for work in the marketplace. Some dates were adjusted in the schedule to accommodate all contractors that were contacted. Routinely, during all procurement processes, the two week period for turnaround for qualifications is tracking fine with reasonable to better response. One week for the interviews is somewhat tight with two weeks preferred; however, there is some room to extend and there is ample time for the RFFP. The team is confident as the marketplace was canvassed.

Dan Cody noted that he has been working with Mr. Grose extensively to develop a final draft of an RFP, which is scheduled for release if the project is approved. The bid advertisement is also ready for release on Monday, January 30, 2017. The team is set up to proceed, has contacted contractors, and determined the level of interest in the contracting community because of the size of the project. The schedule includes some buffer and could be adjusted if it is problematic during the procurement process.

*Panel Chair Palewicz invited public comments.*

Bill Dobyms said his firm has worked with the district on a large Design-Bid-Build (D-B-B) project. The district understands collaboration and proactive problem-solving. The way the district conducts business will ensure a smooth transition to the nuances of the GC/CM delivery method.

*Panel Chair Palewicz invited deliberation by the panel and a recommendation.*

Jeanne Rynne reported that in a previous position, she worked at the Office of the Superintendent for Public Instruction (OSPI) and is familiar with the Auburn School District. The district performs very thorough work and has done good work to date. She views the district similarly to The Evergreen State College in that the college just completed its first GC/CM project. As mentioned by panel members, there is much that is not learned (*about the GC/CM process*) until the actual work is completed. She is also impressed the district was able to pass a \$456 million bond. The last bond by the district was for \$110 million. She believes the Auburn School District knows what it is doing and is doing it right. The district has much on the line with the project because other projects follow its completion. She supports approval for the school district to use the GC/CM delivery method, not to mention that K-12 has been completing many GC/CM projects for a long time affording many counterparts within the system to assist and advise.

Mr. Stowell said the presentation answered many of his questions in addition to the written responses to questions he previously submitted. He agreed the schedule for selection of the GC/CM is a bit tight but within the realm of management if it pushes the schedule back. It is a concern but he believes the district can resolve the issue. He supports approval of the project.

Mr. Beaudine agreed with comments about the tight schedule although it is the responsibility of the district to manage. However, there is still some concern about the GC/CM experience and the management of the 5%. There is a lot of experience from other school districts in the vicinity that could be helpful. The inclusion of Parametrix helps to increase the needed experience. However, it is a concern.

Mr. Pease echoed comments by Mr. Dobyms as he has worked for the district on several projects and finds the district to be very thorough and very sound. He does not believe the district would encounter any problems using the GC/CM delivery method. His concern surrounds other projects underway concurrently with the consultants overextended with other projects. He suggested the district should consider GC/CM experience when hiring new personnel.

Panel Chair Palewicz commented that he has two takes, particularly with respect to his experience serving on the Oversight Committee for the Seattle School District. It is important for a strong school district to use GC/CM in the right

way, but he would feel terrible if the project went awry in six months because of insufficient emphasis and staffing early on to ensure success. He prefers not having better school districts fail. The issue has been discussed by the PRC often in terms of affording a chance for a project to be successful only to find the project was not as successful. He would be more comfortable if the Parametrix team was more involved as two hours a week would only entail a weekly meeting. That is his personal angst regarding the project proposal as the best intentions can still result in trouble. Although he is unsure he would oppose the proposal, he also wishes he could feel better about staffing and assignments.

Mr. Boyd said he has some of the same concerns and would prefer more support by Parametrix in terms of oversight and in a mentoring role especially after hiring the GC/CM, as there is an intensity of activities during the GC/CM process. He too, likely would not oppose the project, but he is concerned about the lack of expertise.

***Darron Pease moved, seconded by Jeanne Rynne, to approve the GC/CM application from the Auburn School District for the Olympic Middle School project. Motion carried unanimously.***

*Panel Chair Palewicz advised that although the application was approved, he is hopeful the school district considers comments by the panel. Mr. Grose said the district would consider the comments and ensure the project succeeds.*

*Panel Chair Palewicz recessed the meeting at 9:47 a.m.*

### **City of Everett Public Works – Water Filtration Plant East Clearwell Roof Replacement – Design-Build**

*Panel Chair Darron Pease reconvened the meeting at 10:01 a.m.*

Panel Chair Pease reviewed the presentation and timing format to consider the Design-Build application from the City of Everett Public Works Department for a Water Filtration Plant East Clearwell Roof Replacement project. Panel members David Beaudine, Kurt Boyd, Darron Pease, Jeanne Rynne, Joe Stowell, and John Palewicz provided self-introduction. A majority vote of the panel is required for approval of the application.

Richard Hefti, City Project Manager, City of Everett, reported the City would like to use the Design-Build delivery method for the Water Filtration Plan East Clearwell Roof Replacement project. The water filtration plant is located 20 miles east of the City of Everett within the Cascade Mountains. The City is a regional water provider with water from Lake Spada and Lake Chaplain Reservoir. The treatment plant is located at the south end of Lake Chaplain. Water is gravity fed to the City of Everett. The City sells water to wholesalers.

The East Clearwell project involves a 34-year, 140-foot by 268-foot roof with structural integrity issues caused by corrosion and delamination.

If approved for DB, the schedule includes issuance of the Request for Qualifications (RFQ) in March, short listing in May, issuance of the RFP at the end of May, review of proposals in July, and selection in August. Work is planned to commence by early September. Completion of construction is anticipated by May 2018.

The City selected the DB method because East Clearwell is a critical component of the City's water infrastructure and construction around operating water facilities is high risk requiring coordination. Design-Build enables the designer and the contractor to coordinate closely based on previous projects completed by the City. Much of the design is vendor provided with a high degree of coordination required by the vendor and installer. DB allows the vendor with preferred installer scenario since they are on the same team. DB provides greater opportunities for innovation and collaboration between the vendor and the installer and better management of unforeseen conditions. Based on procurement qualifications, the installer would provide high quality long-term installation enabling the City to accelerate the schedule, if required. The City's had success with a similar Reservoir 6 roof system replacement project.

Mr. Hefti reviewed the DB team, which is similar to the City's Reservoir 6 Roof project team. Jim Miller is the City Engineering Supervisor. Mr. Hefti is serving as the Project Manager. Pat Tangora with Brown and Caldwell would serve as the consultant Project Manager and Tadd Giesbrecht with Brown and Caldwell serving as the technical manager on the RFP. Construction specialty consultants include Scott Harper, who was the construction engineer on the previous project. He would oversee the RFIs and drawings assisted by Mr. Tangora.

The entire team has the experience with all members also working on the Reservoir 6 Roof project. The project would be the City's third DB project. Another successful project is the Transmission Line 5 Open Trench Crossing the Pilchuck River project in 2014.

Mr. Giesbrecht described how the project satisfies criteria in RCW 39.10. The project is a highly specialized construction activity, provides for greater innovation and efficiency between the designer and builder, and provides an opportunity for significant savings in project delivery time. The coordination and contractual relationship between roof vendors and the installer is vital during the project. The project involves integration of a new roof system within existing infrastructure. The City plans to open the process to enable different materials of construction and different roof types providing the DB team with the ability to innovate and incorporate existing structural components. Significant savings in project delivery time could be achieved by elimination of two separate procurement processes for design and construction of several months and fabrication concurrent with early construction activities saving two to three months.

The project satisfies RCW 39.10.280:

- Substantial fiscal benefit: less risk, greater opportunities for cost and schedule savings
- D-B-B not practical for quality or schedule
- Qualified public body and consultant team
- Resolved audit findings – the City of Everett has no audit findings

*Panel Chair Pease invited questions from the panel.*

Panel Chair Pease said it appears the budget is somewhat low. He asked whether the City has verified the budget. Mr. Hefti affirmed the City verified the budget and reviewed the cost of an aluminum roof with a vendor. The City is within the budget amount. The City increased the amount somewhat based on the experience from the Reservoir 6 project. The City considered steel and aluminum and found that aluminum was less costly; however, a steel alternative is possible within the budget. The City is confident that regardless of the material type, the budget is sufficient. Within the aluminum roof industry, there is only one manufacturer. The roof is similar to the Reservoir 6 roof as the weight of the existing roof is more than a steel roof. Since the weight is less using aluminum, the structure only requires minimal retrofitting.

Mr. Stowell commented that the City recently completed Reservoir 6, which appears to be a similar type of project. He asked why the City would not use lessons learned from that project and pursue a D-B-B delivery method. Mr. Hefti replied that if the City selected an aluminum roof, the roof manufacturer designs the roof based on specifications provided by the City. During a D-B-B project, the City found communications were greater because the contractor/builder was conversing with the designer and pointing out particular constructability issues requiring an extensive amount of coordination. DB affords a better option, especially if the bid is structured to enable bidders to submit bids on either aluminum or a steel roof.

