

**CAPITAL PROJECTS ADVISORY REVIEW BOARD**

**PROJECT REVIEW COMMITTEE**

*Meeting Room (A) pages 1-37*

Northwest Carpenters Facility  
25120 Pacific Highway South  
Kent, Washington

**May 24, 2018**  
**Minutes**

**MEMBERS PRESENT**

Ato Apiafi, Ato Apiafi Architects  
David Beaudine, Heery International  
Kurt Boyd, Valley Electric Company  
Bill Dobyns, Lydig Construction  
Jim Dugan, Parametrix  
Amy Engle, University of Washington  
Bryan Eppler, University Mechanical Contractors  
Curt Gimmetstad, Absher Construction (Panel Chair)  
Rustin Hall, ALSC Architects Panel Chair)  
Neil Hartman, WA State Bldg & Const Trades Council  
Howard Hillinger, Parametrix Panel Chair)

Matthew Lane, McGranahan Architects (*Panel Chair*)  
Jason Nakamura, 1 Alliance Geomatics LLC  
Mark Ottele, Granite Construction  
John Palewicz, University of Washington (Chair)  
Ed Peters, Edmonds School District  
Linneth Riley-Hall, Sound Transit (*Panel Chair*)  
Yelena Semenova, Department of Enterprise Services  
Mike Shinn, Shinn Mechanical (*Panel Chair*)  
David Talcott, Exeltech Consulting  
Janice Zahn, Port of Seattle (*Panel Chair*)

**STAFF, GUESTS, PRESENTERS**

Jennifer Alderman, Snohomish County  
Liz Alzeer, City of Seattle  
Rebecca Baibak, Integrus Architecture  
Talia Baker, Department of Enterprise Services  
Kristy Beardemphl, City of Tacoma  
Mike Benzien, Federal Way Public Schools  
Dan Bodell, R&C Management Group, LLC  
Angela Brady, City of Seattle  
Greg Brown, CBRE/Heery  
Marjorie Chang Fuller, Hoffman Construction  
Chris Colley, Graham Construction  
Adam Cormack, R&C Management Group, LLC  
Nick Datz, Sound Transit  
Robert Evans, CBRE/Heery  
Dan Gendreau, CBRE/Heery  
Valerie Gow, Puget Sound Meeting Services  
Tee Hee Han, Sound Transit  
Jeff Hencz, Snohomish County  
David Jobs, OAC Services  
Eric Johnson, City of Tacoma  
Leslie Jones, Sound Transit  
Rebecca Keith, City of Seattle  
Jordan Kiel, Bassetti Architects  
Kurtis Kingsolver, City of Tacoma  
Chris Larson, City of Tacoma

Wayne Leonard, Mead School District  
Ted Lucas, Sound Transit  
Lorne McConachie, Bassetti Architects  
Sally McLean, Federal Way Public Schools  
Jon Mikhels, Sound Transit  
Casey Moore, Federal Way Public Schools  
Jessica Murphy, City of Seattle  
Ken Murphy, ALSC Architects  
Jason Olson, LSW Architects,  
Sue O'Neill, City of Tacoma  
Andrew Powell, Hoffman Construction  
Matt Preedy, Sound Transit  
Sian Roberts, Miller Hull Partnership  
Roxann Robinson, Federal Way Public Schools  
Scott Rose, R&C Management Group, LLC  
Chris Rubright, KMD Architects  
Sue Steinbrenner, Evergreen School District  
Chris Storey, City of Tacoma  
Anne Timmermans, Parametrix  
Brian Urban, Skanska Construction  
Ray Vefik, CBRE/ Heery  
George Ward, Aldrich  
Police Chief Weiks  
Ned Wendle, Mead School District  
Rick Yeo, R&C Management Group, LLC

*Panel Chair Janice Zahn called the meeting to order at 8:25 a.m.*

**EVERGREEN SCHOOL DISTRICT – SIFTON ELEMENTARY SCHOOL REPLACEMENT – GC/CM PROJECT**

Panel Chair Janice Zahn reviewed the presentation and timing format to consider the General Contractor/Construction Manager (GC/CM) application from Evergreen School District for replacement of Sifton Elementary School. PRC panel

members Ato Apiafi, Rustin Hall, Neil Hartman, Matthew Lane, Yelena Semenova, and Janice Zahn provided self-introduction.

Rick Yeo, R&C Management Group, said the company works primarily in southwest Washington with school districts in the Vancouver area. The presentation is the third project presentation to the PRC. The same team was involved in the two prior projects. Parametrix served as the GC/CM advisor and LSW Architects was the architectural firm for both projects. The Washougal School District Jemtegaard Middle School, Excelsior High School, & New Elementary School GC/CM project was completed on time and within budget. The second project for the Ridgefield School District was extremely difficult and is scheduled to open in fall 2018.

Mr. Yeo reported the proposed project for Evergreen School District is construction of a new elementary school on a campus with an existing elementary school that will remain intact during construction with 550 students. The project is a perfect for the GC/CM delivery method as the traditional delivery method is not practical. The project meets the criteria in RCW 39.10.340. The School District has developed a good team to manage the project with the knowledge, experience, and personnel available to ensure a successful completion.

Mr. Yeo introduced Sue Steinbrenner, Executive Director of Facilities, Evergreen School District.

Ms. Steinbrenner reported Evergreen School District is located in southwest Washington. The district covers a 54 square-mile radius with an enrollment of 26,500 students. Evergreen School District is the sixth largest district in the state. She joined the School District in 2003 as the Capital Project Manager to manage the capital renewal portion of Evergreen's 2002 bond package. She assumed the position of owner's representative on the modernization of a complicated high school project. That project was one of the ten pilot GC/CM projects in the state. In 2010, she was promoted as Director of Facilities.

In 2013, the School District lost an elementary school to a substantial fire. Subsequently, the School District successfully passed an emergency resolution with assistance by Perkins Coie. The School District utilized a modified GC/CM process to construct a new elementary school.

Prior to her arrival at the School District, Ms. Steinbrenner worked for Turner Construction for 18 years following graduation with a BA in Architecture and BS in Building Construction. Most of the work was negotiated projects and some GC/CM projects in Oregon.

Prior to the successful 2018 bond, the last successful bond was in 2002. A bond measure in 2008 failed during the economic recession. The 2018 \$695,000,000 bond essentially totals \$800,000,000 after adding impact fees, state match, and other funding sources. The Sifton Elementary School Replacement project is the first of many school construction projects.

The community has entrusted the School District with a substantial investment in school facilities. It is the School District's responsibility to ensure a transparent and equitable process and that the School District is good stewards of taxpayer dollars. The decision to pursue GC/CM was selected to enable early involvement of the contractor to assist the School District in planning through design to ensure a cost effective project, as well as having a contractor who shares the School District's goals and vision.

Ms. Steinbrenner introduced Adam Cormack with R&C Management Group. Mr. Cormack is very knowledgeable, completed GC/CM training, and recently completed several GC/CM projects.

Scott Rose, R&C Management Group, recently joined the company and has over 30 years of design and construction experience in the educational arena. Howard Hillinger, Parametrix, is a partner in assisting the School District through the GC/CM procurement process. Jason Olson, LSW Architects, is the project architect. Casey Wyckoff, LSW Architects will be involved as well. Graehm Wallace with Perkins Coie will serve as legal counsel for the School District.

Ms. Steinbrenner said the School District has the experience, the depth, and the team to deliver the project successfully. She learned many years ago, that the key to the success of a project is assembling a good team.

Mr. Olson said he has been with LSW Architects for approximately 17 years and has worked with the School District since joining the company. His passion is designing schools. He served as the project architect for the Washougal and the Richfield projects. Sifton Elementary School is one of the oldest schools in the district constructed in the 1950s. The existing site houses approximately 38,000 square feet with an additional 16 portable classrooms of approximately 12,500 square feet. Two major issues associated with the site are two portable classrooms and student paths to a playground in the construction area. Another safety issue is site circulation of buses and cars with only one entrance and exit point. The site is surrounded by single-family residential uses. The 8-acre site is smaller than a typical site for an elementary school. The new school will be a 62,000 square foot two-story building built behind the existing facility. The intent is separating bus and car traffic by using existing entries with buses entering and exiting to the north and cars entering and exiting to the south bisected by sports fields.

Mr. Rose said he has been in the industry for 30 years and began by working for several school districts. He then moved to the architectural side and then returned to project management. The project includes several overlapping phases. Phase 1 involves moving portable classrooms (4) to set-up a staging area prior to the end of the school year in spring 2019. Phases 2 and 3 overlap and involve displacement of the fields and walking paths. Phases 4 and 5 include abatement, demolition, grading, and storm, parking lot, and playground improvements over a 10-week period at the end of the project on an occupied site. The site is overpopulated with 550 students utilizing 8 portable classrooms. The complexity of the project is compounded by bus and car traffic patterns. During construction, approximately 150 more vehicles will be added for construction activities and deliveries. Student, visitor, and faculty safety will be a priority. Having the GC/CM involvement early will help the team strategize as to the best way to attack the safety issues for inclusion within the bid documents to ensure all facets are considered that could be problematic later. Early design involvement is also important because of the limited size of the campus. In some cases, classroom pods will be located only 20 feet from a construction zone. Early involvement in design will help to dictate building placement, building configuration, and material staging. It will be imperative to have that knowledge early on in the design and procurement processes. Having the GC/CM onboard early will help identify smaller parcels and accelerate aspects of the design to achieve early work. A Design-Bid-Build method would not enable completion of those critical elements prior to the winter break. The GC/CM delivery method enables staggering elements in the spring with completion in fall 2020.

The project is located in a complex work environment with close proximity of the construction work area to classroom pods. Contractor access to parking will be challenging throughout the project, and community use will be disrupted as the fields and walking paths are displaced. The small area for construction trailers and material staging will be challenging. Those innovations require the GC/CM's involvement early to help determine the type of innovations necessary to ensure the tight site can be utilized. The eight-acre site is small for one elementary school. For a period, two elementary schools will be located on eight acres, creating tremendous challenges.

Eight members of the team have GC/CM experience. Most of the team members have worked together on other projects. The line of authority from the team will flow through Ms. Steinbrenner to the Superintendent and the Board and then back. There is a clear line of authority. Controls are in place to help define the line of authority with documents prepared outlining roles and responsibilities for each team member to ensure all aspects are covered. Procurement oversight by Perkins Coie and Parametrix will assist in ensuring the team is following the required state criteria, as well as leveraging lessons learned. Conditions and agreements have been prepared and are ready to move forward.

Mr. Rose reported the schedule identifies a phased project and the importance of incorporating the GC/CM process early. The School District is ready to release a Request for Proposal (RFP) to ensure the GC/CM is involved early during schematic design. The project is fully funded as part of the bond along with state funding, and impact fees. The budget is adequate as well as the contingencies for the owner and the GC/CM.

Public benefits are focused on faculty and student safety, as well as the community, which surrounds the site on all sides. It will be important to avoid impacts from additional vehicles on the neighborhood. Early involvement of the GC/CM will help reduce cost and risks.

Mr. Yeo reported the School District meets four of the criteria in RCW 39.10. The selection of the GC/CM is scheduled one month prior to the end of schematics to ensure sufficient time to aid in the process of budgeting, scheduling, and design review. The team is very qualified.

***Panel Questions:***

*Panel Chair Zahn invited questions from panel members.*

Ato Apiafi asked Ms. Steinbrenner to elaborate on the School District's history of women-owned business and ethnic minority-owned business inclusion. If there is no history, he asked for information on the School District's plan moving forward for inclusiveness. He requested more information on the budget and the percentage of contingencies. Ms. Steinbrenner replied that she is a member of the National Association of Women in Construction. The School District has reached out to the subcontracting community during presentations on the bond. The School District intends to reach out and conduct meetings with the Minority Business Enterprise (MBE) community to encourage participation and to provide information and assistance on bonding requirements. As a female leader, she believes in the importance of the School District reaching out.

Mr. Yeo added that the RPF includes a request for the respondent to provide information on the contractor's plan for reaching out to women, small, minority, and disadvantaged subcontractors. Contractually, the School District requires the GC/CM to carry a 3% construction contingency. The owner also provides another 8% contingency within the project. Because some bids may be higher than the estimates, another 10% of the entire bond program has been allocated for contingency.

Yelena Semenova commented that the project budget does not appear to include any contingency. Mr. Yeo said the 10% bond program contingency is not included in the budget. However, the contractor and owner contingencies are incorporated within the budget. The owner contingency is \$1.5 million. Ms. Semenova remarked that because of demolition activities, unknown hazmat factors, and the size of the project, the contingency is too small. Mr. Hillinger replied that the bond program contingency is outside the project budget. Mr. Rose added that the contingency for the bond program is separate and would be available if necessary.

Ms. Semenova asked whether the schedule of 12 months for building construction is sufficient given today's tight market. Mr. Yeo affirmed the 12-month schedule is adequate to construct an elementary school. The two previous projects were completed in 13 months. Both schools were twice the size of the proposed project of 62,000 square feet. The GC/CM delivery method also affords the opportunity for early civil site bid packages and structural packages. Mr. Hillinger noted that the School District has utilized early procurement to benefit the schedule especially for materials that require a longer lead time. Early civil work will help identify the right time to start construction on the site. Ms. Semenova replied that the current market might impact the schedule, as the market was entirely different two years ago.

Mr. Rose said one of the other GC/CM projects was in Ridgefield, Washington, located approximately 10 miles from this project site. The project is nearing completion in approximately six weeks. The project broke ground 54 weeks ago. The project was a 150,000 square foot school project. Construction is occurring in the same market and in the same market climate. The School District has done a good job of reaching out to subcontractor trades before the bond. A subcontractor trade presentation is scheduled in September to continue to generate interest in the project. The architect is hosting the meeting.

Mr. Hall asked about the relationship between Parametrix and R&C in terms of the owner representative. Mr. Hillinger responded that R&C is the primary owner's representative. He has worked with Mr. Yeo and Mr. Cormack on several previous projects. Most of the work involved assistance with the procurement phase and development of the documents. He has participated on the selection panels. Phone calls will be exchanged to check-in. His role is advisory rather than on-site assistance.

Mr. Lane asked whether the schedule is sufficient to secure the necessary permits from local jurisdictions. Ms. Steinbrenner said the school is located in Clark County. The School District has encountered some issues with the county

in permitting. The School District has established monthly meetings with the county and recently met for the second time. The consultants are monitoring the checklists for permitting requirements and possible pitfalls. According to the most recent meeting, the county anticipates eight months to a year to secure the permits. Through ESD #112, the School District also has an attorney experienced in land use and permitting applications in Oregon. The attorney is serving as the lead for the project to ensure completion of the permitting process.

Mr. Yeo noted that historically, the project design would be submitted to the permitting agency for comments. That process has proven to be unproductive. Alternatively, during each phase of schematic design, the team meets with the county to review the design to ensure no surprises or fatal flaws.

Ms. Steinbrenner reported the county has developed a school-specific task force with one staff member specifically dedicated for school district projects. A neighboring school district to the west passed a bond a year ago in May. The district was able to work out some of the problems resulting in creation of a new checklist.

Mr. Yeo said the School District has always developed a Plan A, as well as a Plan B. Plan A includes adequate contingencies while Plan B can tap from the additional \$50 million in contingency reserves if necessary. The county has agreed to issue phased permits. The first would be a civil permit for the first six weeks of construction followed by a core and shell permit covering five months, followed by the final occupancy permit.

***Public Comments:***

*Panel Chair Zahn invited public comments.* There were no public comments.

***Panel Deliberation:***

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

Mr. Apiafi addressed concerns about the compressed schedule. Although, the School District was able to complete another 150,000 square-foot project in 13 months, it does make sense that a smaller project of 62,000 square feet could be completed within the schedule. The School District has a proven track record of delivering projects on time. Consequently, the panel should have some faith that a smaller project would be easy to complete within the schedule. The team also provided a satisfactory answer for reaching out to women and minority-owned businesses, although there was no information about the School District's history. However, there appears to be a plan moving forward. It is important to afford an opportunity for the School District to gain some experience. He supports approval of the application.

Mr. Hall said the project is a clear candidate to reap some benefits from the GC/CM delivery method. The filters used during the panel's discussion are whether the project proponent has an experienced team, whether the project satisfies the criteria in the RCW, and whether the team is available and ready to proceed. This team has previously worked together. The concerns about cost escalation are very real, which also justifies the use of alternative delivery versus a hard bid, as it would be worse and extend the project at a higher cost. The notion of subs and generals being so saturated speaks to the importance of the process affording the ability to identify available companies to add to the team early in the process to change "unknowns" to "knowns" much sooner. He supports approval of the application.

Ms. Semenova said she is impressed with the team and agreed that any issues that might occur during the process would be readily resolved by the team. She supports approval of the project.

Mr. Lane agreed the project and the team are both strong. The School District has proven success and the project meets the criteria for approval.

Mr. Hartman echoed similar sentiments.

Panel Chair Zahn said she likes that the team clearly understands the project has some public safety risks, as well as cost risks if not built within the schedule and because of the tight market. Although the schedule is compressed, the team spoke to having a Plan A and a Plan B if the full permit cannot be obtained by having phased permits.

***By unanimous affirmation, panel members approved Evergreen School District's GC/CM application for the Sifton Elementary School Replacement project. – PROJECT APPROVED***

*The meeting was recessed from 9:01 a.m. to 9:09 a.m.*

#### **CITY OF SEATTLE – OVERLOOK WALK GC/CM PROJECT**

Panel Chair Matthew Lane reviewed the presentation and timing format to consider the GC/CM application from City of Seattle for the Overlook Walk project. PRC panel members Ato Apiafi, Bill Dobyns, Neil Hartman, Matthew Lane, Yelena Semenova, and Janice Zahn provided self-introduction.

Project team members provided self-introduction. They included Jessica Murphy, Construction Program Manager, Office of the Waterfront & Civic Projects, City of Seattle; Angela Brady, Deputy Director, City of Seattle; Liz Alzeer, Director of Purchasing and Contracting Services, City of Seattle; Rebecca Keith, Assistant City Attorney, City of Seattle; Howard Hillinger, GC/CM Advisor, Parametrix, Anne Timmermans, GC/CM Advisor, Parametrix; and Sian Roberts, Design Project Manager, Miller Hull.

Ms. Murphy reviewed the presentation agenda.

Ms. Murphy displayed an aerial illustration of the Seattle waterfront. The City is undergoing a major change of the downtown waterfront. The Overlook Walk project is part of a \$700 million program of projects as part of a series of projects following the removal of the SR-99 elevated viaduct, completion of the Ward Tunnel, and redevelopment of the waterfront. The project is one of the central public spaces featured in the \$700 million program. The Overlook Walk consists of a bridge crossing the roadway as part of main corridor project to rebuild the road after removal of the viaduct. Overlook Walk is a pedestrian connection between the Pike Place Market and the waterfront consisting of public space and opportunities for offices and commercial spaces. The Seattle Aquarium project lies adjacent to Overlook Walk. The project features connections via bridges, stairways, elevators, and pedestrian and landscaping amenities with interior building spaces. The project budget is \$100 million. Schematic design was recently completed.

The overall program of the waterfront projects will be completed over the next six years. Overlook Walk will be constructed beginning 2020 through 2022. The main corridor project and the aquarium project are occurring simultaneously.

Ms. Murphy reviewed the footprints of the Overlook Walk project, Main Corridor project, and the Aquarium project. She shared some design concepts reflecting the connection to the market via a pedestrian switchback walkway with landscaping and play spaces. Landscaping is featured on the bridge to provide a buffer from the roadway below. The bridge will feature interior shell/core office and café spaces. Below the switchback walkway are building spaces for offices, an elevator, and a view from the roadway. The roadway will remain in operation during construction of the bridge. The bridge cascades down to an amphitheater stairway. The aquarium project is not part of the Overlook Walk project, but the design will intentionally seam with the aquarium creating some challenges, as each project is different with two different design teams.

Ms. Murphy reviewed how the project meets the criteria for GC/CM. The project includes complex scheduling, phasing, and coordination. Three projects will be under construction at the same time. The bridge will be constructed over an active roadway along with buildings on and below the bridge. The sequencing of the individual components and the complexity of the work occurring at the same time will be complicated. Construction on the occupied site means 30,000 vehicles each day traveling on the road. During the summer, over 30,000 pedestrians walk along the waterfront. The market, a Seattle institution, attracts 20,000 to 40,000 people each day. Most of the visitors travel between the sites.

Involvement of the GC/CM in design is critical to the project's success. Efforts are underway to design the Overlook Walk project in conjunction with the Aquarium's future Ocean Pavilion building, new pedestrian promenade along the waterfront, and the connection to the market. The low-bid contractor for the Main Corridor project will be hired and would assist in any design enhancements of the projects. The technical work involvement is complex because it includes

construction of a café on top of the bridge and a building beneath the bridge directly abutting Pike Place Market and a parking garage. Many component parts of multiple elevations will need to be brought together.

Ms. Murphy described the complexities of a cross section of the stairway as it wraps around the Aquarium. The team is exploring the option of utilizing Heavy-Civil GC/CM. No decision has been rendered at this time, but a decision is anticipated prior to procurement. The project encompasses 50% infrastructure with stairs, walkways, and a bridge. An industry forum will be conducted to receive feedback.

In terms of public body experience, many of the team members have worked together on other projects. The team has much GC/CM experience. Based on that experience, the project has been appropriately resourced to ensure availability of the right people. Ms. Murphy reported she is serving as the Project Manager. Ms. Brady reports directly to the Mayor. The City is currently soliciting for the construction management team and is in the final stage of negotiations with a company that is experienced in GC/CM. Ms. Roberts worked on the Pike Place Market GC/CM project and will serve as the lead for the design team. Both Mr. Hillinger and Ms. Timmermans have extensive GC/CM experience. Ms. Murphy reported she also has significant GC/CM experience with the City's Street Car project and the Seawall project. Although the Seawall project has much positive and negative connotations, the project could not have been accomplished under a different delivery method other than GC/CM. The project has generated some highly publicized issues and most people do not understand that the City knowingly assumed much of the cost risk in the name of public safety. In the equation of public safety or cost risk, cost risk would be the preferred choice because public safety is a priority. The project provided numerous lessons learned and opportunities that will be incorporated within the Overlook Walk project.

Project team members have extensive project delivery and construction experience. Ms. Brady served as the lead for the Mercer Corridor Program, which was on time and within budget. Ms. Alzeer has been a member of the contract team and is a good resource to the team. Ms. Keith has been a member of the City Attorney's Office working on contracts for many alternative delivery projects to include both GC/CM and DB. Mr. Hillinger and Ms. Timmermans both have extensive experience in GC/CM and will serve as good sounding boards during project data points. Mr. Roberts has been involved in many of the firm's DB and GC/CM projects. Her project experience includes the University of Washington (UW) Odegaard Library, UW Police Station, and Pike Place Market MarketFront Expansion.

The Program of Projects was created to have a direct link to the Mayor. The City has rigorous processes and controls, risk registers, and change management processes. The City has a track record of project success.

Funding for the project is from a Local Improvement District (LID). Procurement of the GC/CM is timed to coincide when funding from the LID is available in fall 2018. The design phase is over a two-year period followed by a two-year construction phase. Sufficient time was allocated for the design and the GC/CM process because previous lessons learned have documented the effectiveness of sufficient time for pre-construction activities.

In addition to an experienced team, the team is reliable and will work through the entire project. Ms. Brady and Ms. Roberts have been members of the project since its inception. Efforts are underway to hire a construction management team prior to pre-construction to join the entire team and provide sufficient resources. The City also has the flexibility of increasing involvement of other personnel if necessary. Additionally, the intent is to integrate all personnel sooner within the GC/CM processes from design through construction.

The project budget of \$100 million includes the required contingency percentages and MACC contingency included within the estimated construction cost of \$57 million. The 7% contingency will be negotiated with the GC/CM based on risks assumed by GC/CM. The owner contingency is \$13 million. Contingencies will be continually evaluated throughout the project.

The GC/CM delivery method project provides substantial fiscal benefit because of the complexity and phasing of the different elements. The project would be very difficult if pursued by a low-bid process as it would involve speculating future conditions and the type of contractor selected as the project is essentially a cross between a building and bridge. The GC/CM delivery method provides more opportunities for efficiencies and enables an earlier selection process to assist

in customizing the materials and approaches of the different elements. The GC/CM delivery method also informs subcontracting and how involvement of subcontractors can be maximized.

The City has a robust commitment to Minority & Women Owned Business Enterprises (MWBE) goals. MWBE goals have been established for pre-construction and construction. Ms. Murphy referred to a sample of the tracking sheet for all alternative delivery projects in the City. Goals will be established for the project, as well as a Community Workforce Agreement (CWA).

The City has learned from many lessons learned. The City plans to obtain feedback prior to solicitation to receive input from contractors and identify those contractors that might be interested. Other lessons learned include adding more time for pre-construction, establishing reasonable contingencies, targeting contingencies to areas of risk, and establishing flexibility in MACC negotiations.

The Overlook Walk project has met five of the six qualifying criteria. The project has an experienced and qualified team, the project generates much public benefit by using a GC/CM delivery method, and the City is applying many lessons learned from previous projects.

***Panel Questions:***

*Panel Chair Lane invited questions from panel members.*

Mr. Apiafi commended the City for being in the forefront for inclusion. He is proud of the City for taking the lead. He asked what the team plans moving forward to include within the MWBE inclusion for women, ethnic, and minority-owned businesses. He commented on the fascinating images of the project concept and asked how an individual in a wheelchair could access the different areas. The information shared does not address American with Disabilities Act (ADA) access. He questioned how the City plans to mitigate ADA access.

Ms. Alzeer addressed inclusion of MWBE businesses. Some discussion points would be included in the contractor forum to solicit feedback from the contracting community as to how to improve upon the processes. The RFP will include an inclusion plan requiring the proposers to identify various strategies to employ on the project to attain aspirational goals the GC/CM will establish for the project. The selected contractor will be required to submit an implementation plan. The plan will be subject to negotiation to improve terms as part of executing the construction contract. During the subcontractor bid packages, the bid packages will also require the contractor to include an inclusion plan. The City's approach to MWBE requirements is two-fold – from the GC/CM perspective and the subcontract procurement process. Extensive outreach is also conducted to reach out to MWBE organizations. The City would also work with the contractor to inform subcontractors of all resources available to promote inclusiveness.

Ms. Brady added that the City has been working on the program for over six years. The City has a strong history of commitment to MWBE and has achieved a goal of 17% participation.

Ms. Roberts said the entire project provides access from the market to the waterfront over a 60-foot elevation change. The MarketFront project includes an elevator, as well as ramp access to multiple levels. An additional elevator is included for access from the market to the street level and to the Overlook Walk level. The entire block walk is accessible as is the entire bridge across to the aquarium with another elevator located at another point. The project will provide a fully accessible path from the waterfront to the market via multiple access opportunities. Mr. Apiafi said the illustrations appear that the slope is steeper than allowed for ADA accessibility. Mr. Roberts described how the project site affords accessibility.

Ms. Brady noted the City also has several ADA Compliant Officers to ensure all projects are ADA compliant. The team has met with the officers to identify all accessible paths.

Mr. Semenova asked about the construction permit process for the City of Seattle. Ms. Murphy said all required permits for construction are secured as part of the design phase. As owners of the property and the project, the most significant permitting process is the environmental permitting process. Environmental permitting has been completed as part of a



programmatic approach. Some form of securing building permits would be necessary for spaces to be occupied. Ms. Semenova asked whether a secondary review of the documents is required to provide a second opinion on constructability elements of the project. Ms. Murphy said City has a review process by internal departments and sub-departments. As the project includes a bridge, City engineers and building personnel review the plans, as well as operators of the facilities. Those reviews are an important step in the process and would be completed in conjunction with GC/CM milestone reviews at the design level.

Mr. Hartman asked about the team's experience in administering workforce agreements. Ms. Murphy replied that the Seawall project was the first project that utilized a CWA. The project served as the pilot for the standard CWA now used for all projects with local funding greater than \$5 million. She is experienced in executing CWAs on projects. The Seawall project was a very successful project. The provision of priority hire can be challenging, as it is somewhat dependent upon the number of graduates from a program and meeting workforce needs, especially on a long-term project because of the hours limit. Since the Seawall project, the City has completed another nine projects utilizing CWAs. Educating the bidding community is important, as it can be somewhat daunting for subcontractors who are unfamiliar with the program. For example, the package for striping and signage for the Seawall project was released three times because the CWA requirement was unfamiliar to subcontractors.

Ms. Alzeer noted that the CWA program is administered through Purchasing and Contracting Services Division. A team is dedicated to administering the CWA in collaboration with the project management team and contractors.

Ms. Brady reported the waterfront program includes a suite of 16 projects, 14 construction contracts with most requiring a CWA. Four construction contracts are in progress and one of the contracts qualified for inclusion of CWA.

Ms. Zahn asked about the potential for pursuing Heavy-Civil GC/CM, as the project is interesting because it includes a bridge with buildings. She asked whether the City has completed any Heavy-Civil GC/CM projects. Ms. Murphy affirmed the City has not completed any Heavy-Civil GC/CM projects. The proposed project would be the City's first Heavy-Civil GC/CM project. The Seawall project was procured prior to legislation for Heavy-Civil GC/CM. The City wants feedback from the industry on the project type and assistance in identifying which method would work best. She has discussed with representatives from other public owners that have completed Heavy-Civil projects. She spoke to a project manager with the Washington State Ferries to learn about any lessons learned after using Heavy-Civil. Most of the feedback was not specific to Heavy-Civil but was more specific to GC/CM. She is seeking to educate herself about the option to aid in making the decision moving forward.

Ms. Zahn agreed that not many Heavy-Civil GC/CM projects have been completed. Reaching out to other owners with heavy-civil experience is a good step. She has learned from others that during negotiations, it has been difficult to justify the price when the project has not been completed for the heavy-civil portion. Ms. Murphy agreed that negotiating is often difficult, as she has spent hours in negotiations. The traditional delivery method affords some assurance that the number might be too high but since it will be released for public bid, the final amount will be determined. Not having that option with GC/CM means there must be trust, selecting the right partner, and ensuring transparency. Heavy-Civil GC/CM is popular to the contracting community as it provides much benefit for the GC/CM to control the critical path.

Ms. Zahn shared that she was a member of CPARB's Heavy-Civil Committee. She agreed there are many benefits.

Mr. Hillinger said that during the development of the statute, the Seawall project was essentially a case study of a project that could have benefitted from the delivery method. However, other owners and others struggled with knowing whether an independent cost estimate was accurate and whether the owner was receiving the appropriate value. The delivery method benefits MWBE involvement. The negotiated aspect could be beneficial if people are willing to consider that aspect. As the City is an experienced owner in the GC/CM delivery method, the project might be a good opportunity to consider Heavy-Civil GC/CM.

***Public Comments:***

*Panel Chair Lane invited public comments. There were no public comments.*

**Panel Deliberation:**

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

Ms. Semenova said she is hopeful that the City explores universal access because the area encompasses a great distance. While most of the public can use the stairs, it might benefit a person in a wheelchair to have elevators closer. She agreed the team is great and the project qualifies for GC/CM.

Mr. Apiafi said the state is making more progress with MWBE involvement. He is hopeful that stride will continue. As he previously mentioned and based on his observation, the City is taking a lead in the entire state. He is impressed with the City's record. The City has a three-person panel that is dedicated to ADA. Some of his projects have been reviewed by the panel. He supports the application.

Ms. Zahn supported the project because she could not imagine pursuing the project with any other delivery method. The project whether it is considered a road project with buildings or a building project with a road speaks to the ability to bring the GC/CM early in the process. The City seeking input from the community, as well as learning from other owners is important because the presumption of pursuing Heavy-Civil GC/CM means that the civil would be the prime involving negotiation and use of equipment versus regular GC/CM whereby the building contractor would be the lead. That will be an interesting decision point for the City. She is glad the City is pursuing outreach and believes the City has the right people with the experience to run the project. She is excited to see how all the pieces and parts will fit together and is hopeful the City can educate other owners about the kind of challenges these types of projects generate.

Panel Chair Lane said he supports the application. The project is excellent for GC/CM delivery. One advantage of the GC/CM is the design element and preconstruction services.

***By affirmation, panel members unanimously approved the GC/CM project application from the City of Seattle for the Overlook Walk project. – PROJECT APPROVED***

*The meeting was recessed from 9:52 a.m. to 10:12 a.m.*

**SOUND TRANSIT RECERTIFICATION – DESIGN-BUILD**

PRC Chair Rustin Hall reviewed the presentation and timing format to consider the recertification application for Design-Build from Sound Transit. A meeting quorum was present. Members providing self-introduction included Rustin Hall, John Palewicz, Mark Ottele, Matthew Lane, Kurt Boyd, Ed Peters, Janice Zahn, Ato Apiafi, Jim Dugan, David Talcott, Howard Hillinger, David Beauchene, Amy Engle, Curt Gimmestad, Yelena Semenova, Jason Nakamura, Bill Dobyns, Brian Eppler, Neil Hartman, and Mike Shinn.

Linneth Riley-Hall, Deputy Project Director, Federal Way Link Extension, Sound Transit, reported she recused herself from the meeting for the presentation. She serves on various CPARB committees as well. The Federal Way Link Extension project is currently in progress and is not included in the presentation.

Nick Datz, Manager, Procurement and Contracts Division, Sound Transit, said he oversees the Design and Construction Contracts Group. He has worked on DB projects for Sound Transit since 2011. He is an associate DBIA member, as well as a member of the CPARB DB Best Practices Committee and CPARB DB Statute Review Committee.

Tee Hee Han, Supervisor, Design and Construction Contracts, Sound Transit, said he has been with Sound Transit since 2011 and holds an Associate DBIA certification. He serves on the CPARB Job Order Contracting (JOC) Committee. He supervises contracts for GC/CM, DB, and JOC.

Jon Mikhels, Deputy Project Director, Sound Transit, said he has been delivering DB projects for the agency for the last seven years. He also worked for a private architectural practice delivering public sector jobs to include the first City of Seattle's GC/CM project; Fire Station 10/Emergency Operations Center. He has over 30 years of experience primarily delivering public sector projects.

Leslie Jones, Director of Small Business Development & Labor Compliance, Sound Transit, reported she has overall responsibility for the agency's Disadvantaged Business Program and oversees all Title VI for the agency, as well as project diversity.

Matt Preedy, Director, Construction Management Division, Sound Transit, reported he has 26 years of experience working for Washington State Department of Transportation and Sound Transit delivering Design-Bid-Build, GC/CM, and DB projects. He has been involved in five DB project procurements. He co-chairs the agency's Sound Transit Best Practices Committee and is a member of the Executive Committee for the Underground Construction Association of SME, which focuses on best practices on DB for underground works.

Mr. Preedy spoke to the recent loss of Walter Burrows, a 30-year carpenter foreman in a tragic accident on Sound Transit's Overlake project. Sound Transit takes safety very seriously. He recognized the contributions of contractors and craft trades.

Ms. Riley-Hall referred to PRC's five questions recently received by the team. The questions will be addressed during the presentation.

Since 1996, Sound Transit has planned, designed, constructed, and commissioned approximately \$3 billion worth of transportation and transit infrastructure projects. ST-2 was approximately \$18 billion for 36 miles of light rail. Current service includes light rail, Sounder Rail, and ST Express Bus. With the passage of ST-3 in 2016, the package will generate over \$54 billion in revenue. Alternative delivery methods will increase opportunities for light rail, bus, and Sounder facilities. It is important for the agency to have the ability to receive recertification for DB to ensure the agency can consider DB during its assessment of a project for the appropriate delivery method. Projects that have been approved since certification include the East Operations & Maintenance Facility, Federal Way Link Extension, Downtown Redmond Link Extension, Puyallup/Sumner Station Access Improvements, and Sound Maintenance Base.

Mr. Datz reviewed the agency's process to determine a project's delivery method. The first step is the Contract Packaging Workshop for the initial recommendation on the delivery method. It moves next to the Phase Gate Review Committee. Following that review, the project team submits a project review request form. The request form is submitted to the Procurement and Contracts Department. The form is modeled after the PRC form. The form is reviewed to ensure compliance with RCW 39.10 to utilize DB or GC/CM.

Several of the PRC questions pertained to the Contract Packaging Workshop and how it works and the size and type of projects reviewed by the workshop. Typically, all agency major program and construction activities will go through the process. Smaller projects may not be reviewed by the Contract Packaging Workshop; however, projects are reviewed to determine the best delivery method. Typically, those projects are pursued as D-B-B, small works, or JOC. However, if the initial review determines GC/CM or DB is a viable method, the project will proceed through the Contract Packaging Workshop. The workshop is comprised of various personnel from the agency. The number of participants has recently been increased. The participants include the Department of Design, Engineering, and Construction Management (DECM), Planning, Environmental & Project Development (PEPD), Safety & Quality Assurance (SQA), Procurement & Contracts, Operations, Project Control & Value Engineering, and other departments and divisions. The first step is a review of the project goals followed by an overview of the delivery methods to consider. An overview is also provided on the RCW requirements for each delivery method. The workshop establishes evaluation criteria, ranks risks, prioritizes criteria, and reviews the overall project for possible ways for packaging the project. Evaluation of the project includes a review of each delivery method against the criteria to produce a recommendation on the best delivery method for that particular project.

Another question pertained to how Phase Gate fits within the process and recent changes to that process. The Phase Gate Process occurs following the Packaging Workshop but prior to formal approval of the delivery method. One major change in the Phase Gate process was including the addition of Gate 2 – evaluating and selecting the delivery method, which occurs after the Contract Packaging Workshop but before formal approval of the delivery method. Gate 2 serves as a check to ensure all evaluations have been completed prior to moving forward to submit a request for utilizing a specific delivery method.

Another PRC request was a copy of an organizational chart highlighting all DB experience in the agency. The information was distributed to PRC members. The agency has over 100 staff members with DB experience. The agency continually seeks to grow and expand upon that experience by encouraging training for all employees. All employees are required to complete 16 hours of training annually. Training opportunities include the AGC DB Training Workshop or other DBIA workshops offered throughout the region. The agency also encourages, and in some instances, requires some staff members to obtain DBIA certification. Over 30 staff members have received DBIA certifications. The agency also created a DB Workgroup. The workgroup is responsible for examining overall training needs for DB within the agency. The agency also supplements DB experience for some projects with specialized elements when needed.