Mr. Boyd asked whether the budget was established on the less costly roof system. His concern is the ability to canvass potential contractors. Mr. Hefti said the City used an aluminum roof as a basis and doubled the anticipated cost to afford another option. Based on the experience from the Reservoir 6 project, the difference between the materials is minimal. A steel roof is within the budget. The lifecycle costs extended the price beyond the budget; however, the capital cost was within budget while aluminum was less costly.

Mr. Beaudine asked about lessons learned from the Reservoir 6 project that would be applied to the project. Mr. Hefti replied that one lesson learned was that the City discovered issues during removal of the roof. Columns in the tank had been in place for over 30 years but had never been exposed to the atmosphere. During construction, the tanks were exposed to the elements. When the roof was installed, some leakage occurred when the tanks were brought back online. The leaks however, were within industry standards. One lesson to apply is to ensure no leaks and passing the American Water Works Association (AWWA) standard test. The columns are designed as such that they can be retained and reused. The Reservoir 6 project lacked rebar at a sufficient height, which could cause tanks to sway during an earthquake. Subsequently, those columns were removed. One tank was not as problematic; however, a large hole was discovered in the second tank after six months when the tank was filled. The concrete slurry from the column removal concealed the hole. A requirement for this project is designing around existing columns to avoid similar problems.

Mr. Giesbrecht added that for demolition, the performance specifications describe the requirements. One lesson learned from the previous project was the lack of specificity for some elements of demolition that would need to be identified in the proposed project. The previous contractors were careless and it is likely the performance specifications were not identified to help avoid or address some of those situations. The demolition work within the performance requirements would receive more attention for the proposed project.

Mr. Hefti noted that the prior project entailed 35-foot tall walls at ground level. The proposed project's tanks are submerged, which will require the use of large cranes. During the Reservoir 6 project, it was necessary to work inside the tank through the bottom by cutting the columns in chunks and removing them through the bottom in smaller pieces. The proposed project uses large cranes to avoid a similar situation for access for demolition activities.

Mr. Palewicz asked how the City plans to evaluate and score Design-Build teams within the RFP. Mr. Hefti said a majority of the scoring factors include 60% for qualifications and 30% for costs. Mr. Palewicz asked about the type of a typical Design-Build team, such as a contractor and engineer or specialty contractors. Mr. Hefti said the aluminum vendor worked was a certified general contractor/installer.

Mr. Boyd asked whether the budget includes an honorarium. Mr. Hefti replied that the prior project included a \$10,000 honorarium. The amount is likely embedded within the contingencies.

*Panel Chair Pease invited public comments.*

There was no public comment.

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

Panel Chair Pease said he is familiar with the type of work because he has completed similar projects. Using DB is the right choice because the field is limited and it is difficult to attract competitors. Utilizing DB is logical and the City's team has been in place and has previous project history.

Mr. Beaudine said he has also worked on a similar project using the delivery method. He supports the application.

Mr. Boyd agreed as DB enables some creative ideas.

Ms. Rynne echoed similar comments.

Mr. Palewicz said although the project is outside his realm of experience, the project represents a great use of DB.

***Kurt Boyd moved, seconded by David Beaudine, to approve the Design-Build application for the City of Everett's Water Filtration Plant East Clearwell Roof Replacement project. Motion carried unanimously.***

*Panel Chair Pease recessed the meeting at 10:32 a.m.*

### **Western Washington University – Ethnic Student and Multi-Cultural Services Center – GC/CM**

Panel Chair Jeanne Rynne reviewed the presentation and timing format to consider the GC/CM application from Western Washington University (WWU) for the Ethnic Student and Multi-Cultural Services Center project. Panel members David Beaudine, Kurt Boyd, Darron Pease, Jeanne Rynne, Joe Stowell, and John Palewicz provided self-introduction. A majority vote of the panel is required for approval of the application.

Ed Simpson, Assistant Director, Office of Facilities Development & Capital Budget, Western Washington University, introduced members of the project team. Rick Benner is Director/University Architect, Office of Facilities Development & Capital Budget, WWU; Forest Payne is the Project Manager, WWU; James Kalvelage, Principal-in-Charge, Opsis Architecture; and Brad Cornwall is a Project Manager with RMC Architects.

Mr. Simpson reported the project is a 29,000 square-foot building project involving three connected buildings of complexity and systems. The site provides no access for construction and includes a public road. The goal is for occupancy of the building by summer 2019.

Mr. Simpson referred to a copy of the management plan that was not printed properly within the application packet.

The team addressed questions submitted previously by the panel.

Forest Payne, Project Manager, WWU, described his GC/CM experience. Previously, he has worked on three GC/CM projects and one DB project. Two of the GC/CM projects were for the Issaquah School District. One project was completed last fall and the second project, Pine Lake Middle School, is scheduled for completion in 2018. The project had completed schematic design when he left the district and joined WWU. The third GC/CM project was Cleveland High School, which was completed in 2007. He led a DB project for the Muckleshoot Tribe for the Muckleshoot Tribal School. He described some of the complexities of the GC/CM school projects.

Mr. Simpson reported Don White is serving as the on-site representative during the project. He served as the onsite representative for two other GC/CM projects at WWU involving the Miller Hall Renovation project completed five years ago and the Carver Academic Renovation project over the last several years. Mr. White is very experienced with mechanic, electrical, and plumbing (MEP) systems especially on the control side having worked in the healthcare industry prior to his employment with WWU 15 years ago. Mr. White also participates in design review meetings with the GC/CM and design team, as well as constructability reviews with the team and in-depth design analysis during design phases.

Pending the panel's approval of the application, the first publication of the RFP for GC/CM services is scheduled for February 1 with an informational meeting held on February 6. GC/CM proposals are due on February 20. Following a review of the proposals, notices of short-listed firms would be mailed by February 24. Interviews with shortlisted firms are scheduled for March 15 with selection notifications sent for final proposals on March 16. Final proposals are due March 27. The GC/CM would be engaged by the end of schematic design and participate in developing schematic estimate and cost reconciliation by the end of schematic design in April.

Another question spoke to the issue of a high budget level for consulting services. A number of reasons necessitate the need for a higher budget. Many auxiliary elements of the project require additional services, such as a bookstore consultant to reorganize and redo the bookstore because the project removes the roof of the existing bookstore creating a new story above the bookstore, as well as a new entry. Other needs are LEED commissioning services, additional on-site services, hazardous materials consulting, voice data consulting, relocating the campus radio station, testing services, and HVAC testing and balancing of systems within the buildings.

Mr. Kalvelage described some of the site and project challenges. The site is constrained with site access limited during construction. The site has a limited laydown area. Site logistical challenges include ensuring pedestrian safety, multiple entry points to the building, topography, complex building and systems, and high performance/sustainable systems. A connection from level 6 would be improved for student access. Within the main bookstore level (plaza level), an ingress stair would be installed, as well as expansion of the existing lobby. The improvements create better accessibility and access to the multipurpose room. The additional floor above the bookstore would be constructed over existing open space and serve as the Multicultural Services Center. The project is pursuing sustainable design for improving energy efficiency and opportunities to utilize natural ventilation and daylighting. Some capacity could be available for integrating an existing mechanical unit serving the bookstore.

*Panel Chair Rynne invited questions from the panel.*

Panel Chair Rynne asked Mr. Payne about his experience in project management versus architecture support. Mr. Payne said he was with Mahlum Architects for 14 years and served in the capacity of combined project architect and project manager on assigned projects. He joined Western Washington University in October 2016.

Mr. Simpson added that the campus lacks open space and most improvements are infill or additional stories on existing buildings.

Mr. Beaudine asked whether the percentage allocated to the management plan assumes design and construction. Mr. Simpson replied that Don White's role is heavier during construction rather than during design. During the design phase, his time commitment is approximately 50% while construction is 100%.

*Panel Chair Rynne invited public comments.*

There were no public comments.

*Panel Chair Rynne invited deliberation by the panel and a recommendation.*

Mr. Stowell said the project meets the criteria for GC/CM. It would have been preferable to have an opportunity to meet with Mr. White; however, it appears the applicant has the necessary experience for the project.

Mr. Palewicz commented that the proposal is a classic GC/CM project, as the site would be occupied during construction. Western Washington University has demonstrated success with GC/CM projects. The University of Washington has an ongoing interagency agreement with Bellevue and Western Washington University. One of the University's project directors and PRC member, Jon Lebo often participates in the selection of the GC/CM.

Mr. Pease agreed with the comments. He appreciates that the applicant has a relationship established with the University of Washington.

***David Beaudine moved, seconded by Kurt Boyd, to approve the GC/CM application for Western Washington University's Ethnic Student Center/Multicultural Services project. Motion carried unanimously.***

*Panel Chair Rynne recessed the meeting at 11:22 a.m.*

*Chair Palewicz reconvened the meeting at 12:05 p.m.*

### **Other Business**

Chair Palewicz described the application deadlines and the process to establish panels. Agency certifications require the full membership of the PRC with 18 votes required to approve an agency certification. Shasta McKinley recently resigned because of her workload. At the first of each meeting month, panels are assigned because of notification requirements for publishing the agenda and panel assignments. He stressed the importance of members advising of availability. Earlier, some panels were convened with only six of the eight members assigned because several members were unable to attend. He encouraged members to contact staff if unable to attend panels or PRC meetings.