Mr. Mihkels reviewed some DB projects the agency has delivered over the last seven years. He was engaged in the procurement and development of the contracting documents to close-out some of the projects.

The South 200<sup>th</sup> Link Extension was the agency’s first DB project. The project was delivered through a combination of three subcontracts. Two of the packages were DB and the third, the road works project, was bid as Design-Bid-Build requiring interfaces between different contractors and different delivery methods. The project was managed by one DB construction management team, which managed all three contracts on site. Timing of the projects was also modulated based on the availability of different laydown areas. The project was 1.6 miles of elevated double track guideway light rail extension requiring pre-cast segmental construction produced offsite. Half of the material was capped at the airport and half was capped in the City of SeaTac. The complexity of working in an active and growing regional airport as the primary stakeholder and also working with a jurisdiction that had no experience with DB was interesting and challenging. The project afforded an opportunity for staff to learn about DB. The creativity of DB allowed for long spans delivered from the Port that were not included in the bridging documents. The project included a 380-foot long span pre-cast segmental delivered from the Port freeing up ground space for creating the southern parkway. The team reconceptualized the station and shortened the platform by 40 feet. The modification was a value enhancement as demonstrated with the 2018 ACEC National Honor Award for Engineering Excellence the agency received.

The Angle Lake Station Parking Garage project was a smaller DB contract that included the design team, contractor, and subcontractors working together to render decisions. The agency was able to save time and money but incurred some low change orders and claims, most of which were settled. One lesson learned included early procurement to capture value on design and procurement.

The OMF East is being completed under the agency’s first certification. The project has broken ground and is still continuing finalization of the design. The project is time critical to deliver extensions north, south, east, and west. Project innovations include performance guarantee and a two-year extended warranty.

Ms. Jones reported she is responsible for establishing goals on the projects for small and disadvantaged businesses. She reviewed performance goals achieved on the projects:

<b>Project</b>	<b>Goal Type</b>	<b>Goal</b>	<b>Attainment</b>	<b>Project Status</b>
S. 200 <sup>th</sup> Link Extension	DBE	5%	10.1%	Complete
	SBE	18%	19%	
Angle Lake Garage	DBE	5%	6.8%	Complete
	SBE	16%	40.6%	
Maintenance of Way	DBE	4%	4.25%	Complete
	SBE	12.5%	13.4%	
Bel-Red to Overlake	DBE	6%	15%	27%
	SBE	22%	15.6%	
OMF: East	DBE	6%	6.0%	21%
	SBE	12%	17%	

***Committee Questions:***

*Committee chair Hall invited questions from PRC members.*

Mr. Apiafi asked for additional elaboration on the identification of the MWBE firms, ethnicity, and gender involved the projects and the contingencies included in the budget to ensure project success. Ms. Jones said the breakdown for ethnicity and names of firms could be transmitted later.

Mr. Mihkels addressed the question on contingencies. Throughout the process from pre-planning moving forward to development of the environmental work, the budget is developed simultaneously. The budget is continually adjusted in real time because of the long-term nature of the projects. Real estate escalation is included in the overall budgets. At the point of the construction contract, the project is further defined and the team works with the jurisdictions as well. The agency uses a qualitative risk analysis process to identify and rate risks followed by an evaluation process to identify the amount of risk in the project and the appropriate scale of the owner contingency. It also informs whether the budget is correct before procurement is initiated.

Mike Shinn noted that some of the projects have been completed by the GC/CM delivery method. He asked whether the agency is leaning more to DB projects or whether the agency determines the delivery method for the project, such as preferences for selecting GC/CM or DB. He asked whether the agency receives value for pursuing the GC/CM delivery method. Mr. Datz replied that during the Contract Packaging Workshop, all delivery methods are evaluated equally as they all have advantages and disadvantages. Each project has unique goals to achieve, as well as unique risk profiles. The intent is selecting the right delivery method that can best deliver the project goals while reducing overall project risks to deliver the project successfully. There is no pre-selection as the process determines the delivery method.

Mr. Mihkels added that even in one program, the agency could end up repackaging, such as the road works project for the South 200<sup>th</sup> Link Extension project because it was so prescriptive. City standards for roads did not provide for innovation or much input for alternative delivery, whereas the Angle Lake Garage project had no prescribed design as it was best solved by the designer and builder working together. Projects with high technical elements where iterative constructability decisions are necessary are more conducive for GC/CM delivery.

Mr. Shinn asked whether the agency is adding more staff since the number of projects has increased. Ms. Riley-Hall affirmed the agency has been adding staff since last year in all aspects of the agency. Design & Engineering and Construction Management has over 100 positions to fill this year.

Bill Dobyms asked for additional information on the nature of the claims and lessons learned. Mr. Mihkels replied that one of the claims for the Angle Lake Garage project involved a design change of grading and elevation and the impact of what was prescriptive versus required to develop the design. The settlement was negotiated. Another claim was market-driven when the contractor could not locate an elevator contractor that met the agency's specifications because the contractors were committed to other transit projects. It created some last-minute scrambling by the team. Another claim was systems-related in terms of interfacing with another aspect of the agency's larger program. Lessons learned are obvious, such as thinking through the scopes as the agency cannot control the market, but some approaches could be identified to mitigate some of the variables that arise.

Committee chair Hall noted that in DB, the latest derivative is Progressive DB and movement towards more target-value design. He asked whether that aspect is included in the Phase Gate process. Mr. Datz said the Contract Packaging Workshop is where Progressive DB might be an option that is evaluated. The agency has not pursued a progressive DB project at this point; however, many project alignments require more design whereas Progressive is more of a bridging DB process. The Progressive model might not be the best fit for those types of projects. However, the agency does consider the option similar to considering a GC/CM delivery method versus a Heavy-Civil GC/CM delivery method.

Mr. Hillinger asked Mr. Datz to characterize what he gained while participating on the CPARB DB Best Practices Committee. Mr. Datz responded that the DB Best Practices Committee provided a great forum for sharing so many different perspectives from different agencies, contractors, and designers. It opened his eyes to the number of different perspectives on honorarium, and level of design- prescriptive or performance-based. He learned that many of the larger

takeaways is ensuring a good understanding of the project upfront and providing more information during the procurement process to the community, consultants, and contractors to help develop a better design. Another benefit is expanding one-on-one meetings because they are effective in gaining a better understanding between the agency and the contractors and consultants to figure out needs and wants. In terms of performance versus prescriptive, it really is project-based as previously mentioned. The parking garage, for example, included few prescriptive specifications while the Angle Lake Station and Alignment project were much more prescriptive because it linked to an existing system. The agency conducts more project evaluations earlier in the design by recently moving the evaluation of the delivery method to 5% design development rather than the previous method of 30% design. That change has helped shape the method moving forward.

Ms. Jones cited some statistics in response to Mr. Apiafi's previous question. Sound Transit ended 2017 achieving 22.9% participation and awarding \$60 million in projects to the MWBE community. Approximately 31% of that amount was awarded to the Asian-American, 19% was awarded to Black Americans, 19% was awarded to Hispanic Americans, 3% was awarded to Native Americans, and 28% was awarded to non-minorities. She offered to forward information on the names of the firms.

Jason Nakamura asked whether the agency has any procedures in place when MWBE firms were not selected for a project. Ms. Jones responded that the agency is partnering with ACEC and other firms that host events to assist in identifying barriers and providing support. One contract event attracted approximately 100 firms and 20 prime contractors. Approximately 25 firms visited prime contractor offices to discuss needs to ensure the pipeline includes a number of firms that can work on transit projects.

***Public Comment:***

*Committee chair Hall invited public comments.* There were no public comments.

***Committee Deliberation:***

*Committee chair Hall invited deliberation by members and a recommendation.*

Mr. Apiafi commented on the good presentation. It is obvious the agency has the personnel based on the presentation. The agency has a good track record for successfully meeting DB alternative delivery projects. He supports recertification.

Mr. Hillinger said the improvements in the agency's process have enhanced the process and the decision-making is earlier in the process. He supports the agency's participation with CPARB's DB Best Practices Committee. Sound Transit has been very active in other similar forums and participation at the PRC and CPARB. Although not a criterion, that participation enhances the agency's practice of alternative delivery and DB. He supports recertification.

David Beaudine said he also supports recertification and was encouraged that the agency's process does not necessarily mean a project would be delivered by DB because the process considers different delivery methods and recognizes that one size does not fit all.

Ms. Zahn said that as an employee of the Port of Seattle and one of the partners involved in the South 200<sup>th</sup> Link project, she appreciated reviewing lessons learned as the Port observed some of the same issues as the project was one of the agency's first DB projects. The project was located within the footprint of the airport. She supports the fact that as staff expands, the process continues in a manner to ensure everyone understands. Broadening participation in the Contract Packaging Workshop for determining the delivery method will serve the agency well. It also appears the agency examines the entire program and determines what method makes the most sense based on the risks and being willing to package components separately for leveraging. It reflects an owner that understands the different methods and is able to select appropriately. She supports recertification.

David Talcott said he supports recertification as the projects are tremendously complex. Having the DB delivery method available is a huge benefit for the public and for Sound Transit affording substantial savings. He is hopeful the agency considers more Progressive DB moving forward and include that option within the workshop process.

Bryn Eppler reported he has worked on Sound Transit projects. Most of the work involved the MC/CM process, but he is encouraged Sound Transit is pursuing more DB projects. He supports recertification.

**David Talcott moved, seconded by Mike Shinn, to approve Sound Transit's DB Recertification. Motion carried unanimously. – RECERTIFICATION APPROVED**

*Chair Hall recessed the meeting at 10:50 a.m.*

#### **OTHER BUSINESS**

*Chair Hall reconvened the meeting at 10:59 a.m.*

Chair Hall recognized John Palewicz and Jeanne Rynne for their service on the PRC. Mr. Palewicz has served many years as a member, as well as being one of the original members involved in establishing the PRC. He presented Mr. Palewicz with a letter acknowledging his years of service and his mentorship. Jeanne Rynne is moving from the state to accept a new position in California.

Rob Warnaca's term is also expiring.

Ms. Zahn will assume the position of Chair at the July meeting. Mr. Hall said it was his pleasure serving as the Chair for the last year.

#### **CITY OF TACOMA RECERTIFICATION – DESIGN-BUILD**

Vice Chair Janice Zahn reviewed the presentation and timing format to consider the recertification application for DB from the City of Tacoma. A meeting quorum was present. Members providing self-introduction included Rustin Hall, Linneth Riley-Hall, John Palewicz, Mark Ottele, Matthew Lane, Kurt Boyd, Ed Peters, Janice Zahn, Ato Apiafi, Jim Dugan, David Talcott, Howard Hillinger, David Beaudine, Amy Engle, Curt Gimmetstad, Yelena Semenova, Jason Nakamura, Bill Dobyns, Brian Eppler, Neil Hartman, and Mike Shinn.

Kurtis Kingsolver, Public Works Director/City Engineer, City of Tacoma, reported the City first received certification for DB in 2009 and was recertified in 2012 and 2015. He introduced team members Chris Storey, Project Manager, Engineering Division, City of Tacoma; Kristy Beardemphl, Project Manager, Environmental Services, City of Tacoma; Chris Larson, Division Manager, and Sue O'Neill Assistant Division Manager, Engineering Division, City of Tacoma; and Eric Johnson, Assistant Division Manager, City of Tacoma.

The City's process for evaluating and selecting the project delivery has not changed since the last recertification. The City has a defined method for determining the appropriate contracting method. The City follows criteria per RCW 39.10.300. The process of evaluation begins with a review of the total project cost and whether it is a highly specialized in design and construction, whether the method allows for greater innovation of efficiencies between the designer and the builder, and whether it offers significant savings in project delivery time.

The City's project delivery knowledge and experience covers many years. The City has a large capital budget and most projects are completed using Design-Bid-Build with several DB projects completed over the last 12 years. In the last three years, the City completed three of four DB projects. The most prominent projects include the \$31 million Cheney Stadium Upgrade, the \$57 million Murray Morgan Bridge Rehabilitation project, the \$102 million Central Treatment Plant, and the most recent project – the Pedestrian Crossing Improvements at \$4.9 million, which was initiated in late 2014 and ended in early 2017. The project was reviewed during the last recertification presentation. The first phase of the project was a \$2.7 million project. Because of the success of the first phase, several million dollars of improvements were added. The ADA-focused project involved 78 locations throughout the City and included other elements. The project afforded an opportunity to capitalize on the knowledge of the project team. The DB delivery method helped move the project quickly by avoiding designing each location and then releasing the bid. Instead, DB was able to rollout the contract along each location saving time and enabling prompt completion of the work.

The City employs several project managers, construction managers, and inspectors with DB experience. Six staff members are DBIA certified. The organizational chart reflects some changes in red. The City is committed to the DB process and provides ongoing training. Staff participates in the NW Chapter DBIA and national DBIA meetings. Staff has provided several presentations at national meetings.

Mr. Storey shared information on the Puyallup River Bridge F16A & B Replacement project currently in progress. The bridge was built in 1926. The project replaces three western spans of the bridge. The project was first considered a decade ago and originally designed as a Design-Bid-Build project for a cable stay bridge design. Four years ago, the Tribe entered into negotiations with the City. However, the project encountered a delay mostly because of its critical location near the bridge of an original tribe settlement. As the parties worked through the issues, a cost mistake of approximately \$10 million was discovered with respect to bridge cables making the project unaffordable for the City. A charrette was held with Washington State Department of Transportation (WSDOT) and other experts in the area to determine whether the value of the bridge was worth saving. Participants determined that because of the few crossings over the Puyallup River and the bridge serving 14,000 vehicles a day, the bridge should be saved. At that point, the process moved forward. The City was able to accumulate approximately \$40 million to build a bridge and spent much of the money on the previous design. Construction funding was aging, requiring the City to move quickly to secure the funds in a nine-month period. Fortunately, the City was certified for DB and the City had the staff to move forward. Because of the City's previous DB projects, the state supported moving forward. The City developed a Request for Quotes (RFQ), established its support team, and hired an advisor. The site is challenging as it is confined with two railroads bordering the project on both sides, an active main water line under the bridge, and bridge piers. An active pump station is located at the site connecting to the City's main sewer treatment plant and a third redundant line for supplying power to downtown Tacoma and the commercial district in the City of Fife. The City was able to secure funds for construction. The general area of the project is also heavy in construction mode for other transportation projects. After working with the contractors and surrounding entities, the project is moving forward to minimize impacts during the closure of the bridge. The cable stay design was partly driven by railroad concerns surrounding future rail tracks under the bridge. The City received good designs through the RFP process.

Risks and the complexity of the project involved re-permitting the project because of the change in design. Prior obligations created design exceptions to ensure cable stays would work that required reworking the design. The City had to reinitiate the right-of-way process, which has stopped. Some right-of-way had been acquired and some needed to be acquired. Working with the railroad was also difficult, as railroads do not prefer Design-Build.

Lessons learned on the project included recognition to pursue DB initially as some of the challenges would have been minimized, federal funding did not align with the process, and when the project was initiated, the state lacked a template for the RFP for federal funding for DB. Fortunately, the contractor had WSDOT and DB experience and was able to revise the document.

Ms. Beardemphl reported she is the Project Manager for the City managing the Jefferson & Hood Street Surface Water Interceptor project. The City has experienced significant flooding in the downtown core leading to some capacity issues in the existing system. Additionally, new additional capacity is required to accommodate future growth. As a result, the City plans to build a large-diameter surface water pipe through the heart of the City. Prior to selecting the delivery method, the City conducted several in-house discussions about the pros and cons of different delivery methods to include traditional Design-Bid-Build. Staff also reached out to experienced consultants in the region to review the project and the merits of pursuing alternative delivery. Ultimately, the City wanted to remain actively involved in the project. Subsequently, the City selected Progressive DB. The total value of the project is approximately \$20 million. The procurement was completed several months ago and a contract has been executed. The City anticipates executing an amendment to the contract next spring to establish the GMP and begin construction by summer 2019. Some of the project goals speak to the highly sensitive location of the project, as it is located through the center of the City. The City also wanted to ensure the delivery of a high quality project for stakeholders located along the route. The City relied mainly on selecting the team based on qualifications. The City selected a collaborative and qualified design-builder that is trustworthy and transparent. It was also important to establish a single point of responsibility for the design and construction. Today, the project is several months into the design phase with pre-construction services. The spirit of collaboration is very good between the City and the DB team. The project is complex and technically challenging. It was



important to provide the design builder with the best environment for innovation and efficiency between the builder and the designer. The project presented great advantages by involving the constructor early in the process in the design. The City anticipates cost estimating will start early in the design and will allow the City to compare different technical solutions. The goal is to be very open and transparent throughout the project. Overall, utilizing the model could shorten the schedule. The City anticipates utilizing some early works packages on the project as well.

Some of the complexities in the project include two large diameter trenchless crossings. The first is beneath the Sound Transit Link Light Rail tracks that run along the City's main arterial. The second crossing is beneath the BNSF Rail corridor that runs parallel to the City. Additionally, pipe will be installed under an elevated section of Interstate I-705. From a permit and regulatory standpoint, the project will be challenging, as crossing approvals will be required from the Federal Highway Administration and BNSF. The project ultimately ends with a new marine outfall into the Thea Foss Waterway, a sensitive and highly visible cleaned Superfund site.

Lessons learned to date from previous projects is the importance of having the owner's advisor on the City's team. The City has a very experienced owner's advisor on the team, which has proven to be invaluable to the City. The City understands the importance of staff involved in the project to be educated in DB delivery. Four members of the project team received DBIA certification over the last several years, as well as attending prior years DBIA national conferences, which have proved to be valuable to staff to enable continuation of education and networking opportunities with other municipalities and other DB professionals. The City realizes the importance of marketing the project. The City understands the importance of reaching out to the community not only to the builders but also to the designers as well to advertise the project and schedule site visits. The City elected to issue a draft contract with the RFP with the intent to write a fair contract for both the City and for the DB team. The City asked for feedback on the draft contract. Several good questions and comments were submitted that led to the City initiating some revisions to the contract. The payoff was when the proposer was selected. Negotiating the contract and signing went smoothly and quickly because most of the larger issues had been resolved. The City offered an honorarium and followed up with a debrief with all proposers. Once the level of effort was identified by the City, the City determined that the honorarium should have been higher to commensurate with the level of effort. The City has learned from that lesson and will consider the appropriate level of the honorarium for future projects.

***Committee Questions:***

*Vice Chair Zahn invited questions from members.*

Mr. Apiafi asked Mr. Storey to elaborate more about the funding for the bridge project and the City's inclusion program for women-owned and minority-owned businesses. Mr. Storey reported that the grants originally obtained were jeopardized as the initial process was halted short of obligating construction funding. Because the grants were aging, the project had to be certified to release the funds. By moving to a DB process, the City was able to develop the RFP and secure the necessary permits allowing the City to certify the funding. If a Design-Bid-Build process had been employed, the timeline would have expired to secure the funding. The DB process enabled the City to enter into obligation to retain the funds.

Mr. Kingsolver added that the project includes several grants with different deadlines, which requires the City to obligate the funds. Because the project was short of funding, the City approached each of the granting agencies and requested an extension for obligating the funds; otherwise, the City would have lost the funds. That created a new timeframe requiring delivery of the project. If the City had not elected to pursue DB, the first grant of \$15 million would have been in jeopardy and would have impacted the entire project.

Mr. Storey said equity participation on the design has exceeded the plan's goals. The plan for construction has been submitted for review. Mr. Kingsolver noted there are federal requirements for MWBE participation. The goals are 11% for construction and 1% for design based on the total contract cost. The City is currently evaluating all inclusion processes. The City has a significant equity initiative that has been ongoing for several years. The City is also working on equity inclusion on the Sound Transit project to include more equity and hire from disadvantaged areas as well. The City supports the statewide initiative, which has gained much traction. Some state laws do not encourage equity, which the City is working to overcome.

Mr. Palewicz commented that most agencies seeking certification have many departments with some agency departments remaining independent, such as Sound Transit where all projects are funneled to one point of responsibility early on from concept to completion of the project. In those situations, knowledge of the alternative delivery process is available to monitor progress on the projects. Other cities have different departments that are independent and may not fall under the overall controls. It appears the City of Tacoma has a Public Works Director, as well as an Environmental Services Director. He questioned how the procurement and management of projects flow through the two departments that report to the City Manager, and how the City controls different departments or other departments using certification authority to pursue projects that are not under the guidance of the overall City. Mr. Kingsolver replied that Public Works Department and Environmental Services share resources and staff, and work closely together through the processes.

Ms. Engle asked about the timeline afforded to proposers to submit the RFQ following advertisement. Mr. Johnson cited the bridge project, which afforded a two-month period for submittal of the RFQ. The City also reached out to the industry about the project and inquired about the amount time that would be reasonable for submittal of the RFQ given the current market.

Ms. Engle asked about the level of contingency the City includes for DB projects. Mr. Johnson said for utility projects, the level of contingency varies dependent upon the unknowns. The City does not apply a flat rate of 10% or 15% because of unknowns. For the Jefferson Hood Street project, the project has many unknowns because of the contamination of materials and groundwater, which are different from central treatment projects completed many years ago. The contingency varies dependent upon the project from 1% to 8%.

Ms. Riley-Hall referred to one of the PRC questions to describe the process for approving DB projects. The City's lessons learned indicated that the project should have been designated a DB project initially. However, the response also indicated the City did not make any changes to its process for selecting the delivery method, which means it might be possible for the same mistake to occur for another project. Mr. Storey said the bridge project incurred a timing issue as the project had stalled for 10 years prior to the City establishing its selection criteria and process. The project was initially pursued as a Design-Bid-Build project and when the project was reconstituted, the City pursued the DB delivery method.

Mr. Talcott commented on the City's process for selecting the delivery method. He asked whether there are other types of projects that would benefit from DB rather than Progressive DB or GC/CM. Mr. Kingsolver replied that the City's bridge projects would likely move to the DB delivery method, as well as some road projects, dependent upon the complexity. The ramp project under a Design-Bid-Build would have required designing each ramp before releasing the RFP leading to an extended process. The DB process afforded a pipeline construction of ramps, which shortened the process. Mr. Jones added that utility projects are typically classified as facility projects and often involve major retrofits within an operating facility. Those projects would be difficult to complete using a Design-Bid-Build method. The City evaluates projects for all delivery options.

Vice Chair Zahn said it appears there are several loops within the process to determine a project's delivery method. At the assistant division manager level, the preferred delivery method could be denied while moving forward to different steps where the delivery method could be denied. The process appears linear rather than a combined process of personnel examining the project to determine the delivery method. Mr. Kingsolver explained that the process is essentially a review in a phased approach rather than a denial or acceptance. Each phase approaches the project in terms on whether the delivery method is a good path forward. Individuals on the project team are involved in the process while the project works through the different channels. All recommendations include an outline of the reasons for the selection.

Ms. O'Neill said that as an assistant division manager, she meets with the project manager and the division manager to review the project's candidacy for DB. If the division manager favors moving forward, the recommendation would be forwarded to Mr. Kingsolver.

***Public Comments:***

*Vice Chair Zahn invited public comments. There were no public comments.*

**Committee Deliberation:**

*Vice Chair Zahn invited deliberations by members and a recommendation.*

Mr. Apiafi asked Mr. Palewicz about his understanding of the response to his question concerning different departments utilizing the DB certification that might not have the necessary experience. Mr. Palewicz replied that the answer conveyed that all capital projects are funneled through one organizational unit for controlling and monitoring to ensure successful delivery. The response was indicative of the City of Tacoma having two organizations that work close together but separately.

Jim Dugan added that over the last 10 years he has managed and permitted approximately \$.5 billion in projects through the City of Tacoma on behalf of Tacoma Public Schools. The City has an Environmental Services Director, a Public Works Director, and a Planning and Development Services Director. The offices of the three directors are in close proximity on the 6<sup>th</sup> floor. Based on years of working with the City of Tacoma, the collaboration between the three directors is fluid, open, immediate, and flexible. It is highly efficient without question. The City of Tacoma creates integrated project teams that include personnel from all three departments that roll up under a designated lead for a project. The lead could be department or a person. For those times when surprises arise on a project, the aggregation of the directors for clarity and direction is immediate and decisive. The process is probably the most functional organization that he has worked with from Vancouver, Washington to Vancouver, B.C. The three directors have a firm grip on how the City behaves and they develop and design project teams that are crystal clear in terms of management.

Mr. Palewicz acknowledged the comments but cited the PRC's experience in the past. It may have involved the City of Richland for a new fire department building. The project proposal sought City of Richland approval rather than approval for the Richland Fire Department. Although it may happen in practice as Mr. Dugan has pointed out, it might not occur because of the organizational structure. At Sound Transit, all procurements are routed through one department. The University of Washington has the same process with one organization managing all capital projects for the University. He would be more comfortable if the organizational chart reflected those relationships. He is also reassured to learn that it actually works as described.

Mr. Dugan said the City of Tacoma unofficially adopted a process to become official in the next funding cycle because of the success experienced by other organizations that have designated a person or department to oversee the procurement process.

Mr. Gimmestad said he supports the application. He was unaware of the length of the prior certifications, which likely is a positive affirmation on how effective the City has been in managing DB project deliveries. All of the City's projects, for the most part, have been successful. Staff understands the process and continues to learn and implement lessons learned on future projects.

Mr. Talcott expressed support for the application and echoed similar sentiments as staff works in a collaborative environment. DB has been a tremendous benefit for the City of Tacoma and its citizens.

Mr. Hillinger said he supports the application while understanding the concern about a single contracting authority. However, it does not necessarily need the same process as the idea of coordination of policy and consistency in the determination is the really the measure. It appears the City of Tacoma has achieved that, and for that reason, he supports approval of the application.

Mr. Riley-Hall commented that she believes the PRC position for Cities is not currently filled. Chair Hall advised that he would need to follow up on the question. Ms. Riley-Hall encouraged the City to consider applying for the position if it is vacant because of the City's experience with alternative delivery.

Vice Chair Zahn supported the suggestion and added that CPARB's DB Statute Review Committee could benefit from participation by the City of Tacoma to provide input on potential legislative changes.

**Jim Dugan moved, seconded by Ato Apiafi, to approve City of Tacoma's recertification for DB. Motion carried unanimously. – RECERTIFICATION APPROVED**

*The meeting was recessed from 11:47 a.m. to 12:31 p.m. for lunch.*

## **FEDERAL WAY PUBLIC SCHOOLS**

### **– LAKE GROVE, MIRROR LAKE, & WILDWOOD ELEMENTARY SCHOOLS – GC/CM PROJECT**

Panel Chair Howard Hillinger reviewed the presentation and timing format to consider the GC/CM application from the Federal Way School District for the Lake Grove, Mirror Lake, and Wildwood Elementary School project. PRC panel members Bill Dobyns, John Palewicz, Neil Hartman, Howard Hillinger, Mark Ottele, Ed Peters, and Janice Zahn provided self-introduction.

Sally McLean, Chief Finance and Operations Officer, Federal Way Public Schools, reported the presentation would explain why the district believes the project is a good fit for the GC/CM delivery method due to team qualifications, tight schedule, required phasing associated with existing occupied sites, the need for contractor engagement in the design process, and the technical capacity of the projects.

Federal Way Public Schools is comprised of 38 public schools with 23,322 scholars who speak 118 languages. Twenty percent of students are actively enrolled in English language learner programs and nearly one out of two students has been served by the English language learner program at some point in time. The project consists of a four-phased capital project program totaling \$450 million funded by the taxpayers. The project is Phase 2 of the four-phased plan. The team includes Federal Way Public Schools as the owner, the community and taxpayers, the capital projects team of CBRE/Heery, and the architect and engineering firm of Integrus Architecture. Rebecca Baibak, Principal, Integrus Architecture was part of the 100-member Facilities Planning Committee that presented and developed Phase 2.

Ms. McLean said she has over 30 years of experience in K-12 education in the state, with the last 18 years at Federal Way Public Schools. She has been involved in construction projects for both Phase 1 and in the development of Phase 2. The last six school projects occurred on occupied sites.

Ms. McLean introduced Mike Benzien, Executive Director of Maintenance and Operations, Federal Way Public Schools. Mr. Benzien has a broad background of more than 30 years of construction and maintenance experience.

Mr. Benzien said he has been involved in four other bond projects with two other school districts previously. He has over 30 experience in commercial, residential, and public works construction. He thanked members for the opportunity to present the project for using alternative delivery to help the district successfully deliver its capital projects program.

Casey Moore, Capital Projects Manager, Federal Way Public Schools, recently joined the district approximately seven months ago to assist the district in moving forward with the capital projects program.

Mr. Moore reported he has over 30 years of experience in construction and architecture for a large contractor building facilities in downtown Seattle and South Sound, and worked as a licensed architect designing facilities for 25 years for over \$1 billion worth of construction projects with most of the work on K-12 projects. Most recently, he worked for the State of Washington for the Department of Social and Health Services managing some of the largest facilities in the state, developing projects, pursuing project approval through the Legislative approval process, and managing all aspects of the projects.

Mr. Moore reported the district's efforts are aligned with the strategic goals of the district. The team is aligned to execute the goals. Supporting the district is Perkins Coie, which is advising the district on legal matters involving contractual issues. CBRE/Heery is serving as the project management team, and Integrus Architecture is the project's architect.

Mr. Moore introduced Dan Gendreau, Principal with CBRE/Heery.

Mr. Gendreau reported he is responsible for the team's commitment to support the project. The organizational chart reflects the direct management the firm has with project managers, as well as committed team support assisting project managers as needed throughout all aspects of the project.

Mr. Gendreau said the firm has extensive experience in the industry designing construction; specifically for K-12 projects. The firm is providing a strong group that can support the projects and coordinate all aspects. He introduced Ray Vefik, Lead Project Manager, CBRE/Heery.

Mr. Vefik reported he is a licensed architect with 35 years of experience with 20 years in K-12 education. He has worked on the design side, as well as in construction management. His background is similar to Mr. Moore's. He will be responsible for three schools as one project.

Greg Brown, Program Manager, CBRE/Heery, reported he has over 30 years in the public sector working directly for K-12 school districts in the state. Three years ago, he joined the private sector and has assisted other school districts through the process. His role as the Program Manager on the projects will be as an advisor to the team and to Federal Way Public Schools.

Robert Evans, Senior Project Manager, CBRE/Heery said he would serve as the Heery team integrator for the projects, as well as serving as the lead Project Manager for another school district project scheduled for presentation later in the meeting. His primary role is to ensure a good collaborative team approach and consistent practices and processes throughout all the projects.

Mr. Gendreau reported the district has a commitment to the project on both the project manager side, as well as with CBRE/Heery and supporting staff.

Rebecca Baibak, Principal, Integrus Architecture, said the firm has a 65-year history with a focus on designing civic and educational facilities. Through that experience, the firm has cultivated a depth of experience and a team that understands the variety of delivery models and when the appropriate model should be applied to a project. This project team brings a great history of completed GC/CM projects. Sixteen years ago, she was part of one of the first GC/CM pilot projects at Northshore Junior High School. Through those experiences, the firm has been able to offer a collective knowledge to Federal Way Public Schools for the program of projects.

Mr. Moore reported the district passed a \$450 million bond for a total project value of \$600 million. Nine schools are included in the bond in addition to other projects. The original bond schedule called for delivery of the projects over eight years because of a commitment to voters to ensure the tax rate would not increase by retiring debt and then selling bonds to fund projects. Although the district forecasted optimistically for escalation in the market, the results over the last three months reflect the schedule should be more aggressive as time is the biggest challenge. Subsequently, the projects were repackaged with three elementary schools combined into one project. Individually, the three elementary school projects have a contract value between \$27 million and \$28 million, which would not afford the ability to capitalize on moving the largest project forward. By bundling the schools, the contract value is approximately \$107.7 million representing one-sixth of all the projects.

Mr. Vefik reported the bundling of three schools as one project as to increase efficiencies. The geographic distance between Mirror Lake and Wildwood Elementary Schools is two miles. Packaging the three elementary schools into one project was sensible because of coordinating the complex phasing and scheduling, designs necessary for the project, and the proximity of the three elementary schools. Hiring a GC/CM at this point is critical for the project. The project is nearing the end of schematic design and the contractor needs to be involved to address issues related to economy of scale for early bid packages, and securing input on phasing, scheduling, and the complexities of the sites.

Mr. Moore added that it is also very important for the GC/CM to be available to assist in strategizing the school projects, which are all located on occupied sites. The school district has a relatively short window to deliver the project. Three packages of projects are scheduled during the first series. This project is one of the packages. Actions now will affect the

future delivery of the other projects. It is critical for the district to deliver the projects on time, within budget, and within scope.

Ms. Baibak described the school sites. Mirror Lake Elementary School fronts multiple streets. The school site can accommodate construction of a new school while students are within the existing facility. The site is surrounded by residential neighborhoods and having a contractor team helping the district with the sensitivity surrounding the occupied site and the neighborhood will be important.

Lake Grove Elementary School is a limited site with only one street frontage. Students will be on site in an L-shaped building. The site also includes a steep slope and limited access for both the contractor and students increasing technical complexities of the site.

Wildwood Elementary School only has one street frontage. Opportunities for an open area with students on the site are limited, which may involve stepped construction as the scenarios for the site are studied. All the schools are surrounded by a residential neighborhood.

Mr. Moore emphasized that packaging the projects under one architect affords the ability to hire one contractor. The school district also would like the schools to be more similar rather than different by ensuring major systems and components are similar, which should help to facilitate the GC/CM to take advantage of economies of scale. As the project moves into construction and administration, the GC/CM will benefit from the proximity and the team.

Ms. McLean conveyed that the presentation demonstrated the strength of the team that Dr. Campbell has assembled. CBRE/Heery has GC/CM experience as a partner on the project. The team has extensive design and architectural experience. The presentation revealed some of the complexity and technical challenges with the three schools. The team recognizes the difficult construction market and believes bundling the three schools as one project will help to attract a GC/CM and subcontractors.

Mr. Moore added that as mentioned previously, scheduling and phasing of the project would be challenging as the school district has a short period for design and a robust schedule for construction on three sites. The district does not consider the project as only three schools, but it is one project out of nine projects within the \$600 million capital projects program.

Ms. Baibak commented on the importance of the project being competitive in the marketplace. In the Seattle area, projects need to be attractive to solicit the trades to execute the work. The team believes that by consolidating the projects into one larger project it will position the projects competitively and ensure the project's success.

Mr. Evans said many aspects of the project are complex and interrelated. Having a GC/CM is strategic to the school district to ensure the projects are initiated in the right direction and address all issues for each site.

***Panel Questions:***

*Panel Chair Hillinger invited questions from the panel.*

Mr. Peters asked for an introduction of a team member that was not previously introduced. Ms. McNeal apologized for the oversight and introduced Roxanne Robinson with CBRE/Heery. Mr. Robinson is working with the district to add e-Builder software to help automate and create efficient document handling.

Mr. Gendreau added that Ms. Robinson is a member of the team and is serving in a support function for the capital program. Her expertise is focused on administration and the platforms used for effectively managing the projects.

Panel Chair Hillinger asked the team to address contingencies and whether the amounts are sufficient. Mr. Moore said the school district has developed detailed budgets for all the projects to include construction costs and soft costs. Specific amounts have been included for contingencies for design and construction. The amounts were established based on the district's records. The amounts are conservative but also sufficient to ensure coverage of any issues that might arise. To

ensure risks are reduced, the district is completing work upfront by heavily investing efforts in the discovery process for all sites, such as site conditions and geotech to ensure the delivery of the project without surprises.

Ms. McLean said the district is recalibrating all construction budgets based on actual escalation occurring in the community today. The first year estimates have been increased by 10%, year two has been increased by 8%, and year three has been escalated by 6%. The district has completed much work over the last three months to ensure the district can deliver on the commitments to the taxpayers. The budgets include contingencies and inflation factors to enable the district to recalibrate the amounts. It is also one of the reasons why GC/CM would be important for the district as it moves through this particular time in the construction industry in the greater Puget Sound region.

Mr. Moore added that during the estimation of the entire bond process, the district reviewed construction reports within the last nine months and calculated dollars per square foot that the district believed appropriate for the project. The project budget was developed over time. The district is very dialed in as to what it believes is appropriate construction dollars per square foot.

Mr. Evans added that inclusive within the numbers are amounts for the contractor contingency and buy-out contingencies.

Panel Chair Hillinger asked Mr. Moore about the level of risk preventing a good night's sleep. Mr. Moore replied that one reason for the reconfiguration was because of the need to readjust the numbers. He believes the numbers are more accurate and would help the district achieve success. He is focused now on delivering the projects.

Mr. Benzien added that the district pursued multiple renditions of bond sales and schedules to ensure project costs were covered. The district has continued to pursue monitoring and adjustments as needed.

Ms. Zahn remarked that the application depicts a schedule indicating GC/CM procurement begins in May and completes by June. That timeline appears to be too ambitious. Mr. Moore replied that the intent is to engage the GC/CM during schematic design. Ms. Zahn said the timeline for initiating the procurement and the award is a little more than a month. She would like some assurance that the schedule is realistic and accounts for the length of the process because GC/CM delivery method requires an RFQ and RFQ. It will take longer than a month. Mr. Evans replied that the district sponsored a GC/CM town hall and invited GC/CM's from around the region to provide advice. Some of the advice spoke to the need for time to prepare packages of plans and schedules. The district considered the feedback, factored the PRC presentation, and developed a schedule to begin advertising after the PRC panel presentation with interviews scheduled in June followed by Board approval in July. The district understands the process will require more than a month. However, when the application packet was developed, the timeline factored approximately one month. The current project schedule reflects a two-month period to complete the process.

Mr. Moore added that the schedule has evolved since the application was submitted one month ago.

Mr. Brown said the pricing components are anticipated to be determined after the 4<sup>th</sup> of July holiday.

Mr. Vefik remarked that during the GC/CM town hall meeting, six general contractors attended, which benefitted the school district because the contractors shared input as to how the district should navigate through the GC/CM selection process. Mr. Moore added that the schedule also does not reflect some of the overlaps. The district is nearing the end of pre-design while paralleling schematic design.