Talia Baker advised of improvements to the panel process by ensuring panelists receive a packet of information for each application. One suggestion from a prior meeting that has been implemented is changing the color of the application for agency certifications versus project applications.

Chair Palewicz reported the City of Seattle is applying for certification because the City missed the 90-day recertification deadline. At the last CPARB meeting, the Board discussed changing language in the provision from "will apply" to "shall apply" to avoid the issue of agencies missing recertification deadlines.

Members agreed scheduling agency certifications in the afternoon is preferable rather than in the morning of the meeting. Members agreed to send Ms. Baker an email notification if unable to attend a meeting by the first of the month.

Ms. Baker advised of the first phase of member recruitment for positions. To date, she has received nine applications, which have been posted on CPARB's website. Fourteen positions of the 30-person membership have terms expiring this year. The PRC has no term limits for members. Members interested in serving another term are required to submit an application. The CPARB is considering appointments and reappointments during its February and May meetings. Two positions may have to carry over as no applicants have applied. CPARB is meeting in February at the La Quinta Inn in Tumwater. All applicants have been invited to attend to speak to their application.

Chair Palewicz reported that the PRC Vice Chair would be selected at the May meeting.

Ms. Baker advised that prior to the next meeting, she would forward a recruitment reminder for the PRC positions.

*Chair Palewicz recessed the meeting at 12:20 p.m. for a break.*

*Chair Palewicz reconvened the meeting at 12:30 p.m.*

### **City of Seattle Certification – DB-GC/CM**

Chair John Palewicz outlined the presentation format to consider the DB/GC/CM Certification Application from the City of Seattle. A full PRC meeting quorum is required to consider and render a decision on the application. Members in attendance included Curt Gimmetstad, John Palewicz, Steve Crawford, Janice Zahn, Linneth Riley-Hall (Telecon), Ato Afiapi, Chuck Davis, Howard Hillinger, Rusty Pritchard, David Beaudine, Darron Pease, Joe Stowell, Jeanne Rynne, Yelena Semenova, Vicki Barron-Sumann (Telecon), Jim Dugan, Jim Burt, Darron Pease, Kurt Boyd, Jon Lebo, Rustin Hall, Bill Dobyns, James Lynch, and Matthew Lane.

Aleanna Kondelis, Construction Contracts Manager, City of Seattle, explained that other representatives from the City were unable to attend because of other meetings. Rebecca Keith, the City's legal counsel representative and a member of CPARB was called to court for a trial. The application is a certification because the City missed the deadline for recertification. The certification application is different from a recertification application. The application focuses on the City's programs rather than a recap of the last three years.

The request is certification for the City for both GC/CM and DB. The presentation addresses and answers questions for both delivery methods. The City of Seattle's Capital Improvement Program (CIP) is adopted by the Mayor and the City Council. Capital departments are asset owners and responsible for planning and funding for major CIP projects. The Department of Finance and Administrative Services has the contracting authority and develops the programs and contracts, and possesses general terms and conditions and signed contracts. The City's Law Department is the City's legal representative serving both departments and Central Contracting, as needed. The Law Department represents the City in legal matters.

The Capital Department Plans and Funds comprise the technical owners of the projects and the CIP. During the planning phases of projects, City Purchasing and Contracting and the Legal Department provide support to projects for contracting assessments and development of contract programs. Procurement is the Contracting Authority's responsibility to include all bidding and oversight of the panels, etc. The construction phase includes a combination of oversight by departments with personnel in the field. The Department of Finance and Administrative Services reviews payments and financial elements with legal counsel involved as needed. The City's functions through joint efforts as the City lacks a central or separate and distinct public works department.

The City was first certified in 2007. The City has a robust history of delivering alternative contracts. The City's current portfolio includes two active DB projects involving the Mill Pond Dam Removal and Unit 31/32 Diablo Dam Rehabilitation project. Four current significant GC/CM projects in construction include:

- Elliott Bay Seawall – Mortenson/Manson JV
- North Transfer Station – Lydig
- Genesee Combined Sewer Overflow – Hoffman
- North Henderson Combined Sewer Overflow – Peterson

The City believes it has a good history, and in fact, has hundreds of projects beginning at \$5 million and higher. The application includes a list of 25 recent projects. Some feedback from the Committee requested more review of the planned projects. Most of the projects are undergoing a contracting assessment. Although listed on the CIP, the delivery method has not been determined. For Design-Build, current project proposals include the Snohomish-King Pasani Transmission Line Reconducting project. The City solicited and hired a contracting specialist and transmission line conducting specialist team. However, the City has not determined the delivery method.

Other DB projects under consideration are Units 51, 52, & 56 Boundary Dam Generators Rehabilitation, as well as the Electric Vehicle Charging Station Grid by Seattle City Light.

Projects under consideration for GC/CM include:

- Overlook Walk as part of the Waterfront Program
- Seattle North Precinct. The GC/CM project was terminated for convenience to reconsider budget and other processes. The Council is deliberating and most likely will resurrect the process.
- Possible Aquarium Expansion

Other questions from the PRC pertained to timelines for projects from start to finish. Ms. Kondelis said she resubmitted a list with additional information to address the questions. One addition is the South Transfer Station and the timeframe. Information on the timeframes includes notice to proceed and physical completion dates, as well as the plan contract and actual contract dates (*information presented in the initial application*). Most of the City's contracts are working day contracts.

Another question asked for more information on the South Transfer and Recycling Center project. Additional information for that project was provided to the Committee.

A major question concerning the South Transfer and Recycling Center project was how the budget and schedule were successfully met, including original and actual budget, and schedule milestones. The South Transfer and Recycling Center project was one of the City's modern day design initiative projects. The project provided some lessons learned for the City. The design builder was Mortenson, which helped the City work through some of the issues. The City learned what is now considered critical during any planning phase for projects in terms of the importance of operations or the facilities that are being constructed and how infrastructure must operate and perform specifically rather than only considering the performance metrics for a 12,000 square foot facility. Operations and on-the-ground conditions are important when determining the purpose and operation of the facility with system operators providing some input. Those were the types of lessons learned on the South Transfer and Recycling Center during the early program. During the project, the owner identified other issues not considered earlier in the process that were not included in the original solicitation. The lesson learned was having operational personnel who have specific needs involved early in the process. The City of Seattle is prescriptive and wants control over all details to include design within a low-bid culture. To ensure DB is completed right and to utilize the best delivery method to the extent possible, it's important to have a cultural shift and a willingness to let go of the design and innovation and consider the team approach to bring specific needs to the process. It is important to release some pieces to the team that have the knowledge and operational familiarity.

With respect to the GC/CM delivery method, one comment centered on the City's portfolio. Ms. Kondelis said when she reviewed project data, she noted that many of the projects were not completed on time or within budget. Although, the City has nothing to hide, it is very difficult to budget and complete projects correctly. The City spends years in the planning and budgeting phases for projects. During real-time delivery, the team strives and hopes that the schedule was right. However, unforeseen issues impact construction environments and schedules. The City has implemented the right planning process for each project even though each department is charged with planning and funding, as the City instituted some changes where the department must meet with Central Contracting before receiving funds to ensure the right contracting has been completed, timing is correct, and the right people are engaged. Properly managing budgets and schedules is inherent in planning by ensuring the right approach is pursued, identifying the contingencies, and identifying risks in construction. It is a challenge that likely will never end because many of the projects are not initiated for many years. City Purchasing and Contracting Services bids many projects weekly and views the construction industry and the bidding climate differently than those within Capital Departments. Having real time engagement has helped the City.

Additionally, early GC/CM involvement is the intent of the statute to help with scheduling and on-the-ground logistics earlier in the process. Although, the intent is during schematic or during 30%, the reality is that many pieces of design were much further advanced and decisions were already rendered that could have been influenced better by earlier engagement of the GC/CM. The City is transparent because it is a public agency and sometimes the City was unsure of the contracting method during the hiring of consultants early in design or during the planning phases, which translated to some of the logistics that had to be dealt with. When the City hired an architect or engineer and neglected to identify project goals, the City often had to retract some of the functions when architects or engineers had no knowledge that they would be working on a GC/CM project or lacked knowledge about the dynamics. Those situations caused the City to change practices whereby City Purchasing and Contracting Services engaged in consulting contracts to ensure all

information is identified to include why the consultant is being hired. If the consultant is part of the GC/CM team, the dynamics and the way business is conducted is different when working with a GC/CM contractor.