Ms. Zahn acknowledged the GC/CM experience of the Integrus team. However, the school district has not previously completed a GC/CM project. Although Mr. Moore has some GC/CM experience on the Garfield High School project, she asked how he plans to train and educate district staff on the difference of GC/CM versus a Design-Bid-Build project. Mr. Moore replied that the district has established a number of processes in terms of meetings and status reviews. The Superintendent's Capital Project Review Board provides an opportunity to discuss project details with Dr. Campbell, Ms. McLean, and Mr. Benzien. The meetings are held on a weekly basis to review the overall schedule and other details. He also works closely with design and project management teams to ensure everyone is dialed into the process. Meeting dates were recently finalized for this project. The size of the school district also affords better communication.

Ms. Baibak said the schedule includes the design team meeting biweekly with the GC/CM to collaborate as the design evolves and develops to ensure the GC/CM can provide real time feedback to the team while mindful of what's occurring in the marketplace, constructability issues, and ensuring the three elementary schools are attractive as possible to the building community.

Ms. Zahn explained that her question pertained to concerns about the facility and the occupants. Within a GC/CM project, there is collaboration with the builder, which in a Design-Bid-Build project is much different. She asked how the school district plans to address the culture of that type of collaboration with the contractor. Ms. Baibak explained that the design team currently meets biweekly with a design review committee at each school. Later in the week, another meeting is scheduled. The culture has been established of collaboration. Including the GC/CM in those conversations will help in understanding the district's guiding principles and the values of each school. She is confident that the process will be a seamless integration. Ms. McLean added that the conversation around changing the culture of the district's approach to construction started more than a year ago when Dr. Campbell launched a facilities planning committee, a 100-member committee of staff, parents, and community members. The committee's conversations centered on past practices and goals in the future. Dr. Campbell extended a significant commitment of staff to engage community voices. That groundwork was initiated to have a more active voice. When Mr. Benzien joined the district, one of his early conversations was on alternative delivery methods. With Dr. Campbell's working experience and professional interactions with Mr. Brown, those conversations around alternative delivery models have been occurring behind the scenes prior to the bond passage. She is hopeful the information helps address some of the questions as the district does want and expect active engagement in both the individual school review processes and in the design oversight committee.

Ms. Zahn explained that within a traditional Design-Bid-Build project the relationship with the designer is always present; however, the difference with GC/CM and the expectation is that the contractor is at the table and that the value of that involvement are the ideas the contractor might bring that might be different from a traditional Design-Bid-Build. Essentially, how well the district's teachers and other stakeholders view the GC/CM contractor is different from a traditional Design-Bid-Build that can be more adversarial. Mr. Moore advised that two months ago when the team kicked off the Capital Projects Design Oversight Committee comprised of members representing a broad spectrum of the community, that issue was discussed in terms of the importance of the contractor. He emphasized the importance of contractors, as they are the ones that complete the projects. The same message is conveyed during the school design review committee meetings. Recent conversations have covered how activities at the school will change when construction begins. School staff are anxious to have the contractor involved to help plan movements within the school site. Two of the school sites are very tight and the goal is to ensure the project can be completed for each site. Teachers and staff are very conscious and aware of the importance of the contractor's involvement.

Mr. Palewicz asked whether the decision-making process to bundle the three schools also included discussions with the contractor and subcontractor community about the advantages and disadvantages of bundling the three schools. He asked about the factors the district considered to bundle the projects. Mr. Moore responded that based on the combined experience of the team, the team explored opportunities and ways to solve some of the problems in budgeting multiple projects. Initially, there were four schools and two architects. One school was dropped and moved to another project package. The team discussed the GC/CM model and potential benefits. During the predesign process, the outcome was clearly defined in terms of the components for each school. Eventually, the team agreed the schools should be more similar rather than different. Rather than having three different mechanical systems, the team wanted similar elements in all three schools. The district then reached out to the contracting community to solicit input. When the forum was conducted, the three projects were reviewed with each school featured at separate tables affording an opportunity for participants to provide input on each school. The district received very positive responses from general contractors.

Mr. Ottele referred to the schedule allowing two months for permitting. He asked whether that timeline is typical based on previous experience with other schools. Overall, the schedule appears to be aggressive. He asked whether the district intends to delay design development until the GC/CM is hired. Mr. Moore credited Dr. Campbell for having the district establish partnerships and relationships with all the permitting agencies. The first three projects are with three different agencies – King County, City of Kent, and City of Federal Way District staff has held high level meetings with each permitting agency, established relationships, and dialed in with each agency's specific process and requirements to



facilitate permits. Staff has met with the Federal Way Building Department about this project and the Building Department is queued up to receive the projects and plans to engage an independent reviewer. The district has established a direct link to the reviewer. The district is very accustomed to permit requirements and has established direct contacts with each agency. The team anticipates initiating the process earlier and will seek opportunities with the GC/CM to work with the district to pursue separate packages potentially, such as a site package, etc.

Ms. Baibak reported schematic design would not be completed until the GC/CM selection is completed based on feedback from the Design Review Committee and other components that will need to be a part of the package. Design development will then began as school staff need to be part of the process but would not be available until the end of August.

Mr. Brown noted that it is also important in terms of the escalation of the Puget Sound market to have a “gut check” review by the contractor prior to moving forward with design, as many assumptions might not be appropriate.

***Public Comments:***

*Panel Chair Hillinger invited public comments.*

Brian Urban, Skanska, applauded Federal Way Public Schools for reaching out to the contracting community for the GC/CM process. Additionally, having worked on a number of bundled school projects, the district’s decision to use the same design team for all three schools is paramount and is a key aspect for making the project more attractive to contractors, as well as making it more attractive to subcontractors.

***Panel Deliberation:***

*Panel Chair Hillinger invited the panel’s deliberations and a recommendation.*

Mr. Dobyms said the project is a good project for GC/CM. One of his concerns is activating three schools at the same time, although he believes the district has considered that approach. However, it could be a stumbling block in the process. He likes the project and it qualifies for GC/CM.

Mr. Peters agreed as his school district is opening three schools. That project was a challenge. It also provided an opportunity for him to work with many of the same team members and he has confidence the team can work through the challenges. However, he encouraged the team to listen to Mr. Dobyms comments because the challenge is not so much the team’s ability to complete the school project but the stresses it places on transportation, food service, custodial services, and everyone else in the district, which can serve as a limitation. He was fortunate to work with a number of the team members and he has confidence that they can work out the challenges.

Ms. Zahn commented that she could not imagine completing a school on a constrained site without using the GC/CM delivery model. The project is right for GC/CM. She was satisfied with the answers about her questions about the procurement schedule. It appears the district solicited input to help the district understand. It also appears the schedule might be shifting which speaks to the ability of the team to be nimble and flexible to receive input and having the right plan in place. She does question whether the district fully understands just how much the cultural change will be as they proceed through the GC/CM process where additional input is generated from the contractor that might not be the same as it was in a Design-Bid-Build project. How well all the team members respond to the additional input is an important consideration. She is excited for the district to pursue its first GC/CM project. She encouraged other staff members to complete the AGC GC/CM training. It also appears the school district is reaching out to other school districts to receive more information about the GC/CM process.

Panel Chair Hillinger echoed similar comments. One concern is the number of people involved because at some point, the GC/CM will need to have a consistent contact in terms of communicating and decision-making because the project is complicated. The ability to have a clear understanding on the line of authority for submittal of comments and concerns should be clear. It appears the School District has thought about that process. He supports the project.

***Ed Peters moved, seconded by Mark Ottele, to approve the GC/CM project application from Federal Way Public Schools for the Lake Grove, Mirror Lake, and Wildwood Elementary Schools project. Motion carried unanimously.***  
**– PROJECT APPROVED**

*The meeting was recessed from 1:15 p.m. to 1:29 p.m.*

**SNOHOMISH COUNTY – NORTH SOUND BEHAVIORAL HEALTH TREATMENT FACILITY – GC/CM PROJECT**

Panel Chair Curt Gimmetstad reviewed the presentation and timing format to consider the GC/CM application from Snohomish County for the North Sound Behavioral Health Treatment Facility project. PRC panel members Bill Dobyns, Curt Gimmetstad, Mark Ottele, Ed Peters, Mike Shinn, and Janice Zahn provided self-introduction.

David Jobs, OAC Services, reported the company is supporting Snohomish County with project and construction management services. OAC Services has worked with Snohomish County on other projects.

Other team members providing self-introduction included Jeff Hencz, Special Projects Manager, Facilities Department, Snohomish County; Jennifer Alderman, Behavioral Health Supervisor, Community Services Department, Snohomish County; and Chris Rubright, KMD Architects.

Mr. Jobs reported other team members unable to attend the presentation include Mark Thunberg, Director of Facilities, Snohomish County, and Jason McCleary with KMD Architects.

Mr. Rubright reported the project site is located on the campus of the Denney Juvenile Justice Facility located in Everett. Many juvenile facilities are low census and underutilized providing an opportunity to take a portion of the building and expand it for a mental health facility. The team has worked several months with North Sound Behavioral Health Organization (BHO) and Snohomish County to develop a feasibility and budget report for the project. The site is an opportunity to reuse an existing facility and consolidate operations in an existing justice center. One of the main concerns of the project was separation of the juvenile population from the treatment center by sight and sound. While being integrated into the campus, it must be completely separate.

The project includes two separately operated 16-bed treatment facilities on two levels and a new building addition housing clinical support, facility support services, and administrative functions. The project helps to lower the budget by leasing the facility and contracting for support services for laundry and dietary. The project will be located within a 24/7 operating facility for juvenile operations with some potential utility shut-downs and other construction-related interruptions. Some of the biggest issues relate to security.

Mr. Jobs reported the project requires the involvement of a contractor during the design phase to assist in the design. The project site is located on an existing occupied facility that is tied to the juvenile justice facility with security requirements, phased construction, and connecting new systems to existing systems.

Ms. Alderman explained why the facility is needed within the region. Snohomish County is one of five counties in the North Sound Behavioral Health Organization region. Snohomish, Whatcom, Skagit, Island, and San Juan Counties all share a regional inspiration for healthcare and crisis intervention. Snohomish County is the third largest county in Washington State. The county has been impacted similar to other counties in the state by the opioid epidemic with insufficient services to help people receive help. The project is partially in response to the epidemic by maintaining a responsible and forward-moving response to help people receive treatment. There is no other similar facility within the region across the five counties. The facility will help Snohomish County, as well as the four adjacent regions. The project includes two voluntary in-patient sub-treatment facilities with the possibility of co-locating a disorder treatment to help those with both mental health and substance abuse by providing both treatments simultaneously. The voluntary facility will serve adults 18 years and older.

Mr. Robs reviewed the project schedule. The schedule will be refined if the application is approved. The schedule includes milestone target dates. Should the application receive approval, efforts will begin immediately on GC/CM

procurement. KMD Architects has been involved in preliminary design and will continue to move that process forward. The schedule estimates a year for construction with construction beginning in March 2019 through March 2020.

The total approved budget is \$15 million with \$9.5 million for project costs and 10% for owner and design contingency. Offsite costs have not been determined at this point; however, \$500,000 has been allocated for those costs. Equipment and furnishings is included of \$600,000.

Ms. Alderman identified the funding sources. Twelve million dollars was provided by the Legislature during the last session. The remainder of the budget is from North Sound Behavioral Health Organization.

Mr. Jobs reviewed the composition and experience of the project team.

Mr. Hencz reported he is the Project Manager responsible for the project. Mr. Thunberg is the Director of Facilities for Snohomish County and has been involved in the county's current GC/CM project involving the Snohomish County Courthouse. Mr. Hencz reports directly to the executive office and works closely with the County Executive and County Council. Mr. Thunberg has been actively involved in that project, as well as technical staff, which is a unique GC/CM project of a fully occupied courthouse scheduled to begin construction. OAC Services has worked with him and the county for the last five years on the courthouse project. For the proposed project, OAC Services has been retained to serve as the GC/CM Construction Manager/Project Manager moving forward. OAC Services and Snohomish County have a long and excellent working relationship. Approximately 18 months ago, the county released RFQs for design teams to produce a feasibility study for the project. KMD Architects was selected. KMD Architects has also been retained to complete some space analysis for another area of the Denney Jewel facility, which would be a separate project but speaks to the confidence the county has entrusted to KMD Architects. If the project is approved, the county plans to hire a GC/CM as soon as possible and move into the MC/ECCM processes as well. He is currently working with MC/ECCM firms on the Snohomish County Courthouse project.

Mr. Jobs said the county plans to use the same experienced team members, as well as the efficiencies of sharing resources between projects. Mr. Jobs said he has worked with Dan Chandler, OAC Services since the 1990s.

Mr. Hencz commented on the extensive project leadership experience of team members.

Mr. Jobs reviewed how the project satisfies RCW 39.10:

- Complex phasing and scheduling
- Addition and renovation to an existing, operating, and secure facility
- GC/CM involvement in design is critical
- Project involves complex and technical environment

Mr. Hencz noted that the existing facility is a hardened detention facility. Converting it to a therapeutic environment presents a number of challenges. The core of the building will require modifications to convert the environment to a welcoming environment.

Mr. Jobs said the purpose of the facility is as a volunteer healthcare facility and not a secure facility. The public benefit of using GC/CM as the delivery model is to increase predictability of delivery and reduce financial risks. The delivery method would also likely attract more highly qualified construction teams. Planning, coordinating, and executing complex building systems are best completed when there is collaboration between designers and builders.

***Panel Questions:***

*Panel Chair Gimmestad invited questions from the panel.*

Mr. Ottele referred to the schedule and the hiring of the GC/CM by the end of July with design beginning in April. He asked why design is scheduled prior to the hiring of the GC/CM. Mr. Jobs said the schedule is in flex with the team continuing to work on the dates. Mr. Rubright said KMD has experience working on similar juvenile justice systems and is engaged in preliminary work on programming and conceptual design at this time.

Mr. Peters asked about the GC/CM experience of the two architects assigned to the project. Mr. Rubright said KMD Architects worked on the Skagit Valley Hospital, the first GC/CM hospital project in the state. Both he and Mr. McCleary worked on the hospital project. He also has worked on other GC/CM projects in other states.

Mr. Dobyms asked about the current population of the Juvenile Justice Center. Ms. Alderman replied that the last census documented between 18 and 30 inmates. The capacity is 124 individuals. However, sentencing guidelines have shifted and populations have trended downward in many centers. That trend is being experienced across the region. Her supervisor, Cammy Hart Anderson, has fielded some calls from other regions seeking to repurpose juvenile detention facilities because of the downward trend. The population has been as low as 12 individuals. Mr. Rubright said the project would remove 52 beds from the detention center.

Panel Chair Gimmestad asked for feedback on some of the lessons learned on the courthouse project over the last five years of planning. He asked specifically what lessons learned might be applied to the proposed project. Mr. Hencz said the two projects are similar as both involve construction on an existing and occupied building. Some of the lessons learned are the importance of doing boots on the ground recon of existing building. The courthouse project entailed extensive phasing and it is likely this project will have similar phasing as well. Having the subcontractors on site has been helpful to help identify some of the challenges.

Panel Chair Gimmestad commented that with a budget of \$9 million, it is likely it will be challenging to meet the threshold for MC/ECCM of \$3 million. If that is the case, he asked how the team plans to manage the challenge of not having an electrical and mechanical subcontractor onboard. Mr. Jobs replied that over the course of the courthouse project, independent consultants supported value engineering and constructability review efforts. If the situation occurs where it is not possible to have early participation by an MC/ECCM, then it is likely the approach would be similar to the courthouse project that included independent third party reviews of mechanical and electrical systems. Mr. Hencz added that the Juvenile Justice Center is a newer building and documentation is much more thorough than the courthouse.

Ms. Zahn asked about the timing for the courthouse project. Mr. Hencz said Snohomish County presented the project proposal to the PRC in 2013. Ms. Zahn said it appears other GC/CM projects were completed between 2003 and 2006. She recommended staff should attend some training to provide them information on what to expect with a GC/CM project. Mr. Hencz replied that he has attended the GC/CM training. Ms. Zahn asked about the plan to train other employees to help them understand the method. Mr. Hencz said most of the employees who are on the courthouse project would also be involved in this project. Only the user groups will be different. The courthouse project included numerous user groups from the courts to the Sheriff's Office, and Office of Public Defense. Through the course to the courthouse project, there were approximately 114 user group meetings to acquaint and educate all stakeholders throughout the process, which will also be repeated for the North Sound Behavioral Health Treatment Facility project. Additionally, proposals will be solicited from providers to operate the facility because neither Snohomish County nor BHO would operate the facility.

Ms. Alderman explained that BHO and Snohomish County work very closely. Ms. Anderson works frequently with Mr. Hencz and Mr. Thunberg, and there are regular meetings with the North Sound Behavioral Health Organization and her office and Human Services. Mr. Hencz regularly attends the meetings and throughout those meetings, he shares information. Human Services and the North Sound Behavioral Health Organization are collaborating on a number of projects. The working relationship between the organizations is well established. Because of continuing communications on a regular basis, much of the training comes naturally through conversations. An RFP process will be opened for providers to operate the facility. When providers are selected, they will be involved in the process.

Mr. Jobs confirmed said all OAC team members have attended the GC/CM workshop, as well as Mr. Hencz. The teams working on the courthouse project have all worked together for the last five years. The team worked with all courthouse user groups during that time.

Panel Chair Gimmestad said the application includes a note stating, "Subject to confirmation without select GC/CM, we are currently planning four major bid packages, site work and utilities, structures, exterior closure, and interior finishes."

He asked the team to explain the thought process for four bid packages and how it relates to the expectations of the GC/CM bidding out the work scope. Mr. Jobs said that essentially, it is a division of the work as it is a logical separation of the work once the bid is accepted. However, it would entail a discussion with the GC/CM. As far as the site package, the team has not developed the scope of the site requirements. Mr. Gimmestad asked how many bid packages were released for the courthouse and how would that process relate to this project. Mr. Jobs said the number of bid packages for the courthouse is more than four. Quite a bit of outreach was pursued to promote interest and visibility of a project that was not located in the heart of Seattle. The team plans to work with the GC/CM to release bid packages that are most responsive to the marketplace. Some of the outreach efforts over the last several weeks have provided some feedback on how the contractors would like the information developed.

Ms. Zahn remarked that based on the information in the application, she wants to ensure that Snohomish County understands that once the GC/CM is hired, the owner can certainly make suggestions, but she would be concerned if the owner attempted to drive the bus in terms in determining how packages were going to be broken out for bidding. She is concerned the owner would assume the risk on behalf of the GC/CM. It is important that there is a clear understanding because the reason for hiring the GC/CM because they are the subject matter experts.

***Public Comments:***

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

***Panel Deliberation:***

*Panel Chair Gimmestad invited deliberations by the panel and a recommendation.*

Ms. Zahn said she wants to ensure that Snohomish County clearly understands how GC/CM works because the notes specific to “subject to confirmation” is concerning in terms of the kind of engagement Snohomish County will have in the GC/CM process.

Mr. Dobyms said it would be concerning if it was prescribed because the owner would lose the value of the GC/CM’s creativity and experience. However, it does not appear that the process will be prescribed. Knowing how Snohomish County operates, he would be surprised if it was prescribed.

Panel Chair Gimmestad said when he reviewed the application, he considered that he might not be interpreting the information the county was attempting to relay in the message. He is glad that it was addressed, as he cannot imagine releasing four packages. It no longer works that way in today’s marketplace. He was encouraged with the answer. He understands the challenges the county is experiencing with the courthouse and readying the project for construction. The county knows how to work through the process; however, the application includes some challenges based on the information especially for MCCM and ECCM should the budget encounters challenges in meeting the thresholds. The county will need to deal with that issue. However, overall, the project meets the criteria for GC/CM.