*Chair Palewicz invited questions from the Committee.*

Jim Burt requested clarification of the last comment. Ms. Kondelis replied that she serves as the City's Construction Contracts Manager, similar to a public works subject matter expert. She is focused on public works. Mr. Burt said that was why he wanted the clarification as there is a different group handling consulting contracts and he understands that the departments were independently coordinating contracts. Ms. Kondelis explained that Central Contracting handles consulting contracts and construction contracts; however, the authority was delegated to individual Capital Departments to hire consultants enabling departments to hire consultants without any consultation from Central Contracting. The City is working on a different process; however, and for the most part, the majority of Capital Departments contact her because they know they will be hiring a consultant for an eventual construction project and want to ensure the process is set up correctly. Mr. Burt asked how the City plans to change the process to ensure other departments are working through her prior to hiring a consultant. Ms. Kondelis described her efforts with Capital Departments to share information on valuable services provided by Central Contracting. During the annual service level agreement meetings with Capital Department management, she reviews future needs/projects and together they develop a work plan on the types of future solicitations for consulting. Mr. Burt asked whether the process is formal. Ms. Kondelis replied that the process is not formal. She acknowledged the difficulty of making small shifts in processes. Those efforts began several years ago and have been moving through the process slowly.

Janice Zahn said she had a similar question in terms of City Purchasing and Contracting Services (CPCS). Ms. Kondelis said CPCS is a division of the Department of Finance and Administrative Services (FAS). Ms. Zahn commented that there are different characteristics when procuring for different projects or delivery methods. She is unclear that if the City is certified whether right decisions would be rendered for consulting and construction contracts because alternative delivery methods must be intertwined more than for Design-Bid-Build. Ms. Kondelis replied that the process entails an assessment whereby the department must complete an assessment of the contracting type for both consulting and contractors. Ms. Zahn asked whether the assessment occurs prior to hiring the designer. Ms. Kondelis responded that generally, for a large construction process, the assessment occurs when the department receives budget approval.

Linneth Riley-Hall asked about the identity of the individuals involved in contracting assessment meetings. Ms. Kondelis said it is dependent upon the request. Many times, CPCS will engage the Law Department. However, the members of the planning and capital arms of the department, Law Department, and CPCS are present during the assessment.

Bill Dobyms commented that during the presentation, information was conveyed about the City's low-bid environment. He asked what the City is doing to change the culture and either teach or train staff to be more accepting of a collaborative environment. Ms. Kondelis explained that during the contracting assessment, if alternative delivery is considered, the stage is established earlier to ensure the right team is involved. Compared with the City's entire portfolio of construction projects, the window is narrow for alternative delivery projects because the City seeks a combination of pieces involving the project team, timing, and environments, etc. Frankly, CPCS would not agree with an application from a department if the right team was not available. If sufficient efforts have not been expended to consider the culture, project team, necessary training, or consultant assistance if internal resources are insufficient, CPCS would not approve the application. However, if the contracting assessment reflects a potential alternative delivery, the process follows a separate track to seek approval for DB or GC/CM. One of the questions is whether the project proponent missed the designer hire, such as hiring a designer for a DB project. There are some internal checks and balances to ensure another level of decision-making.

Chuck Davis asked for additional clarification as to how decisions are rendered for determining project delivery modes, as well as clarifying how the City ends up beyond schematics prior to rendering a delivery mode decision. Ms. Kondelis cited an example of a department receiving approval of a CIP project for the Waterfront Program comprised of numerous projects. When considering an individual project, the City hires a consultant to begin the process. Knowing construction will be necessary eventually, the department submits an application through Central Contracting for a contracting assessment. CPCS reviews the application and determines whether the application can be approved through a standard Design-Bid-Build or whether the project could pursue other delivery options. If the department agrees the project might be a good candidate, a team is established of planning resources, legal, operational, and other department resources. If the

department anticipates a DB or a GC/CM delivery method, the contracting assessment would be concluded with a recommendation for an alternative delivery method with the project following another track to determine the desired delivery option. During the separate track for DB, the process evaluates internal resources and assesses whether design has been initiated to assess whether the project is appropriate if some elements have already been initiated. Other evaluation criteria include whether adequate internal resources are available or whether consultant assistance is required for both short-term and long-term project needs. After completion of the process, a decision is rendered. A decision requires concurrence by CPCS, Central Contracting, and the Law Department.

Mike Shinn asked about what went wrong with the Cedar River Sockeye Hatchery project that was designated to take one year initially but extended over four years. According to the notes, the contractor was suspended for most of the contract time. Ms. Kondelis said the City and contractor ended up in a design dispute with the City suing the designer, which is why the project stalled. The City also encountered a commissioning issue, which solidified the design issue.

Mr. Shinn asked why the City elected to pursue a GC/CM delivery method for the North Transfer Station rather than DB similar to the South Transfer and Recycling Center project. Ms. Kondelis replied that the South Transfer project was a learning project for the City. Following completion of the South Transfer project, the City understood the decisions by the owner and the operational requirements. The location included different site conditions. For the most part, if the owner wants to make more prescriptive decisions, DB is not the best delivery method while GC/CM might be appropriate. More decision-making for the North Transfer Station was desired with the owner wanting to hire the designer, as well as several control elements, which is why GC/CM was the selected delivery method.

Mr. Boyd questioned how the City pursues changes or advocates for changing the culture to pursue more alternate delivery projects. Ms. Kondelis acknowledged the challenges. As the contracting authority and the owner of the programs (*job order contracting, low-bids, small works rosters, etc.*), it is her responsibility to educate personnel on the higher level requirements for each delivery method and then assist the department in deciding if it has the necessary resources and wherewithal to commit to the project delivery type. In 2010, departments wanted to pursue GC/CM because it was a new process. Since then, the City has reduced the number of alternative delivery projects because of the roundtable discussions and review of lessons learned. Today, the City is more aware of the required resources. If a department wants to pursue a GC/CM project, the department has to have the right individuals assigned and the right team, consultants, and training to successfully complete the project. The City has backed away from some of the alternative delivery methods if it does not believe it is the right time or the best fit. Mr. Boyd questioned the final decision maker. Ms. Kondelis said Central Contracting is the final decision-maker as the signer of the contracts. If Central Contracting does not believe the delivery method is the correct one, the application is denied.

Jon Lebo thanked Ms. Kondelis for the responses to the questions concerning management of the projects. He asked whether construction management is the responsibility of each individual department, and whether each department has the staffing or a central location for staff support. Ms. Kondelis said each department has construction management staff augmented by consultants. Central Contracting is responsible for contracting and compliance with a separate contract compliance unit. Central Contracting is not the construction manager and does not complete daily field reports; the department approves the payments and monitors contract provisions and checks in with teams monthly for all construction projects. Mr. Lebo asked whether construction management staff also complete design management as well. Ms. Kondelis said design management oversight is a combination of project management staff and construction management staff dependent upon the delivery method. Each department having a capital project has its own staff.

Chair Palewicz asked about the number of departments in the City. Mr. Kondelis reported that there are seven departments, which are internal to the City. External departments have separate public development authority and are responsible for contracting.

Mr. Pease advised that the PRC must follow the process in the RCWs. One of the provisions in 39.10.270 directs the PRC to verify on some occasions, at least one successful DB in the previous five years. Based on the list of projects, he asked for identification of a successful DB project. Ms. Kondelis replied that there are different definitions of successful. The City has learned from each project it has completed and considers those projects a success as they are carried forward to the next project. Some of the most recent projects over \$5 million were included on the list. The recertification application would only have included DB and GC/CM projects. From a DB perspective, Unit 55 and 56 projects were significantly over scheduled but very successful. The reason is because the City has learned how to be a better owner and

a better manager of the interaction process within the construction industry. OEMs working in the power facility are very different from a facility designer perspective. The success is what is learned from the project. All the projects have been successful from that particular standpoint. However, if the question pertains to the best budget management, the outcome is individual to the project. Knowing where the City started and ended up resulted in a good outcome to the project.

Ms. Zahn commented that some of the questions surrounding certification of the City pertain to whether the right decisions would be made about alternative delivery. She is not completely sure because based on the questions; Ms. Kondelis did not completely answer them. Ms. Kondelis replied that the assurance is that no alternative delivery contract or process gets out on the street without concurrence by the major players inside the City. It is not as if someone gets to go rogue and do a process, there is much deliberation, thought, and care from all City participating departments. The way the system is setup requires departments to secure approval of the budget and the authority to complete a project. Departments are required to work through contracting and must have the right team. It is a tried and true process that has worked. She does not believe the City has rogue departments or projects that are unchecked or not discussed.

*Chair Palewicz invited public comments.*

Ed Kommers, Executive Director, MCA Western Washington, said the association represents approximately 100 mechanical contractors in western Washington. He offered some comments for the record and a suggestion based on Ms. Kondelis' presentation, which answered some of his questions. He is familiar with RCW 39.10 as a former member of CPARB for three terms and as one of the originators of the statute. He is pleased to see PRC functioning as CPARB envisioned. He was a member of the group that developed the idea of PRC, and it is gratifying to see that it is in place. He is not speaking to ask that the City's application be denied for either DB or GC/CM, but appreciates the City's involvement with the alternative public works process and active engagement in the process to improve. The organization's concern is with the City of Seattle and the extent the authority would apply to both DB and GC/CM. As pointed out, the statute requires the PRC to determine that the public body has success in managing public works projects and the ability to meet the requirements of 39.10. The concern of the organization is the effectiveness of the process, fairness, and the cost effectiveness to taxpayers. Ms. Kondelis did a good job of describing which departments are authorized within the City. The organization learned that other entities related to the City somehow point to the City for that authority. Recently, a procurement process was initiated for a Seattle Asian Art Museum project, which is not a public body and appears to be a public/private entity related to Parks and Recreation because of property the City owns. The association was confused as to the process and forwarded an inquiry to the City. The City had no public disclosure request or record of the project or its oversight. He is unsure of the situation. The association requests that the PRC determine when authorizing the City's use of DB or GC/CM that it is clear which departments are authorized to use the method and that there be a direct connection of those departments directly managing the project. No indirect connections should exist. Ms. Kondelis mentioned the aquarium project, which appears to be a City project, as well as the market project, which undertook its own process appropriately. The question is when the City has related projects or entities, who manages them or to what extent does the City's authority apply to those projects. Mr. Kommers said the request to PRC is clearly identifying the departments or divisions authorized to use DB or GC/CM if certification is approved, as well as ensuring projects are managed by people who have the direct experience in those types of applications. He thanked PRC members for the opportunity to provide public comment. He noted the agenda does not provide a formal way for the City to respond to any public comments prior to the Committee's deliberations.

Bill Kent, Mortenson, commented that Ms. Kondelis and several of her colleagues have participated in the certification workshops. The intent is to have owners and practitioners sharing best practices and learning how to administer integrated project delivery. The City of Seattle has participated in those workshops.

*Chair Palewicz invited deliberations by the Committee and a recommendation.*

Mr. Dugan said he is unclear as to the controls as 100% of the projects demonstrated to the PRC were over budget and over schedule and the DB and GC/CM projects are some of the most egregious. It leaves him with not being able to satisfy success. So he is left with is an unclearness as to the controls and competency of awarding the ability to give authority to a structure that does not represent that it has done it well in the past or is clear today as to how it would do it in the future.

Mr. Boyd said the presentation lacked representation from the other departments. It appears that CPCS has a pulse on the players who would use alternative procurement on the capital side and the construction side with legal leading. He would prefer identifying the different departments and the key players that are advocates for the alternative delivery process and counterparts on the construction side. Additionally, beyond Ms. Kondelis, he asked about other staff members who have an understanding of the large and complex organization in terms of qualifications and process.

Mr. Burt echoed similar sentiments as Mr. Dugan because he is struggling as to how the City administers internal controls on the contracting piece especially when it is separated. It is troubling, especially when the agency has been doing this for a while.

Ato Apiafi suggested the Committee could help clarify the concerns, as he believes Ms. Kondelis did a good job presenting the information. However, the City is divided into different buckets and departments. He is unsure as to which department has the GC/CM abilities.

Mr. Davis followed up on some of the previous questions he asked because he is unsure of the process and decision-making. One of the tasks of the PRC is advocating on behalf of the taxpayers of the City and the state. RCW 39.10 was developed and controls were implemented in the form of the PRC. If part of the law requires certification, the agency must demonstrate success. He is unsure whether the applicant has demonstrated that success very well or least how the City would differentiate between success and failure. Within his chain of command, if all his projects were completed beyond schedule and over budget, they likely would not consider those projects a success. He is unsure as to the how the taxpayers would feel, but he suspects they would have questions as well.

Steve Crawford said he has some of the same opinions with regard to the definition of success and comments with respect to budget and time and the success of those elements as related to planning. He has some issues turning the agency loose for DB and GC/CM for all the different departments ranging from building construction to roads, power, power distribution, and water. There appears to be a lack of process early on prior to actual contracting.

Rustin Hall commented that what is troubling to him is the lack of a track record of learning and improvement. The City has been certified for many years. It does not appear to be demonstrated and he is not convinced that the lessons learned improved the process. In fact, in some places, it appears to be worsening. He is very concerned about the process. Perhaps a project-by-project approval process to help the City get back on track might be a better use of the Committee's decision.

Ms. Zahn referred to the City of Richland's presentation by several representatives of the City. Some of the concerns of the PRC were around how the entire City would use the authority because only some members of the City attended and it was unclear to the Committee. She is struggling more from an equity standpoint that if the PRC denied the City of Richland's certification, the PRC should consider how to view this application. Although Ms. Kondelis did a great job of explaining, understands all the delivery methods, and would advocate for the right pieces, the fact that no one else from the City attended for whatever reason, just makes members a little more uncomfortable. She is looking at equity and fairness as to how the PRC evaluated another owner.

Ms. Semenova said one of the criteria is knowledge and experience and it is confusing as there is no one single entity to coordinate. If departments have questions, she asked how the departments would receive direction to those in the City that have the knowledge. The entire system is confusing. It is important to have personnel who are knowledgeable within the agency who can answer the questions. In this case, it is unknown as to who they are.

Ms. Riley-Hall commented that she does not believe the RCW requires an agency to bring a particular number of personnel to the PRC. Although, it would benefit the certification if the City had those personnel in attendance, it is not a requirement of the RCW. After reviewing the application and the experience of some of the personnel that have GC/CM and DB experience, one person has 21 years of experience. However, that is not to say that there are no concerns. In terms of Mr. Kommers comments, there are several departments within the City and it appears they all funnel through to their contracting sequence at some point in time. It also appears that the City has a mini-PRC application that the design teams are required to complete before advertising or determining the delivery method. It appears the City has some processes in place; however, it could be strengthened.

Mr. Lebo said he “feels” for Ms. Kondelis to have to present to the PRC because everyone is committed to alternative public works and want agencies to be successful. It is very critical when those people directly responsible for the outcome of the project and not just the contracts were not present to demonstrate their ability to provide success to those projects. If in fact, what Mr. Kommers suggests is occurring in terms of a public/private entity using the City’s authority to use GC/CM projects, he is personally conflicted because the benefits of alternative public works are important and valuable. He is also concerned about the ability for the various City departments who would otherwise have the authority to have the ability to perform.

Chair Palewicz said the entire organization is confusing. For example, the University of Washington has one body, the Capital Projects and Development Office responsible for all projects from all different departments on campus. The City’s process appears to include a gatekeeping process at the top that appears to be knowledgeable about GC/CM and with project proposals reviewed by one department. The City has seven departments; however, the application does not list the seven departments that would have the authority. The PRC experienced something similar with the City of Richland’s application, which was seeking authority for DB but only one department had the experience. The PRC did not approve certification because only one department had the experience. The issue is confusing to him.

Ms. Semenova referred to last year’s review of the City of Spokane’s project application, which was denied because of the presentation. The City was advised to resubmit the application. The City reapplied and modified the application, which clarified some of the information with the PRC much more comfortable approving the application.

Ms. Riley-Hall agreed with the comment.

Howard Hillinger supported having the City of Seattle reapply should the Committee elect not to approve the application. The City would have an opportunity to address some of the concerns. His concerns center on some of the questions that have not been answered. Although, the role of Ms. Kondelis is important to the process, he agreed that there is a lack of knowledge in terms of the commitment by individual user departments, which is of concern.

Ms. Zahn agreed with the comments. The application speaks to internal control systems; however, the information does not provide a level of understanding or confidence. Although the information might be included in the application, the PRC might need to have a better explanation from City representatives.

***Jim Burt moved, seconded by Steve Crawford, to approve the City of Seattle’s GC/CM Certification Application. Motion failed unanimously.***

***Jim Dugan moved, seconded by Mike Shinn, to approve the City of Seattle’s DB Certification Application. Motion failed unanimously.***

*Chair Palewicz recessed the meeting at 1:38 p.m. for a break.*

**Lake Stevens School District – Lake Stevens High School – GC/CM**

*Panel Chair Mike Shinn reconvened the meeting at 1:48 p.m.*

Panel Chair Shinn reviewed the timing and the presentation format to consider the GC/CM project application from the Lake Stevens School District for the Lake Stevens High School project. Panel members Jim Burt, Chuck Davis, Curt Gimmestad, Jon Lebo, Mike Shinn, and John Palewicz provided self-introduction. A majority vote of the panel is required for approval of the application.

Dan Cody, Project Manager, Parametrix, thanked the panel for considering the application from the Lake Stevens School District. He is serving as Project Manager for the project. He introduced Robb Stanton, Executive Director of Operations, Lake Stevens School District; Amy Beth Cook, Superintendent, Lake Stevens School District, Tim Jewett and Trish Sherman, Dykeman Architecture, and Jim Dugan, GC/CM Program Advisor, Parametrix. Not in attendance is Graehm Wallace, Perkins Coie serving as the district’s attorney and external GC/CM legal advisor for the project.