Ms. Zahn agreed the project meets the criteria. However, the application created some questions. The Q&A offered an opportunity to address some of her concerns.

***Ed Peters moved, seconded by Bill Dobyms, to approve the GC/CM application from Snohomish County for the North Sound Behavioral Health Treatment Facility project. Motion carried unanimously. – PROJECT APPROVED***

*The meeting was recessed from 2:05 p.m. to 2:30 p.m.*

**MEAD SCHOOL DISTRICT – FIVE MILE PRAIRIE MIDDLE SCHOOL – GC/CM PROJECT**

Panel Chair Jim Dugan reviewed the presentation and timing format to consider the GC/CM application from Mead School District for the Five Mile Prairie Middle School project. PRC panel members Ato Apiafi, Jim Dugan, Bryan Eppler, Howard Hillinger, John Palewicz, Mark Ottele, and Linneth Riley-Hall provided self-introduction.

Ned Wendle, Director of Facilities and Planning, Mead School District, reported the project is a new middle school located in north Spokane. The project team includes the Mead School District Board of Directors and the Superintendent.

Wayne Leonard is the Assistant Superintendent of Business Services, and will serve as the oversight for all budgetary items. He attends most of the project meetings. Mr. Wendle said he would serve as the main point of contact for the project. David Beaudine, Senior Project Manager, CBRE/Heery, is serving as the Senior Project Manager/Program Manager for the project. Greg Brown, Dan Gendreau, and Roxanne Robinson from CBRE/Heery are also team members. The ALS Architects team is led by Ken Murphy as the Managing Principal, Indy Dehal, Design Lead, and Kathy Russell, as the Project Architect.

Mr. Leonard said he has over 25 years of experience in school business management and is completing his thirteenth year at Mead School District. Prior to his current position, he was employed for 13 years at the Deer Park School District. The project will be his ninth construction project with the last two projects as GC/CM delivered projects.

Mr. Wendle said he oversees all bond projects and currently manages 1.3 million square feet of school district facilities and 450 acres of school grounds. He has worked on two GC/CM projects.

Mr. Beaudine said he is serving as the Lead Senior Project Manager for the project. In response to one of the panel's questions o CBRE/Heery's commitment of personnel to the project, his time on the project is 60% directly. Mr. Brown is committed 80% to the program as a whole, as well as to another project while providing oversight on this project. CBRE/Heery has six project managers in eastern and central Washington to provide assistance as necessary. He has worked on over five GC/CM projects that he directly managed and another four projects that he assisted with as well.

Mr. Brown said he has 30 years experience in K-12 project management working for four different school districts in both eastern and western Washington. He hired Mr. Beaudine in 2004 and together they worked on the first GC/CM project for Spokane Public Schools. The project was Rogers High School. Since then, Mr. Beaudine is now his boss. He has also worked with ALSC Architects for the last 15 years. ALSC Architects was one of the first architecture companies hired by Spokane Public Schools and the company continues to do great work for many districts in eastern Washington. At Mead School District, the relationship goes back five years serving on committees when he was the Capital Projects Director at Spokane Public Schools. The team has worked together for many years. The team is excited to bring a contractor partner onboard as well.

Mr. Murphy said he is serving as the lead for the architecture team. He has completed four GC/CM projects in the last three years.

Rustin Hall, Principal, ALSC Architect, said he provides the bench strength to the team and was involved either directly or indirectly in most of the GC/CM projects in the last decade.

Mr. Wendle said Graehm Wallace with Perkins Coie serves as the legal advisor.

Mr. Wendle emphasized the strength of the consultant team. Three years ago during the first PRC presentation, Spokane Public Schools had no GC/CM experience. To date, the district has completed one GC/CM project and a second GC/CM project is scheduled for completion in August. Some of the skill set will be contributed to this project, as well as good understanding of the GC/CM process and its value to the district as owners.

The project involves complex scheduling, coordination, and phasing. The district is growing at a rate of over 300 students each year and the district's recently completed demographics study indicates a gain of over 3,000 students over the next 10 years. The district needs space and the project is vitally important to secure a GC/CM to enable the project to move forward when the design phase is completed. The new middle school will bring the district into a 6-8 grade configuration, which will likely free some other classroom space. The district is also adding another elementary school.

Having a GC/CM onsite will help move the phasing forward in terms of early site packages, early bid packages, and main bid packages. Having the GC/CM at the beginning will improve that process. The involvement of the GC/CM during the design phase is critical. The Spokane market for subcontractors is a busy market and having the right GC/CM tends to create a good following of subcontractors to assist the GC/CM in controlling volatile cost escalations, unpredictable bidding conditions, and providing real-time information for product installation methods and materials through ongoing

value engineering and constructability reviews. The district has experienced the benefit of that in the prior two projects as value engineering is a process clear through the end of the project.

Mr. Beaudine addressed another panel question on permitting complexities. The site is located in an area beyond city limits within the county but outside the urban growth boundary. The team is working on agreements with the City of Spokane and the county for permitting. Bisecting the site is a gas line with its own easements. The project includes many different permits from different agencies. The GC/CM will assist in coordinating the permits and working closely with the agencies.

Mr. Brown commented that during the North Wood Middle School project, the district's first GC/CM project, the GC/CM assisted in resolving some issues with the water jurisdiction. The site included some wells that the water jurisdiction wanted along with the water rights. The district opposed the request and the GC/CM assumed an active role in helping the district through the permitting and issues with the water district. Having the GC/CM onboard early when there are permitting issues is a great asset to help ensure the project is completed successfully. The project will benefit greatly and continue to benefit by having the contractor involved early.

Mr. Wendle reported the site is located at two main arterials on top of the hill at Five Mile. The county assumes responsibility for part of the road and the city assumes responsibility for another section of road resulting in no jurisdiction maintaining the roads. Traffic mitigation required by the district would likely result in favorable results for both jurisdictions, which adds to the complexity of the project as two of the roads would be unable to handle equipment and material loads requiring the district to reroute deliveries through the city. The district will likely experience some issues with delivering materials to the top of the hill. The site is served by city water and sewer in one corner and county water and sewer in an opposite corner. The district anticipates having to work with both entities to determine which jurisdiction will serve the school.

The Five Mile neighborhood includes two schools on the hill. The district was proactively involved with the neighborhoods, which are very engaged. The district foresees much involvement and conversations with the neighbors. The availability of a GC/CM affords an opportunity for the contractor to canvass the neighborhoods and converse with the community. It was very effective with prior projects and helped to ensure the district completed a successful project.

Additionally the Five Mile area is notorious for rock and poor drainage. Early geotech research reflects rock will likely be encountered creating difficult foundation work. The site also experiences severe changes in geography with a 30-foot grade difference between the north and south areas of the site.

Mr. Brown added that most hard bid projects have experienced a trenching subcontractor communicating some ignorance about encountering rock. Having the GC/CM early and helping the subcontractors navigate through site conditions will help. The owner can also assist, but sometimes subcontractors tend to listen to another contractors rather than to the design team or the owner.

Mr. Wendle displayed a conceptual design of the project. He pointed out the location of the roads. Within the north corner of the site, an access road includes a cul-de-sac at the end with access. County water and sewer are located in that area of the site. City water and sewer are located at the opposite corner. The two corners have an elevation change of 30 feet. He outlined the jurisdictional boundaries of the site. The roads to the site are single lane.

Mr. Brown noted the site sits on a bluff with limited access to the hill making it more difficult for school buses and parents.

Mr. Wendle continued his review of a conceptual site plan reflecting the complexity of adding another elementary school on the hill. Currently, the site includes an existing K-5 elementary school with 680 students built for 600 students. The district has been subject to criticism about building a school that is too small. At the time, it was the largest elementary school in the district. The area is rapidly growing and the site is surrounded by neighborhoods on three sides. The site has many challenges.

Mr. Leonard reviewed the project budget. The project budget is approximately \$50 million with owner contingencies of \$3.7 million and another 5% in construction contingencies. The district recognizes that there are potential issues associated with the site and with the neighborhood. Consequently, over 10% is included in the budget for contingencies.

Mr. Beaudine responded to another advance question concerning the timing for hiring the GC/CM. The district is beginning efforts on schematic design and anticipates completing schematic design in August. GC/CM selection is anticipated to be completed by mid-July. The GC/CM will be hired prior to the end of schematic design. Another question pertained to a 10-month design schedule and how the GC/CM would be involved. Because of site conditions, there is likely the potential for some early site packages to ensure the project is completed within the schedule. The timing for occupancy of the school establishes the design timeline. Sufficient time would be available for the main and some early bid packages for earthwork and steel procurement with costs to take advantage of pricing as escalation is rapidly occurring in the industry. Although design is somewhat truncated, having the GC/CM onboard will enable ongoing constructability review and value engineering throughout the process, as well as cost allocations to assist the design team. The design team is committed to the design schedule as well.

Mr. Wendle reported the Five Mile Elementary School project is a good candidate for the GC/CM alternative delivery method. Facilities project team members are experienced, qualified, and available. CBRE/Heery and the ALSC Architects project team have demonstrated much GC/CM experience. The district believes it has gained experience that is applicable to the project. The district has proven resources and controls in place. He thanked the panel for its consideration.

***Panel Questions:***

*Panel Chair Dugan invited questions from the panel.*

Mr. Ottele referred to the challenges of single lane roads and delivery of equipment and materials and asked whether the team considered any offsite improvements to widen some of the roads with the city or the county. Mr. Wendle said he believes the county has been waiting for this type of situation to occur in the vicinity to force the issue. There has been some roadwork but the work has been in response to improving curbs and sidewalks as part of new residential development projects. He believes the county will initiate some road improvements in response to the district's improvements. Developers on the hill tend to improve on the section of road adjacent to the new development. In the area of the roundabout, the district sold right-of-way to the county for the roundabout improvement. The southern section of roundabout traveling to the city has been improved with curbs and sidewalks. However, adjacent uses have been completely developed of residential uses.

Mr. Leonard said the area is caught between city/county politics, as it is located partly outside the urban growth area. In the last 10 years when the county develops any site near city limits, the city immediately annexes the area. The county subsequently loses the tax base. Much of the area on the Five Mile hill has not been intentionally improved by the county because the southern half of the bluff is located within the boundary of the City of Spokane. The county has intentionally delayed widening roads and extending sewer and water. Two of the three school sites are located within city limits. The county has intentionally removed half of the bluff from the urban growth area.

Mr. Brown added that even though the jurisdictions consider school districts when building a school as a developer, school districts are responding to existing development. New schools are not developed to draw residents. New schools are constructed to serve existing populations. When school districts ask voters to approve a bond, the bond does not include funds to improve arterials within a two-mile radius of a new school. The district is prepared to make improvements dependent upon the traffic analysis and SEPA mitigation. Essentially, both jurisdictions should be working with developers creating the growth to ensure improvements are completed through that process or pursue improvements as the City of Spokane has done by passing street improvement bonds that are specific for improving roads.

Mr. Hillinger asked Mr. Wendle about the level of risks he foresees and how would the GC/CM benefit a reduction in risks. Mr. Wendle noted that a previous presentation referred to escalation and while it is a fear, it is a reality. His concerns surround the availability of good subcontractors that will do quality work and complete the project. Typically, his experience with GC/CMs is that they have a following of good mechanical, electrical, and plumbing subcontractors.



They appear to work closely with GC/CMs in today's market because the pay is guaranteed and the working environment is good. The amount of work occurring in the market involving subcontractors is his greatest worry. He is relying on a good GC/CM and having the GC/CM onboard early.

Panel Chair Dugan commented that because he manages projects on a daily basis in today's markets, the comments on the importance of a GC/CM resonate strongly with him. The integrated teamwork that is needed for early bid packages, bid packaging, and added alternatives to dial in the scope to cost without foregoing scope because of cost, requires a level of teamwork that the bid market cannot support in today's cost market. The GC/CM delivery method is the right approach for the project, especially when the target is constantly moving.

***Public Comments:***

*Panel Chair Dugan invited public comments.* There were no public comments.

***Panel Deliberations:***

*Panel Chair Dugan invited deliberations by the panel and a recommendation.*

Ms. Riley-Hall said the district has a strong team and is knowledgeable about the GC/CM delivery method. Team members have completed a number of other GC/CM projects. The project meets the criteria and is a good project for GC/CM delivery. She supports approval of the application.

Mr. Eppler agreed and supports approval of the project application.

Mr. Hillinger also agreed. The district has demonstrated much thought about the value of using GC/CM and how the GC/CM can be utilized to benefit the project.

Mr. Apiafi said the team has continuity and the experience to use GC/CM. He supports approval of the application.

***Howard Hillinger moved, seconded by Linneth Riley-Hall, to approve the GC/CM application from Mead School District for the 5-Mile Prairie Middle School project. Motion carried unanimously. – PROJECT APPROVED***

*The meeting was recessed from 2:59 p.m. to 3:30 p.m.*

**FEDERAL WAY SCHOOL DISTRICT – THOMAS JEFFERSON HIGH SCHOOL – GC/CM PROJECT**

Panel Chair Mike Shinn reviewed the presentation and timing format to consider the GC/CM application from Federal Way School District for the Thomas Jefferson High School project. PRC panel members Bill Dobyns, Curt Gimmestad, Rustin Hall, Howard Hillinger, Mark Ottele, and Mike Shinn provided self-introduction.

Sally McLean reported she is representing Dr. Tammy Campbell. She serves in the capacity of Chief Finance and Operations Office for Federal Way Public Schools. The request is to seek approval for consideration of using the GC/CM delivery method for the Thomas Jefferson High School project. The presentation will explain why the project is a good fit for the delivery method because of the team qualifications, tight schedule, required phasing associated with an existing occupied site, the need for early contractor engagement in the design process, and the overall technical complexity of the project.

Federal Way Public Schools is one of 14 school districts in the state serving more than 20,000 students. The district serves 23,322 scholars. Scholars speak 118 different languages and 20% of the scholars are actively engaged in learning English. Scholars are served in 38 schools. The district's capital planning process categorizes buildings into four phases. Voters last fall approved a \$450 million bond issue to address the needs of eight schools and Memorial Stadium during Phase 2.

Ms. McLean reported CBRE/Heery is serving as the district's project manager. The architect and engineering firm is Bassetti Architects. The district has a long working history with Bassetti Architects. The firm has completed other projects for the district to include recently completed Sequoyah and Lakota Middle Schools,

Ms. McLean said she has worked in the K-12 environment for more than 30 years with the last 18 years with Federal Way Public Schools. She was involved in the Phase 1 construction project delivering six schools on occupied sites.

Mike Benzien, Executive Director of Maintenance and Operations, Federal Way Public Schools, said he has over 30 years of experience in commercial, residential, and public works construction. He was involved in four other capital bond programs with two other school districts. Seven months ago, the district hired Casey Moore, Capital Projects Manager, who is assisting the district through the process.

Mr. Moore remarked that although he is relatively new to the district, he is not new to the industry having been involved in the construction industry for over 30 years in both general construction delivering over \$1 billion in construction in downtown Seattle to the South Sound. He is a licensed architect and has worked on the design side for over 25 years with most of the projects focused on K-12 projects. Most recently, he was employed by the state as an Owners Representative for the Department of Social and Health Services managing some of the largest campuses. He was responsible for developing projects, securing funding from the Legislature, and managing all aspects of the projects using most delivery methods. He also served as the Director of School Facilities for the Office of the Superintendent of Public Instruction.

Mr. Moore identified the alignment of the team, as the intent of the district is to execute the missions of the Superintendent of the school district. Assisting in the delivery of the project is Graehm Wallace with Perkins Coie serving as legal advisory, the project management team with CBRE/Heery, and Bassetti Architects as the engineering/architecture team.

Dan Gendreau, Principal with CBRE/Heery, reported he is responsible for the commitment of the firm's team supporting the program. Robert Evans is serving as the Project Manager with support by program and project subject experts providing assistance throughout the project. The CBRE/Heery team includes individuals with much experience in the design/construction industry with specific experience in K-12 projects.

Mr. Evans said he is serving as the Lead Project Manager for the high school project. He will also serve as the team integrator to ensure the owner and the project management team work collaboratively with all team members to ensure consistent processes and tools throughout the delivery of the programs. He is a registered engineer and has 30 years experience. He has approximately 20 years experience in the K-12 environment and has accumulated GC/CM experience by working with Bassetti Architects on high school and middle school projects in Seattle. He also assisted and advised on other GC/CM projects at Lake Washington and Seattle to ensure the projects were implemented correctly.

Greg Brown reported he is serving as a project support member to the CBRE/Heery team and to Federal Way Public Schools.

Lorne McConachie, Principal-in-Charge, Bassetti Architects, introduced Jordan Kiel, Principal, Bassetti Architects. The firm is currently involved in three GC/CM projects comprised of Lincoln High School, Mountlake Terrace Elementary School, and Lynnwood Elementary School. Recently completed GC/CM projects include Stewart Middle School in Tacoma, Chief Sealth High School in Seattle, Roosevelt High School, and Stadium High School. Additionally, several other projects are located outside Washington as CM/GC projects. The company has extensive experience in the design of K-12 facilities and the team looks forward to engaging with the GC/CM in this complex project.

Mr. Moore explained that the district Capital Program Phase II includes 10 projects as part of the bond program. The district's 40-year plan includes two more phases, which is important as the successful delivery of Phase II projects relates to the ability to move on to the next phases. The district is very committed to ensure the successful delivery of the program.

Mr. Moore reviewed a project delivery schedule of Phase II projects as specified in the bond. The number of projects includes 9 schools in addition to several other small projects encompassing an eight-year period. The bond emphasized the importance of not increasing taxes with the requirement that bonds would only be sold at the point old bonds retire. Unfortunately, market escalation has exceeded expectations in the last year. As the bond progresses, time is no longer

beneficial. The district has explored opportunities to improve the schedule and has been successful in selling bonds and improving the cash flow scenario. One of the options for this project was additional time on the schedule for delivery of the project enabling the district to reduce a year of construction into two years of design and two years of construction resulting in significant savings.

The entire capital program is based on the \$450 bond with additional funds from the state totaling a \$600 million capital program. The high school project is budgeted at \$115 million equating to more than one-sixth of the program budget. Three projects are scheduled in the first phases of delivery and they are critical for on-time delivery and within budget and scope to ensure the remaining projects can be completed. Otherwise, the subsequent projects will be jeopardized, which is why the GC/CM delivery method is so important.

Mr. Evans reported Thomas Jefferson High School is located in the northeast portion of the district. It is located within a residential area. Drainage occurs north of the property as the site includes several steep slopes. The GC/CM will assist the team in reviewing phasing plans and determining the appropriate phasing methodology and initial design approaches that would work.

Currently, the team is working on predesign and soliciting consultant assistance to complete SEPA requirements and initial work required for permitting. It is anticipated that if approved for GC/CM, solicitation of the GC/CM will commence and be completed by the middle of schematic design.

Mr. Moore reported the project site is occupied with no available swing site for moving students, which is why the GC/CM is so critical to help with some solutions.