Mr. Cody referred members to additional information in the application packet. He displayed an aerial photo of the Lake Stevens School District, which is located east of the City of Everett and north of the City of Snohomish. The district encompasses approximately 28.5 square miles in Snohomish County including the City of Lake Stevens, a portion of the City of Marysville, and other outlying unincorporated areas of Snohomish County. Student enrollment within the school district is 8,300 students served by 10 schools of six elementary schools, two middle schools, one mid-high school (8<sup>th</sup> & 9<sup>th</sup> grades), and one high school (10-12 grades).

The project is funded by a \$116 million capital bond passed by the voters in February 2016. The bond replaces, expands, and modernizes selected buildings at Lake Steven High School, construction of a new elementary school and early learning center, and district-wide improvements for school safety, security, and infrastructure improvements. No major improvements or new schools have been constructed since the previous bond of \$65.5 million passed in 2005.

Lake Stevens High School was constructed in 1979 with additions in 1995 and 2007. Structures are primarily single story of wood and masonry. The school houses 1,860 students in grades 10 through 12. The site is surrounded by single-family residential developments. The school is located on 36.5 developed acres except for a three-acre section at the northwest corner housing wetlands.

Previous studies identified some deficiencies at the school:

- Lack of space for Special Education, Music, Athletic Programs and STEM
- The open style of campus is difficult to safely secure
- Infrastructure is nearing end of useful life
- Classroom are functionally inadequate for current teaching methods

The project architect worked with some programming information and developed a scope of work and preliminary phasing plans.

Mr. Jewett described the scope and phasing plans for the project:

Phase 1 features:

- Construct new gym & athletic building
- Relocate batting cages
- Modify parking lot
- Construction staging area
- Phase 1 construction area
- Construction access

Most of the site is fully developed. Sports fields have been recently been redeveloped. The only road surface is adjacent to the campus while the remaining campus abuts residential properties constraining access. The development area is within the existing campus footprint. The project includes new academic and athletic buildings, new spaces for music and special education, improvements to an existing swimming pool and locker rooms, replacement of heating, ventilation, roofing, and electrical systems, upgraded restroom facilities and finishes throughout the campus, system upgrades for campus security and emergency response, and improvement to student parking, drop off, and bus loading areas. The campus is the center of the community with much community activity occurring on campus before and after school with the pool a major community asset. The budget is insufficient to replace the entire campus. The intent is utilizing the extent of funding possible to obtain much improved program areas.

Phase 2 features:

- Move gym and athletics to new facility
- Modernize PAC
- Modernize Admin
- Modernize Pool
- Modernize Music
- Construction staging area
- Phase 2 construction area

- Construction access

Phase 3 features:

- Construct temporary Commons/Cafeteria
- Modernize Commons
- Modernize existing gym/athletics into CTE & Art
- Construct Drama
- Move Music to new facility
- Construction staging area
- Phase 3 construction area
- Construction access

Phase 4 features:

- Move CTE & Art, Drama, and Commons to new facility
- Demo existing 400 Building
- Construct Science, Business, Special Education, and Library Wing
- Construction staging area
- Phase 4 construction area
- Construction access

Mr. Cody added that during the construction, the campus would be occupied and fully operational as the Lake Stevens High School is the only high school in the district.

Mr. Cody reviewed the project budget. The owner MACC is \$60 million for a total project budget of \$87 million.

The GC/CM schedule is typical to previous projects. If the project is approved for GC/CM, the RFP and advertisement is ready for release. Several weeks are provided for submittal of Statement of Qualifications followed by several reviews. The GC/CM should be contracted during schematic design in April with the schematic design completed in May to receive critical feedback from the GC/CM to make some decisions to scope, budget, and phasing the project. The project is a good fit for GC/CM project delivery. The statute includes five criteria to use GC/CM. The project meets two criteria with complex scheduling and phasing required for the project, and site and facilities occupied during construction.

Another GC/CM critical factor is safety, which is important and a high priority to the district. Having a GC/CM partner to help plan and implement safety and phasing plans is important.

In terms of risk management, during Design-Bid-Build projects, allowances are typically included as the team seeks ways to plan for risk. For a GC/CM project, having the contractor available during design enables the opportunity to avoid or mitigate potential risks enabling typical allowances carried for risk used for more facility space.

Mr. Cody spoke to the attributes of Mr. Stanton and his collaborative approach to design. He has witnessed Mr. Stanton working with design teams and his leadership has been commendable. He will be a great asset to the collaborative design process.

GC/CM also provides a public benefit by ensuring student and staff public safety, as well as controlling and mitigating risk enabling the utilization of contingency funds for more program space. The GC/CM process is also attractive in terms of open book estimating and buyout process that enables greater fiscal accountability and the ability to track and monitor project progress during any project milestone.

The district has completed a number of large Design-Bid-Build projects over the last ten years. This project would be the district's first GC/CM project. Mr. Stanton completed AGC GC/CM training last month. The district understands GC/CM experience was lacking in the district and contracted with Parametrix and Perkins Coie.

Mr. Dugan noted Parametrix is engaged for procurement, advisor, and project management/construction management services for the project.

Mr. Cody reviewed the project organizational chart and noted the clear lines of decision-making. The district believes it has the right assigned team members. The chart reflects anticipated involvement levels of each team member at each stage of the project. Key team members have GC/CM experience with most having over 20 years in design and construction industry. All team members with the exception of Mr. Stanton have completed a number of GC/CM projects.

In summary, the team believes the Lake Stevens High School Modernization project is an awesome fit for the GC/CM delivery method. The project is fully funded through bond funds and meets two of the five qualifying RCW criteria. The district has an established project management plan with clear and logical lines of authority and continuity through design and construction. The project team has the capacity and the team is prepared to move forward with the project if the application is approved for GC/CM.

*Panel Chair Shinn invited questions from panel members.*

Panel Chair Shinn shared information about his experience as a contractor. He asked for clarification as to the importance of the pool, timing of the improvements, and how the pool fits into the overall modernization project.

Mr. Stanton replied that the pool is very important to the community; however, education of students is of the most importance to the community. The process included a facilities master planning community committee to determine necessary facilities for the school. The committee determined the most important aspect of the school is the ability for 21<sup>st</sup> century learning and the ability to deliver that learning within the school environment. Subsequently, the core purpose is to improve those spaces that have not changed since constructed 37 years ago. Science, technology, engineering, and special education are all significantly different today from when the school was constructed. The school has a popular performing arts program. The pool is part of the project but only includes modernization of the pool. Pool systems require an upgrade. The pool is not a significant component to the overall project, but it is a significant component to the importance of the school.

Ms. Cook said the importance of the pool could be tied to the lake community, which is important for younger children in the district learning how to swim. The pool is used daily from 6 a.m. to 10 p.m.

Mr. Jewett said his presentation featured the pool, as the public will be present on site as well as students and staff.

Mr. Cody added that the district is excited about hiring a contractor to help review the program and budget and determine how more teaching and learning space can be programmed into the budget. Some of the priorities might need to be reassessed to obtain more program space. The budget is insufficient to redo the entire campus.

Mr. Gimmestad said he is familiar with the consultant team in terms of their experience and managing school projects. In terms expectations, the district is surrounded by other districts that have completed GC/CM projects. He asked whether the district contacted other districts to learn about any lessons learned, expectations of the district, and how the team plans to solve challenges.

Mr. Stanton replied that the district conducted much investigation because it was the district's first GC/CM project and the district was not necessarily convinced at the beginning that the delivery method was the right option. However, after meeting and conversing with architects, school districts, and Mr. Wallace about the nature of the project, it was clear from feedback from all contacts that the delivery method was important. Contacts stressed the importance of an experienced team, having a track record of successful project completions, as well as ensuring the team and the district understand the GC/CM process. That is why he attended the AGC GC/CM workshop last week, which was very helpful. The district is pleased to be working with partners who have the understanding of what GC/CM means and how it is different. The district's expectation is seeking a project that is of good value and quality for taxpayers and that the district accomplishes as much of the program as possible within the available funding.

Mr. Davis asked the Parametrix team about their familiarity with the project and concepts and whether the district has afforded sufficient time and resources to deliver the project successfully. Generally, one of the biggest challenges is the expense of external assistance. The PRC has experienced it with many projects whereby owners will scrimp on those particular elements. He asked whether the team believes it can successfully deliver the project.

Mr. Dugan said the situation is opposite of the Auburn School District, which is running lean and mean and will ask Parametrix for help when the district believes it needs help. The exact opposite of that scenario is the Lake Stevens School District and Mr. Stanton's approach who has indicated a need for procurement, advisor, PM/CM, and possibly project support and document control. The district questioned whether Parametrix has the resources and ability to handle those elements. Parametrix is entering the project with open eyes and providing all the resources that are needed with no hesitation by the district.

Mr. Burt asked Mr. Cody about the depth of his GC/CM experience outside of Parametrix. Mr. Cody said the listed projects included procurement and PM/CM support. Two of the eight projects are currently in design and he and Mr. Dugan are tag-teaming the support role for the PM. He has two other projects that are not GC/CM with the Tumwater School District that are scheduled for completion this spring and summer. He is not assigned to any other projects other than to the Lake Stevens School District. He has been involved in many more Design-Bid-Build projects than GC/CM projects. He became involved in GC/CM projects over the last 18 months. He completed AGC GC/CM training in January 2016 and has been heavily involved in the office assisting GC/CM projects behind the scene.

Mr. Burt said it appears the GC/CM experience was gained after joining Parametrix.

Mr. Dugan added that McCarver opened in September and Stewart opens in February. Those two projects and projects following those were led by him in conjunction with Mr. Cody. Over time, his role diminished as Mr. Cody's role increased over the last two years to include the contracts, contract documents, execution, negotiations, and the work. Mr. Cody has the background, experience, and has been working closely with him over the last two years. Without questions, Mr. Cody is prepared for the role. If any support is required by Mr. Cody, Parametrix has the staff and team to provide the support.

Mr. Burt asked whether the school district is comfortable with the support and resources. Mr. Stanton said absolutely as the district considers the team rather than as individuals. Mr. Cody has the experience necessary and the support to backfill any needs. The district is also diligent and monitors activities.

Mr. Lebo pointed out the GC/CM delivery method is a new process for the school district. Sometimes, school boards can be very fiscally conservative in its approach when considering processes and procurement. He asked about the level of support from the school board, and because the process often can require more time than anticipated, would Mr. Stanton have the time available to fill any gaps. Ms. Cook affirmed that the school board supports the proposal. The board received a lengthy presentation on the project several weeks ago. The board had many questions and Mr. Cody and Mr. Dugan were available to spend time answering questions. The board is very supportive of the process and is excited to see what the delivery method could yield. She is also continually amazed with Mr. Stanton's capacity while also recognizing the time the GC/CM process will require. Consequently, the district hired an individual to provide support to Mr. Stanton on activities outside of the construction projects to free time for Mr. Stanton to work on the project.

Mr. Davis asked about the district's audit finding in 2011 and whether the district resolved the finding. Mr. Stanton said the district both resolved the finding and learned from the finding. The finding was resolved to the satisfaction of the auditor following another audit, which determined the district's processes had changed satisfactorily. The finding was a good learning experience about being diligent keeping an eye on the scope, as well as ensuring an understanding of the potential scope so that it can be included in the procurement process to successfully deliver a program without running afoul of the law or district policies.

*Panel Chair Shinn invited public comments.*

Tom Coleman, Chief Estimator, Cornerstone Construction, said that based on the company's experience as a previous GC/CM contractor on several complex-phased projects, the Lake Stevens High School projects meets the criteria in the statute and it appears the district has done a good job assembling a project management team to help execute the plan.

From the company's perspective, a number of projects were completed with Dykeman Architecture with several of the projects highly complex, phased, and located on an occupied campus. The firm has a qualified design team.

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

Mr. Gimmestad said the project meets the criteria, as it is located on an occupied site with challenging elements. GC/CM is the perfect delivery method for that model of a project. The project team has the experience and the background to understand and facilitate GC/CM even when nuances occurring during any project were not anticipated. He supports approval of the application.

Mr. Palewicz expressed similar sentiments, as the project is a classic example of the importance of having the contractor onboard to work on the scope. He supports the arrangement with Parametrix as the consultant team is clearly managing the effort rather than the school district. The arrangement is a good setup for this project.

Mr. Burt agreed the project meets the criteria and the school district is satisfied with the team. Because Mr. Dugan would likely assist when needed, that alleviated some of his concerns. The school district recognizes the contracting authority and has developed a project management plan that supports that while retaining control but supported by a good team.

Mr. Davis said the project and the team have demonstrated that it is appropriate for GC/CM. He is not confident that the project could be delivered successfully with the resources under the traditional Design-Bid-Build. He supports the application.

Mr. Lebo expressed support for the proposal for many of the stated reasons.

Mr. Palewicz complimented the attendance of Ms. Cook as it speaks to the strong aspect of GC/CM projects where the delivery method is accepted by the school district at the highest levels. As mentioned previously, he is a member of an oversight committee for the Seattle School District. It's important to have buy-in throughout the organization for alternate project delivery.

Panel Chair Shinn agreed the GC/CM is the only effective method for the project. Design-Bid-Build would not work, as it would be too confusing.

***Chuck Davis moved, seconded by John Palewicz, to approve the GC/CM project application from Lakes Stevens School District for the Lake Stevens High School Modernization project. Motion carried unanimously.***

*Panel Chair recessed the meeting at 2:37 p.m.*

### **City of Airway Heights – Recreation Complex – Design-Build**

Panel Chair Chuck Davis reviewed the timing and the presentation format to consider the Design-Build application from the City of Airway Heights for the Recreation Complex project. Panel members Rustin Hall, Curt Gimmestad, Jon Lebo, John Palewicz, Mike Shinn, and Chuck Davis provided self-introduction. A majority vote of the panel is required for approval of the application.

JC Kennedy, Parks and Recreation Director, City of Airway Heights, said the City has been working on the project since 2003. The project is a long-term goal for the community. He introduced team members Patrick McCord and Matthew Walker with Hill International, Inc., and Robynne Parkinson, Thaxton Parkinson PLLC.

The project is a full-service 35,000 square-foot recreation center with a gym and an aquatic facility with a lap pool, therapy and children's recreation pool, and Jacuzzi. The project is phased with expansion planned in the future of more classroom space for educational purposes. The first phase of the project focuses on the recreation elements. The site has some challenges with historical findings of a tribal burial ground. The City is consulting with the Spokane Tribe. The tribe believes that at one point in history, the site was a hunting ground for tribes. The geology of the site and surrounding area are other challenges. The site is located off Deno Road north of the Spokane County Raceway and the Kalispel Tribal facility. The site includes a significant amount of basalt bedrock. The Kalispel Tribe encountered basalt and mitigation issues when it built its facility. For those reasons, having a team and partnership formed and established early

in the process would be advantageous for placement of the facility in the right location because the wrong placement would increase costs substantially.

Mr. Kennedy reviewed an illustration of the proposed layout of the facility and parking. The location of the facility is subject to change dependent upon site conditions after completion of the geotech analysis. The facility is an indoor and outdoor center, which is important for the community. The project is located on a 70-acre site with the facility and parking consuming 17 acres in the initial phase. The project also includes 7 acres of outdoor sports fields included within the first phase of development with the entire 70 acres eventually developing as a multi-sport outdoor recreation facility.

Mr. McCord reviewed the organizational chart for the project. Meetings have been held with the City Council to explain the project and the DB process. The Council supports the DB procurement method. Mr. Kennedy is the Parks and Recreation and Community Services Director who reports directly to the City Council in conjunction with Albert Tripp, City Administrator. Stan Schwartz serves as the City's legal counsel with support by Ms. Parkinson, who would assist with all contractual and procedural issues for the project. Mr. McCord reported he and Matt Walker would work on the RFP/RFQ, procurement process, programming, design, and construction. They both have worked on several other projects, as well as several DB projects, such as the Convention Center in Spokane and the Richland Fire Station. Robert Mills with Hill International would help with cost controls as needed. Todd Smith will provide constructability review services when necessary.

Mr. McCord said he has been in construction for nearly 30 years and has a master's in architecture. He has worked for many general contractors and began as an estimator, scheduler, design manager, and project manager. He works as an owner's representative at Hill International, as well as a construction and project manager. His GC/CM experience includes the \$35 million, 70,000 sq ft dormitory at Central Washington, the Digital Archives facility at Eastern Washington University, a 50,000 sq ft elementary school in Idaho, office buildings, and the Walmart Store in Airway Heights. While at Hill International, he has worked as a project manager for two GC/CM projects totaling \$34 million. In response to questions submitted by the PRC, a list of DB projects was provided to members. He recently completed DBIA training and is testing for certification later in the spring.

Mr. McCord reviewed the budget for the project. Costs for professional services are \$1.1 million with estimated construction costs of approximately \$10 million. Estimated equipment and furnishings total \$850,000. Contract administration costs are estimated at \$200,000. Contingencies (mostly owner) are \$600,000. Other project costs for permits, geotech testing, and plan review are estimated at \$964,760 for a total project budget of \$14 million.

The project schedule includes issuance of the RFQ on February 2 if the project application is approved. Statements of Qualifications are due on March 2. Short listing occurs on March 13 followed by issuance of the RFP on March 16 with proposals due May 4. The design phase would begin in May with construction in September with completion in 12 months. The goal is to release early bid packages this summer if possible for structural, concrete, and site work.