Mr. Gendreau reported four key areas of the project are pertinent for the engagement of a GC/CM. The first is the site is occupied and construction will be phased to ensure student and faculty safety. The site is approximately 38 acres in size. Thomas Jefferson High School is a one-story California campus-style school. The second critical issue is early engagement to assist the management process of the aggressive construction schedule. It will be important that there is effective communications and consideration of student safety, phasing of the project, and maintaining good communications with the surrounding neighborhoods. Since the site is located within a residential area, sensitivity of the neighborhood is important. Environmental constraints exist on the site. The north area includes a wetland and forested area. Protection of the area and understanding storm water run-off is another key aspect of thoughtful construction. The tight construction schedule is coordinated to meet some of the operational issues, such as permitting and construction milestones. All those reasons are why engaging a contractor early is important.

Mr. Moore said the existing buildings total 179,000 square feet. Enclosing many of the corridors would increase the square footage to approximately 210,000 square foot. The design is for a 210,000 square-foot building. The design does not require involving the school running tract or other areas, which lessens the opportunities for construction of new building. That integration calls for phasing the process, which requires early involvement of the GC/CM to help strategize the approach and examine opportunities for earlier alignments and earlier bid packages.

Ms. McLean reviewed why the project meets the requirements of RCW 39.10:

- Team Qualifications
- Scheduling/Phasing
- GC/CM Critical During Design Phase
- Complex and Technical Work Environment

Mr. Moore emphasized the importance of the district maintaining its scheduling, phasing, and completion of the projects in the context of the larger delivery of the district's capital program.

Mr. Gendreau added that the site is occupied, complex, and constrained with elevation changes. The project will be complex. It will be important to have a GC/CM to assist in working through some of those issues and it is strategic in ensuring the project is successful.

Mr. McConachie said that additionally, the site includes both wet soils and unconsolidated fill on the north end of the site.

***Panel Questions:***

*Panel Chair Shinn invited questions from panel members.*

Mr. Gimmestad said he does not have any reason to doubt the qualifications of the team but asked for additional information with respect to Mr. Kiel's role as it relates to design. Mr. McConachie replied that Mr. Kiel is leading the design of the project and is serving as Principal-in-Charge with oversight of the team. Mr. Kiel will serve as the day-to-day director. Mr. Kiel recently completed Stewart Middle School, a complex historic renovation GC/CM project. He also has extensive DB experience working at the University of Washington. That experience will serve as adjunct in the collaboration process as part of an effective GC/CM project.

Mr. Kiel noted that he is witnessing changes in GC/CM projects in terms of delivery as the industry becomes more familiar with the rules and requirements. The firm is experiencing more success in encouraging more GC/CM to behave more as a design-builder with the team. The industry is really maturing in that aspect.

Mr. Hall referred to the section in the application that appears to speak to Mr. McConachie's experience but cites "Rebecca." He asked whether the presentation materials are a more accurate description of the team members. He asked whether the table listing the projects in the application is accurate. Mr. McConachie affirmed the table of projects listed within the application is accurate.

Mr. Hillinger asked about the opportunities the team is considering for the site and how the team plans to use the GC/CM assistance. Mr. Kiel said the team is pursuing some early site evaluations. The assistance of the GC/CM will help validate some of that work. He described some of the site layout schemes and the presence of poor soils on the site. One of the likely schemes is building in the parking lot, which will involve phasing because of the gym facility. The team will conduct an exercise by separating the site to identify cost implications of each scenario. It could result in tradeoffs. All options need to be validated.

Mr. McConachie said the team is also examining the option of a two to three-story school as opposed to a one-story spreader design to increase efficiency and reduce costs, as well as because of the constraints of the site. Any option will require building a new structure and demolition of existing structure, which speaks to a minimum of two phases.

Mr. Kiel added that at this point, the team has predicted that none of the structures would be saved because of the existing conditions. The team anticipates the cost of shoring the existing building and upgrading to energy codes would likely require replacement of the gym. However, that predication needs to be validated to ensure it is the right cost solution for the project.

Panel Chair Shinn inquired about the location of the mechanical plant. Mr. Benzien replied that underground piping is present throughout the campus. Mr. Kiel added that the single-story buildings all have crawl spaces and there are many areas in the building where the floor is unstable. There is also significant water intrusion in most of the buildings.

Mr. Dobyms said it appears that dependent upon the phasing plan, 19 months appears to be too aggressive. He asked whether the district has any flexibility with the date. Several of the team members indicated the district has some flexibility in the schedule.

Panel Chair Shinn shared that he is working on another school district project. The district installed pilings and added parking under the school. He suggested the team might consider that alternative as the entire school was constructed on the property without the need to remove existing structures. It appears based on the illustrations that construction in the parking lot would involve relocation of parking for vehicles, which is not evident in the illustrations. Mr. Moore acknowledged the comments because regardless of whether it means moving students or cars, another area would be required.

Mr. McConachie affirmed that it is an option that is under consideration as part of the cost estimation and identifying the impacts to existing operations.

Mr. Hillinger inquired about ECCM/MCCM input on some of the options during design. Mr. Evans replied that some initial discussions considered using those methods but were reconsidered because it would be a GC/CM project. The team elected to consult with the GC/CM. However, there is the potential for further discussions to consider the option. However, the first step is hiring the GC/CM and having the contractor provide information on the benefits of considering the option.

Mr. Brown shared that other school districts in eastern Washington have pursued the option. Central Valley and Mead School District have explored that possibility and have worked in those arenas. It would be a good conversation to have once the GC/CM is hired versus making the decision prior to hiring the GC/CM. Additionally, today, rather than three years ago, there are many more contractors employing that method as part of their process. The method was used in Spokane because of the limited subcontractor market. It was important to ensure all partners were onboard as early as possible.

Mr. Moore added that the district is nearing completion of another large high school project scheduled for completion by the end of summer. The project was bid Design-Bid-Build. Many unforeseen conditions occurred throughout the project that required a change in the schedule. The district has first-hand experience of a large and complicated occupied site. The district also hosted an open house with general contractors. They shared information on the process. Much of the input has been considered by the team. Approximately six contractors participated in the open house.

Mr. Hall asked about Mr. Moore's specific GC/CM experience in the state. Mr. Moore said he has facilitated a GC/CM project and completed DB projects.

Panel Chair Shinn asked whether the mechanical and electrical engineers have been selected. He was advised that the selection has occurred.

***Public Comments:***

*Panel Chair Shinn invited public comments. There were no public comments.*

***Panel Deliberation:***

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

Mr. Gimmestad conveyed support for the application as the GC/CM knowledge exists within the ranks of all team members. The project has a great opportunity to be successful.

Mr. Dobyms, Mr. Hall, and Mr. Hillinger also agreed that the project is ideal for the GC/CM delivery method. The right team is in place with the appropriate commitment levels.

***Rustin Hall moved, seconded by Bill Dobyms, to approve the GC/CM application from Federal Way Public Schools for the Thomas Jefferson High School project. Motion carried unanimously. – PROJECT APPROVED***

**ADJOURNMENT**

***With there being no further business, the meeting was adjourned at 4:04 p.m.***

**CAPITAL PROJECTS ADVISORY REVIEW BOARD**

**PROJECT REVIEW COMMITTEE**

*Alternate Meeting Room (B) pages 38-57*

Northwest Carpenters Facility  
25120 Pacific Highway South  
Kent, Washington

**Minutes**  
**May 24, 2018**

**MEMBERS PRESENT**

Ato Apiafi, Ato Apiafi Architects  
David Beaudine, Heery International  
Kurt Boyd, Valley Electric Company  
Jim Dugan, Parametrix  
Bryan Eppler, University Mechanical Contractors  
Curt Gimmestad, Absher Construction  
Rustin Hall, ALSC Architects

Howard Hillinger, Parametrix  
John Palewicz, University of Washington  
Edward Peters, Edmonds School District  
Linneth Riley-Hall, Sound Transit  
Yelena Semenova, Department of Enterprise Services  
Mike Shinn, Shinn Mechanical  
David Talcott, Exeltech Consulting

**STAFF, GUESTS, PRESENTERS**

Morris Aldridge, Tacoma Public Schools  
Kristine Anderson, Tacoma Public Schools  
Talia Baker, Department of Enterprise Services  
Greg Brown, CBRE/Heery  
Dan Cody, Parametrix  
Stephanie Curran, Spokane Public Facilities District  
Dan Gendreau, CBRE/Heery  
Jeffrey Grose, Auburn School District  
Alicia Lawver, Tacoma Public Schools

Wayne Leonard, Mead School District  
Bob Lindstrom, BLRB Architects  
Mick McDowell, Spokane Public Facilities District  
Ken Murphy, ALSC Architects  
Julius Pallotta, Tacoma Public Schools  
Roxann Robinson, CBRE/Heery  
Kevin Twohig, Spokane Public Facilities District  
Matt Walker, Hill International, Inc.  
Ned Wendle, Mead School District

*Panel Chair David Beaudine called the panel meeting to order at 8:45 a.m.*

**AUBURN SCHOOL DISTRICT – 3 ELEMENTARY SCHOOLS – GC/CM PROJECT**

Panel Chair David Beaudine reviewed the presentation and timing format to consider the GC/CM application for the 3 Elementary School Program from the Auburn School District. PRC members John Palewicz, Linneth Riley-Hall, Edward Peters, David Talcott, David Beaudine, and Bryan Eppler provided self-introduction.

Jeffrey Grose, Executive Director of Capital Projects, Auburn School District, reported the project is a Three Elementary School GC/CM Program for the construction of Elementary School No. 15, Elementary School No. 16, and Lea Hill Elementary School. Mr. Grose introduced Bob Lindstrom with BLRB Architects. BLRB Architects was selected as the architect for the entire program. Mr. Lindstrom will serve as the Project Manager. Jim Dugan with Parametrix is serving as the GC/CM Advisor along with Dan Cody, Parametrix, who will serve as the Procurement Consultant providing any additional support as needed during the construction phase. Other team members include Matt Nolan, Construction Administrator, Auburn School District, who will administer the construction of the project, and Ron Harpel, Principal-in-Charge, BLRB Architects. Graehm Wallace with Perkins Coie serves as legal counsel for the project.

Mr. Grose reported Auburn School District is a medium-sized school district with over 16,000 students located in south King County and parts of Pierce County. The School District is served by 1,900 staff members in 22 schools. The 3 Elementary School Program is funded from a capital bonds program approved by the School District in November 2016 totaling \$456 million. The scope of the program includes replacement of one middle school and five elementary schools, and construction of two new elementary schools. The first phase replaces Olympic Middle School, which is under construction as a GC/CM project. The second phase replaces four elementary schools through a separate GC/CM project. Each school will be replaced sequentially over four years. The first project is replacement of Dick Scobee Elementary School. The design has been initiated for the project. The third phase is the 3 Elementary School Program comprised of two new elementary schools and replacement of an elementary school. The projects will be completed sequentially with one school completed each year between 2020 and 2022. The School District has recently initiated schematic design on the Elementary No. 15 project.

The School District has extensive experience in K-12 construction for over 40 years with an ongoing construction program of building or remodeling schools. The School District has a long record of building projects on schedule and within budget. Mr. Grose reported he is managing the program and has design, construction, and owner experience. He holds certification as a Value Engineer, served as an arbitrator for AAA for 30 years, and is a member of the Dispute Resolution Board Foundation. Mr. Nolan has construction and design experience, is a registered architect, and will administer the construction of the projects. The leadership team also includes representatives from Parametrix with extensive experience in GC/CM. Mr. Dugan and Mr. Cody will support the program. BLRB Architects has designed schools in Washington and Oregon for many years and has worked with over 80 school districts on over 300 elementary school projects. BLRB Architects has recent GC/CM experience.

Mr. Grose said the leadership team satisfies the RCW requirements for the School District to have the staff or the consultants with expertise and experience to manage the projects.

Mr. Grose outlined some specific GC/CM experience for some of the team members. All team members have at least 30 years' experience of either design and/or construction. The seasoned team is highly skilled. Mr. Dugan has 40 years of experience. Mr. Grose said he has 43 years of experience.

Mr. Grose reviewed the project's organizational chart. The program has the staff available and committed to provide and support the GC/CM project. Additionally, the team has the resources, funds, and flexibility within the School District to secure additional support if required.

The first project within the Three Elementary School Program is Elementary School No. 15. All three projects have the same building requirements of 74,000 square feet housing 650 students serving pre-kindergarten to fifth grade. Each site is slightly different. Elementary School No. 15 is located on a wooded 22-acre site with several existing residences. The design is for a single-story building at a GMP of \$38 million. Design on the school was initiated with construction scheduled in one year and occupancy in 2020.

Elementary School No. 16 is located on a smaller site but would house a two-story school building at a GMP of \$35 million. The difference in GMP between the two sites is because of the extensive off-site improvements for Elementary School No. 15. The project scheduled for Elementary School No. 16 is one year behind the Elementary School No. 15 project.

The third project replaces Lea Hill Elementary School. The 22-acre existing site includes only 11 buildable acres. The design may be one or two stories at a GMP of \$35 million following the other two projects. Students at the school will move to Elementary No. 16 to ensure an available and unencumbered site for the contractor.

Total project cost for Elementary School No. 15 is \$55.4 million and \$51 million for Elementary School No. 16.

If the project is approved by the PRC, Requests for Proposals (RFPs) will be released on July 22<sup>nd</sup> for the selection of the GC/CM. Board approval of the selection is anticipated to be one month later; however, the selection of the GC/CM is important during the early stages of schematic design. After RFP opening and selection, the intent is to negotiate an early services contract with the GC/CM to afford completion of an estimated cost estimate, constructability input, and value engineering recommendations.

Mr. Grose reviewed the program schedule.

The program is appropriate for GC/CM because of complex scheduling, phasing, and coordination; involvement of the GC/CM during the design stage; and because of complex and technical work environments. Each project meets RCW criteria.

The first challenge for the Elementary School No. 15 project is the 14-month timeline to construct the entire project. For a school project, the timeline is aggressive. Other complexities include extensive road improvements and utility extensions offsite on a major arterial while remaining operational. Roadway improvements include a traffic signal, traffic lanes, curb, gutter, sidewalk, landscaping, street lights, retaining walls, and storm drainage. Additionally, one-third of a mile of utility pipe would be installed within the roadway. The road is one of two north/south access points for the City of Auburn. The GC/CM will need to consider how to construct the project and roadway improvements while maintaining roadway operations. Another factor of importance is the completion date of 2020. By 2020, the School District anticipates 550 students would be housed in portable classrooms within the area. All of those students need a permanent school and timing is important to move students from portables to a permanent school. The project entails a short building construction period, extensive off-site road work, and utility extensions. On-time project completion is necessary.

Elementary School No. 15 also has a 14-month construction timeline. Some roadway work requires extensive coordination. Timely completion of the project is important to enable movement of students from Lea Hill Elementary School.

The Lea Hill Elementary School project has a 13-month construction timeline, which includes some road work. The project is important to ensure transfer and placement of students from portable classrooms to a permanent school facility.

Other important factors contributing to the success of the GC/CM is involvement during the design phase; selection of a contractor based on skill, experience, and price; a collaborative approach; opportunity for improved cost control; opportunities for improved scheduling and phasing; opportunities for market access to subcontractors and suppliers affording early subcontractor bid packages; and the benefit of combining three projects into a single program involving one architect and one GC/CM working on sequential projects providing continuity of leadership, planning and design efficiencies, potential GC/CM overhead cost reduction; reduced learning curve, ongoing lessons learned applied to each subsequent project, and opportunities for long-range planning with a combined team for all three projects.

The School District has the necessary funds for the program. The program meets the criteria in RCW 39.10. The team has vested experience and leadership continuity, and the School District has the time and capacity to complete the projects. The use of GC/CM on the program is another way to ensure the success of the program for the School District and to the citizens who have been generous to the School District.

*Panel member Mike Shinn arrived during the presentation and provided self-introduction.*

***Panel Questions:***

*Panel Chair Beaudine invited panel questions.*

Linneth Riley-Hall asked about the stage of the design when the GC/CM is hired. Mr. Grose said the hiring of the GC/CM for the first project would occur near the end of schematic design with schematic design beginning for the remaining projects.

It was noted by a team member that the timeline for the early services package was tight for the first project to enable some progress during the approval process by the School Board.

David Talcott asked whether any of the schools would be in operation during construction. Mr. Grose replied that the program enables moving students from Elementary School No. 16 during construction.

Mr. Talcott asked about the lines of authority for the management team. Mr. Grose advised that he would manage the design/preconstruction phase and monitoring the construction phase. He reports to the School Board on the status of the project and is responsible for monitoring all activities. The School Board approves change orders. He has authorization to execute construction change authorizations up to a specific amount without School Board approval. He oversees and renders decisions for performance of the consultants and design team but would not change contracts without School Board approval.



Mike Shinn asked whether the School District plans to hire one GC/CM for all three projects. Mr. Grose affirmed the intent is to hire one GC/CM for the three projects. Mr. Shinn asked whether the GC/CM would release subcontractor packages for all three projects or whether the packages would be bundled. Mr. Grose said the packages would be released separately for each project. Mr. Shinn asked about the probability of EC/CM and MC/CM. Mr. Grose said the decision would be on a case-by-case basis for each project based on market and packages. Mr. Shinn inquired as to whether a mechanical engineer would serve all three projects. Mr. Grose said the mechanical engineer would serve on all three projects. The entire design team and consultants (*architect, mechanical, landscape, and electrical*) would be the same team for all three projects.

Mr. Shinn commented that as a representative for subcontractors, he does not foresee any reason why the mechanical work for all three projects could not be bundled as one package. To increase efficiencies it would be beneficial to have one subcontractor for all three projects. Mr. Grose acknowledged that the team would consider options with each project, as one of the challenges is the project timeline of three years.

Mr. Cody added that if the option of using MC/CM is pursued at the onset, it is likely the MC/CM would be used for all three projects, which enables the bundling process. However, in today's market with prices escalating, it would be difficult to commit to a project scheduled for construction in three years while seeking a commitment to lock in today's prices.

Jim Dugan noted that his company's process during procurement following the selection of the GC/CM includes an extra step to discuss whether to pursue the MC/EM or MC/CM process.

Bryan Eppler requested additional information on how the budget accounts for the timing of the projects with respect to price escalation/de-escalation and labor constraints. Mr. Grose replied that the budget estimate includes escalation on an annual basis for each project. Because of the large bond program, a program contingency is included and available as needed to enhance any of the projects if required.

Mr. Dugan noted that the categories include escalation and market conditions. Escalation is estimated to be 3%-4% and 6%-8% for concrete and masonry. The combined number is 8%-10%, which aggregates each year. The plan is thoughtful and not too conservative.

Mr. Eppler asked about any concerns surrounding the availability of the labor pool. Mr. Dugan acknowledged that union halls are empty at this time; however, the GC/CM selection approach generally entails staffing and pulling teams from different projects rather than seeking new labor.

David Beaudine remarked that Mr. Nolan was added to the team after the initial application was submitted. The addition fills the designated "TDB" and satisfies some of his initial concerns. He asked for more information surrounding Mr. Nolan's experience and how the team would support him. Mr. Grose reported Mr. Nolan has over 20 years in design and construction and has worked for architects and contractors. He has experience in administering Design-Build projects and negotiated fee projects. His experience essentially entailed completing one project each year. He is a registered architect and is accredited and heavily involved in CSI. He also is from two worlds in that he previously worked for a contractor and for an architecture firm. Mr. Beaudine said it appears Mr. Nolan has no experience in GC/CM. Mr. Lindstrom affirmed the Auburn School District has not completed a successful GC/CM project. The Olympic project is currently in progress and would be the School District's first GC/CM project. Mr. Nolan has no GC/CM experience. Mr. Dugan and Mr. Cody provide the necessary GC/CM experience.