Ms. Parkinson outlined the procurement approach. The City and the community are invested in the project. The proposal is a fixed GMP with a maximum scope with the design builders submitting some conceptual designs rather than pursuing a formal design competition. The City and the community want to be involved in the selection process and review some of the ideas. The selection will focus heavily on qualifications and ideas. Design builders will need to be innovative for the site and for some of the issues surrounding the investigation of cultural resources. The design builder would need to be very experienced and have the knowledge for innovation and problem solving and working with community stakeholders. The RFQ seeks candidates with successful experience with projects of similar scope and complexity, team organization, and experience developing GMP collaboratively with the owner. The shortlist includes no more than five finalists. The RFP focuses on the applicant's management approach specific to the project, innovation and problem-solving, interactive propriety meetings, and price related factors for the fee. The RFP includes a \$25,000 honorarium. The validation period for the contract is essential and helps place elements on the site and complete much of the geotech investigation to ensure necessary elements are on the site, in the right location, and in coordination with all stakeholders. Once the design builder is selected, the process proceeds to validation and GMP development followed by GMP execution.

The benefits of DB delivery include:

- RCW 39.10.300(1)(b) *“Greater innovation or efficiencies between the designer and the builder”*
  - Maximum coordination of design/construction phasing provide greatest project value and cost efficiency
- RCW 39.10.300 (1)(c) *“Significant savings in project delivery time”*
  - Progressive Design-Build is the fastest delivery method. Starting site work early beneficial to the schedule.
- RCW 39.10.280(s)(a) *“Substantial Fiscal Benefit”*
  - The City’s project budget is limited. The design-builder requires to design within budget.
  - The design-builder’s involvement in the development of the scope shifts more risk of the performance of the project to the DB.

Mr. Walker referred to answers forwarded in response to questions by the PRC. He invited additional questions.

Ms. Parkinson reported the City has established a good team. Mr. Schwartz was unable to attend. She has worked with Mr. Schwartz on several projects. Hill International has developed a good team. Mr. McCord has completed a number of projects with Mr. Walker providing oversight and necessary backup. The City has spent considerable time planning the project and the determining the delivery method.

*Panel Chair Davis invited questions from panel members.*

Mr. Palewicz asked for additional information concerning the selection process in terms of the spectrum for DB where the traditional method includes a complete design and pricing followed by selection to a qualifications-based selection where no design work is completed. It appears the project is following the latter process. He asked what is expected from the conceptual design and how much work is anticipated and the amount of the stipend. He asked about the selection process in terms of how the design and qualifications are ranked. Ms. Robinson said the process would be similar to other smaller projects completed in eastern Washington. Applicants will be asked to provide a scope based on the budget with minimal deliverables. Design-builders would not be required to present a full design; however, the request includes some design concepts. The owner will consider the kinds of elements that can be provided in the project followed by a validation period. Mr. Palewicz asked whether the conceptual designs would include associated budget costs. Ms. Robinson advised that the budget is a fixed GMP and the process will include scope concepts and the types of elements.

Mr. Walker added that the team is seeking some schematic plans and renderings. The honorarium is \$25,000 recognizing that more effort is being asked.

Ms. Robinson responded to questions on the point assignments. Because qualifications points would be carried over, the RFP phase includes 40 points for the management concept and collaboration and 40 points for the design. The process entails more design input than in a traditional process with a lower stipend.

Mr. Palewicz asked how the process plans to control the design deliverables. Mr. Walker said the RFP will include specific deliverables and that designs shouldn’t be above or beyond the desired deliverables.

Mr. Gimmestad referred to the challenges of the site both in terms of archaeological and geological with the presence of bedrock. The project includes a pool for the aquatic elements. The budget includes \$9 million for 35,000 sq ft. He inquired as to how well the City has vetted the budget for a \$9.5 million recreational facility given the challenges and the expectations of the community. Mr. Walker said the team understands that the budget is tight. One of the roles of the design-builder is validating the budget to ensure there are sufficient funds to cover the scope. There may be some scope elements that are not completed at the onset because of potential impacts from the geotechnical analysis. The team is aware of the risk and would address that by limiting some of the scope and developing an alternate after completion of the groundwork to determine if adequate funding remains to complete other elements of the project.

Mr. Gimmestad asked why the project was not pursued as a Design-Bid-Build delivery. Ms. Parkinson said the team evaluated delivery methods. With Design-Bid-Build, the problems include time issues, as well as a real desire to ensure the budget meets the scope. A design-builder could assist the City determine the design based on the budget and site challenges. Restraints will be required during design, particularly when community stakeholders are involved.

Mr. Shinn asked about options for moving the facility to a different location on the site. Mr. Kennedy acknowledged the possibility. Mr. Shinn asked about the validity of the information that the site might house a tribal burial or hunting ground. Mr. Kennedy said the City allocated some funds for the outdoor fields that were earmarked in the capital budget last year. Staff completed the work necessary to determine archeological resources. Eastern Washington University assisted the City to complete the cultural resources assessment. After the discovery of some rocks, the City contacted the Spokane Tribe. The tribe's historical officer visited the site, verified the findings, and identified the mounds discovered on the site might have been used at some point by the tribes. The City has executed historical preservation surveys. The historical site is not located in the area to be developed. The site includes a water reservoir and substation. The historical site is located near the power substation.

Mr. Lebo asked about administration within the City, as the project is larger as a built-up facility. He asked about the experience level of Mr. Kennedy to manage the site. Mr. Kennedy said his time is 100% dedicated to the project. The project is the first large project that he would manage. The City approached the project in 2003. He has been working on the project since he joined the City. At that time, he attended the National Recreation Parks Conference on recreational facilities design management and is familiar with these types of projects.

Mr. Walker added that Mr. Tripp is also involved in the project as a member of the administrative team. Mr. Tripp has been involved on a number of other City projects.

Mr. Kennedy said Mr. Tripp was involved in the City's state-of-the-art water reclamation facility.

Mr. Hall asked whether the City Council is comfortable with the DB method. Based on the information in the application and the requirements within the RCWs, he inquired as to whether the Council and administration are comfortable with the approach. Mr. Kennedy affirmed the City is comfortable with the approach. There has been nothing but excitement from the City, especially after obtaining more information on the potential benefits the method could provide for taxpayers. There were comments as to why the delivery method was not the norm instead of the exception. The ability to collaboratively solve some of the problems that will likely occur is very exciting.

Mr. Hall pointed out that as a City, more projects are likely in the future. He asked whether the City views the project as a learning opportunity that could be applied to other future projects. Mr. Kennedy advised that the City needs another fire station and a city hall. The Police Department is also outgrowing its facility. There likely would be other projects as the City is planning for some future infrastructure projects.

Panel Chair Davis said the DB method removes much of the input from the owner and places all the trust in the design-builder to produce a product. Many public agencies struggle with not having the ability to control the design or process. He asked whether the City is aware of what it is releasing by pursuing the alternative delivery method. Ms. Robinson disagreed that the City would lose the ability to sole source items. Public agencies are limited in all delivery methods for sole sourcing items unless there is justification. Regardless of the delivery method, the owner can't dictate certain items, unless there are good reasons. Additionally, the City has not elected to pursue a turn-key DB method and anticipates a highly collaborative process. There has been a fair amount of owner education to describe what the process entails, as well as the City seeking expertise to help guide the outcome. The City will benefit from the expertise of the design-builder.

*Panel Chair Davis invited public comments.*

There were no public comments.

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

Mr. Gimmestad said he views the project in terms of budget and timing. For a 35,000 sq ft recreation facility, the challenge from a DB standpoint is determining the elements of the project for the available budget of \$9.5 million. The project will be very constrained in terms of the final design of the facility based on his experience with a number of other recreational facilities. Although the delivery method would work with all those challenges, he is concerned with the RFP process, the thought process behind the RFP, and the schematics and public input as the public would have expectations that the project likely would not be able to deliver. The DB method is however the best opportunity to bridge that gap.

Mr. Lebo said he supports the application for DB as the team recognizes their strength with community involvement and the challenges and weaknesses. He understands the challenges with the budget and expectations that might be achieved through the process. However, the DB process is appropriate. He is encouraged that the City recognizes that there may need to be changes.

Mr. Hall commented that his firm has worked on projects at Fairchild Air Force Base, which is located near the City of Airway Heights. The firm has viewed the existence of basalt. He acknowledged the site poses some challenges. It makes more sense to bring the contractor onboard early to ensure the location of the facilities is not placed in an area of rock. He has also encountered historical artifacts and associated issues. The DB method is the best delivery method for the project because it affords flexibility. He supports approval of the application.

*Mike Shinn moved, seconded by John Palewicz, to approve the DB application for the City of Airway Heights for the Recreation Complex project. Motion carried unanimously.*

### **Adjournment**

*With there being no further business, Chair Palewicz adjourned the meeting at 3:15 p.m.*