Ms. Riley-Hall asked the team to speak to lessons learned and some of the strategies to address shortages in the labor market and competition. Mr. Grose replied that historically, lessons learned were from post-occupancy surveys from previous projects. Because of the swiftness of the projects, the School District has an ongoing lessons learned environment. As projects are completed, lessons learned are added to the list. Typically, the individuals who have learned from the lessons are included on the next project team affording an opportunity to pursue measures differently. During the Olympic Middle School project, permitting was a challenge and the School District learned some lessons in

working with the public agency for securing permits. The School District documented a list of lessons learned on permitting. The list is carried forward to each project.

Mr. Dugan cited some other examples. If the owner is considering other additional work, then the work needs to be identified in the RFP. If it is identified whether as funding or non-funding dependent, then the owner has the opportunity to add the work without advertising. As recently learned during a RFFP bid opening, electronic submittals were due by 2 p.m. with two proposals submitted on time and a third attempting to submit at the time of closure. History reveals that the third bid should have been considered non-responsive, but case law and RCW 39.10 indicates that if the owner had not started opening the other bids and a reasonable period had elapsed, then case law indicates that the submittal was admissible. However, if the opening of the other bids had been initiated, then the late submittal would not be admissible. Lessons learned are in the fine-tuning of what RCW 39.10 does not speak directly too. As demand in the market increases and projects become more complicated, the nuances are playing a much bigger role, thus the risk factors increase unless a team of talent and experience has the ability to speak to the issue. In terms of bundling, there is no easy answer in terms of guessing the marketplace, which is likely the reason why GC/CM and the owner have the opportunity to make those decisions together as opposed to the owner making the decision.

Mr. Cody shared a lessons learned from a procurement standpoint. He started leading the Parametrix charge on the procurement side approximately three years ago. At that time, an elementary school or middle school project typically attracted up to five to seven responses with four or five submitting qualifications. Over a two-year period, Parametrix was lucky if there were two submittals on projects. Parametrix team members met with Mr. Grose to discuss the four pending elementary school projects and the possibility of bundling the projects. The concern was pushing some companies away from bidding the work; however, it also enabled responses from a different tier of contractors that could bond for the \$100 million program. The pre-submittal meeting at the School District resulted in 13 general contractors attending with 11 forwarding submittals. A normal \$20-\$30 million project typically only attracted two general contractors. Bundling the projects was a lesson learned, as it was appealing to the market.

***Public Comments:***

*Panel Chair Beaudine invited public comments. There were no public comments.*

***Panel Deliberation:***

*Panel Chair Beaudine invited deliberations and a recommendation by the panel.*

Mr. Palewicz said he supports the project, as it is obviously complex because it includes sequencing and roadway work. Schools have a set timeline. He supports bundling of the projects, as it appears to be much more appealing to the industry. Mr. Shinn's observations about the mechanical subcontracting are understandable as the construction drawings will be completed each year. However, if a mechanical firm understood that the work would be available for the next three years, it might be beneficial for the project.

Ms. Riley-Hall supported the project as well because the team is qualified to include consultants with GC/CM experience. The program meets the requirements of RCW 39.10. The School District is making a good effort to address any concerns, such as market shortages. Bundling the projects is a good strategy, as well as helping to attract electrical and mechanical firms.

Mr. Shinn added that bundling of the projects affords an opportunity for minority and women businesses to participate because the GC/CM can include some stipulations in the documents encouraging 10% participation by minority and women-owned businesses. Many minority contractors work on smaller jobs and often do not have the opportunity to participate on larger jobs. The program affords an opportunity to train some of the smaller subcontractors.

Panel Chair Beaudine supported the project as well. Bundling of the projects will help build some of the efficiencies from one project to another.

Mr. Talcott noted that it is likely the program would afford some lessons learned during each project, as the large project will generate some challenges, especially with the off-site improvements, as well as some regulatory pushback in some areas. Hopefully, mitigation will be possible to enable the projects to move forward.

***Ed Peters moved, seconded by David Talcott, to approve the GC/CM project application from the Auburn School District for the Three Elementary School Program. Motion carried unanimously. – PROJECT APPROVED***

*The meeting was recessed from 9:24 a.m. to 9:32 a.m.*

#### **SPokane Public Facilities District – Sportsplex – Design-Build Project**

Panel Chair John Palewicz reviewed the presentation and timing format to consider the Design-Build (DB) application from the Spokane Public Facilities District for the Sportsplex project. PRC panel members John Palewicz, Edward Peters, David Talcott, David Beaudine, Bryan Eppler, Mike Shinn, Jim Dugan, and Linneth Riley-Hall provided self-introduction.

Stephanie Curran, CEO, Spokane Public Facilities District (PFD), said she assumed the position of CEO on February 1, 2018, but has been with the district for over 15 years. In the capacity of CEO, she is serving on the Project Committee for the current \$21 million renovation of the INB Performing Arts Center project. Prior to that project, she was the General Manager of the Convention Center and Performing Arts Center for over two years and served on the Project Committee for the second expansion of the convention center. She previously served as the Assistant General Manager for six years and served on the committee for the first expansion of the convention center, as well as a smaller renovation of the INB Performing Arts Center. Previously, she was an event manager working in all three facilities. Prior to her employment with the PFD, she was the Director of Catering for a food and beverage contractor.

Kevin Twohig, Project Manager, Spokane Public Facilities District, reported that he is the former CEO and currently serves as the Project Manager for the District. He is managing the INB Performing Arts Center renovation project, which is a Progressive DB project approved by the PRC last year. The project is progressing well with good communication levels, collaboration, and transparency.

Mick McDowell said he is serving as the Chair of the Project Committee and has in that capacity for the last four projects.

Matt Walker, Hill International, Inc. reported the project serves as his sixth project with the same team.

Mr. Twohig said the Sportsplex project was previously approved by the PRC three years ago; however, after receiving approval, the project team learned funding would not be available. Today, funding is available through a three-party agreement between Spokane County, City of Spokane, and the PFD. The team is seeking approval for Progressive DB as the delivery method for transparency, communications, and collaboration. The project has been a concept for over 15 years. At that time, the project was envisioned as multiple venues located throughout neighborhoods in the City of Spokane focused on youth development. The project has morphed into providing youth development, as well as adding sports tourism as a major component because of the economics and lack of support in building too many gyms in neighborhoods throughout the community. One facility affords the opportunity for the facility to be self-supporting, as well as generating support from the lodging tax community of hotels and motels to generate more heads in beds. Sports tourism and local youth development are major components of the project. The concept has been studied extensively prior to 2015 and restudied in 2017 by Sports Facilities Advisory from Clearwater, Florida. The company is an expert in those types of facilities. The company not only consults but also owns and operates a sports facility.

The City-County-PFD Agreement includes \$5 million from the City as well as the property. Spokane County is serving as the financial agent for a \$25 million loan. The PFD also has some reserves to fund the \$42 million project with a request to the state for an additional \$1 million. The PFD will own and operate the facility. The City of Spokane and Spokane County agreed to move the PFD to the starting point with the PFD responsible for operations and maintenance of the facility.

Mr. Walker reviewed the project schedule. Based on a positive outcome from the PRC, the intent is to issue the RFQ on May 26, 2018 with SOQs due on June 8, 2018. Shortlisting will occur on June 13, 2018 with the RFP issued on June 18, 2018. Proprietary meetings are scheduled on July 12, 2018 with proposals due on July 19, 2018. Selection is scheduled on July 25, 2018 with a notice to proceed issued on August 8, 2018. Completion of the project is anticipated to be in September 2020.

Mr. Walker reviewed the budget of \$42 million, which includes \$170,000 for professional services (legal, specialty, consultant), \$35 million for design and construction, \$200,000 for owner furniture, fixtures, & equipment (FFE), \$1 million for site development and acquisition, \$695,000 for contract administration services, \$1.7 million for owner contingency for rock and other environmental issues, \$75,000 for other costs (public education and outreach), and \$3.1 million for sales tax.

Ms. Curran added that the City of Spokane is procuring the land for the project with 90% of the land acquired by the City. A small parcel comprising 10% of the land is privately owned. The budget of \$1 million is to acquire the remaining parcel and cover the costs of street improvements. The actual site cost will be determined during the validation process.

Mr. Twohig reported the RFQ identifies experienced design-builders and assesses interest in the market. The intent is to shortlist no more than three finalists. To date, four teams expressed interest in submitting proposals. Currently, the PFD is finalizing the RFP internally with a draft circulated along with a scope of work to ensure the process does not prevent good design-builders from bidding.

Mr. Twohig shared that the design-builder for the INB project approached the PFD before commencement of construction and offered creative solutions to some problems the PFD was encountering. The design-builder was able to develop some good solutions, as well as some ways to produce new revenue streams. The next step is validation and working with the team. The intent is to work through the SEPA and traffic studies concurrently to have the information available during the validation process. The PFD is striving to avoid directing the design-builder in terms of construction of the building or its location on the site.

Mr. Twohig reported the project meets criteria in RCW 39.10.300, as it is a highly specialized project involving installation of a 200 meter hydraulic-banked indoor track and other specialized elements. The PFD believes the Progressive DB delivery method would provide significant savings in project delivery time. Early involvement by the design-builder places more responsibility on the design-build team to meet project objectives. The budget is limited to fit within the District's project budget. The design-builder will be required to work within that budget. Involvement in the development of the scope shifts more risk of the performance of the project to the design-build team enabling substantial fiscal benefit to the District.

***Panel Questions:***

*Panel Chair Palewicz invited questions from the panel.*

Mr. Beaudine asked Mr. Twohig what the District learned from the previous RFQ process that could be applied to the project. Mr. Twohig said one of the most important elements learned was to ensure finances were contracted and secured. The previous project was halted because financing was withdrawn despite the very good process and successful selection of a good design-build team. The project was ready to initiate when the team was informed funding would not be provided. Essentially, leadership lost the political will to place a ballot measure. The lesson learned from that experience was not pursuing approval from the PRC until funding has been identified and secured.

Mr. McDowell said that as part of the of the RFQ process, analyzing the strength of the team was crucial from his perspective. It was important to ascertain the quality of the team and their level of commitment and quality. The PFD was able to select an outstanding team based on qualifications.

Mr. Dugan said it was great for the team to mention all the great things that are happening with a healthy DB team as it conveys to the PRC that the District understands the tool and is selecting the right team. The PRC often does not hear that information articulated from owners. However, when it happens, it is a good thing. Secondly, on the funding side and

irrespective of the \$1 million from the state, he asked whether there are any questions or concerns about the receipt of the remaining funds for the project. Mr. Twohig advised that the project is funded. The budget is comprised of \$25 million in county bonds that has been approved by the County Commissioners. Receipt of the funds will occur when the PFD is ready for the county to sell the bonds. Approximately \$10.5 million is from an existing reserve fund from a previous convention center project that required a reserve fund because of the financial crisis when surety firms went out of business. The City is contributing \$5 million.

Mr. Dugan mentioned references to different roles of the public agency partners. He asked whether there are any questions with respect to the PFD assuming the lead agency role for the project. Mr. Twohig affirmed that all the agreements are very specific as to the PFD's role.

Mr. Talcott requested additional details about the line of authority for the project and how challenges would be resolved as they arise during the project. Mr. Twohig reported the Project Committee is comprised of two PFD Board members and two staff members. The committee is charged with running the projects. On-site presence is available each day. Decisions will flow to the committee through weekly meetings. The committee has the ability to run the project under the contract and anything outside the contract would be reviewed by the Board of Directors. Monthly invoices are reviewed by the Board as well.

Mr. Talcott inquired about the timeline associated with the validation process. Mr. Twohig said the validation process would define the footprint of the building. The PFD is aware of forces in today's market as the District is experiencing it to some extent on the INB project with some dramatic escalation in material costs. Some of the labor costs have also increased. The validation process is important because it will establish the scope of the project. The District intends to issue a notice to proceed on August 8, 2018 with validation occurring to the end of the year. By the end of the year, the District hopes to deliver to the Board and to the community, the scope of the sportsplex project.

Mr. McDowell clarified that the Project Committee includes him, the current CEO, Mr. Twohig, Dave Gephardt, and Board member Larry Soehren. The committee renders real-time decisions with full support by the Board of Directors.

Mr. Shinn asked whether the inability to purchase the smaller parcel would affect siting of the sportsplex on the larger parcel. Mr. Twohig said the District plans to construct the project on the site regardless of the outcome of the sale of the parcel. At this time, the District has 90% site control. The District has explored other options from moving the building to the south, east, west, and north. However, the District wants input from the design team to help site the building.

Mr. Shinn asked whether the District plans to offer honorariums for submitted proposals. Mr. Twohig said the District is not seeking any design work from bidders. The RFQ is a single page qualifications statement. When the finalists are selected, a stipend would be provided.

Ms. Riley-Hall asked for information on the many fiscal benefits for the other DB project. Mr. Twohig said the project has generated new tax revenues for the city, county, and state, as well as additional lodging tax revenue generated from the sports tourism component. He is equally interested in the healthy youth aspect of the project as it essentially is a loss-leader because it would not cover the cost of operating the building for youth programs, but they are just as important as sports tourism. Sports tourism makes the building economically viable.

Ms. Riley-Hall referred to the \$1 million for property acquisition. As stated earlier, a larger percentage of the property is owned by others. Ms. Curran replied that 90% of the property is owned by the City of Spokane with one parcel privately owned. Ms. Riley-Hall asked whether the budget of \$1 million is sufficient based on today's economy and real estate market. Mr. Curran said the \$1 million is from the PFD with the remainder provided by the City of Spokane. If the acquisition of the property is over a million dollars, the City will fund the difference.

Panel Chair Palewicz said his question centers on the validation phase, as it is somewhat confusing. In Progressive DB, the design phase involves working closely with the design team and reaching a point where everyone understands the project scope and the cost. At that point, a contract is negotiated with the design-build team. He asked whether that scenario aligns with the District's definition of a validation phase. Mr. Twohig spoke to the process with respect to the

current project underway. The District had a \$20 million budget for the INB renovation project. The District also had an extensive laundry list of additional elements. The project consisted of expanding an existing facility thereby reducing the potential for many environmental issues. The District studied different types of renovation. A New York consultant was hired because of the focus on ADA compliance. The consultant recommended demolishing and rebuilding the building. Subsequently, the District pursued a local study resulting in a more practical outcome. However, during the validation process, the laundry list was considered along with the top priority of ADA accessibility understanding the building was in need of new electrical and mechanical systems, roof, walls, and a new lobby. As the issues were worked through, all those improvements were possible because the District was able to work closely with the designers and the builder. The builder placed his representative in the building the moment the contract was signed. The builder's representative studied the building and systems from January until May when construction commenced, and was able to share valuable information about the facility with the District, builder, and the designers. That in-depth knowledge of the facility helped the designers.

Panel Chair Palewicz asked whether the assumption is to start the process with the previous design for the building. Mr. Twohig said the District currently does not have a design for the project. The District has completed a program study identifying a number of required elements.

***Public Comments:***

*Panel Chair Palewicz invited public comments.*

Rustin Hall shared that he is a resident of the Spokane Valley and supports the project for a number of reasons. The PFD is the best poster child for a public agency for alternative delivery projects. The PFD has completed many alternative delivery projects over the last several decades. The attitude of "getting out of the way" of the design-build team is important. The PFD understands the process. Expertise provided by Mr. Walker and Hill International provides twice the required amount of expertise. The project is very challenging because of the hydraulically adjustable track. Only two manufacturers in the country produce the product. They will need to be identified and involved early during validation. Mr. Hall said he is a member of the Sports Commission in Spokane. The project is ideally suited for DB whereas a Design-Bid-Build process would not be possible.

***Panel Deliberation:***

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

Mr. Shinn expressed support of the application.

Mr. Beaudine added that as a resident of Spokane he is aware of District's due diligence for completing projects. He has witnessed other successes with other DB projects, such as the INB and the Convention Center. As an owner, they are very familiar with the process. The PFD has also worked well with local design-build teams. The District has the experience as an owner and with the additional assistance from Hill International to provide guidance; he is supportive of the application.

Mr. Talcott said he also intends to support the application as well. The schedule is well thought and he supports the validation process. It appears the District has the experience and he fully anticipates the project will be successful.

Mr. Peters supported the project. The Project Committee is an excellent step in the application of any delivery method. Having a high level group that has the authority to make decisions but also follows the project from start to finish with the authority to intervene and render timely decisions is an excellent process. While it might be obvious, far too many public agencies do not have a similar process and often encounter trouble because of the lack of authority at the lower level or reluctance to address the issues at the higher level. He encouraged other members to promote the idea of a project committee regardless of the delivery method.

Mr. Dugan expressed support for the project. He expressed appreciation for brevity and the level of experience reflected in previous projects. At that level of experience, the District brings the body of experience for any possible issue that might arise. Lastly, there is much talent in a healthy team that can be brought to bear for the owner. Often, healthy teams

can offer ideas that can be embodied and embraced by the public agency. Unfortunately, many public agencies do not allow that to occur. However, he is glad that the District supports that process.

Ms. Riley-Hall said she supports the project as the District has the appropriate staff, skills, and experience with DB and Progressive DB. It is nice to see a well-experienced team use the new delivery method. The team meets the RCW requirements.

***Mike Shinn moved, seconded by Jim Dugan, to approve the Progressive DB application from the Spokane Public Facilities District for the Sportsplex Project. Motion carried unanimously. – PROJECT APPROVED***

*The meeting was recessed at 10:00 a.m. and reconvened at 10:12 a.m. in Conference Room A to consider recertification applications from Sound Transit and the City of Tacoma. Lunch followed from 12:00 p.m. to 12:30 p.m.*

*Panel Chair Bryan Eppler called the next panel to order at 12:30 p.m.*

#### **TACOMA PUBLIC SCHOOLS – HUNT MIDDLE SCHOOL – DESIGN-BUILD PROJECT**

Panel Chair Bryan Eppler reviewed the presentation and timing format to consider the DB application from Tacoma Public Schools for the Hunt Middle School project. PRC members Ato Apiafi, Bryan Eppler, Curt Gimmestad, Rustin Hall, Kurt Boyd, Linneth Riley-Hall, and Yelena Semenova provided self-introduction.

Morris Aldridge, Executive Director, Planning & Construction, Tacoma Public Schools, presented the DB program for Hunt Middle School. He introduced Kristine Anderson, Project Supervisor/Project Manager, Tacoma Public Schools. Ms. Anderson recently received DB certification. Alicia Lawver serves as the School District's Strategic Program Analyst. She handles all MWBE and SBE statistics to ensure the School District meets goals. Julius Pallotta, Internal DB Technical Advisor/Project Supervisor, Tacoma Public Schools, has a vast amount of knowledge of DB and GC/CM with over 30 years in the industry. Dan Cody, Parametrix, is responsible for procurement for the project. Jim Dugan, Parametrix, is serving as the project's Program Manager and is assisting the District through the PRC process. Mr. Aldridge added that he recently moved to the state and is transitioning from the Texas educational code to Washington State RCWs. He acknowledged the importance of having experienced personnel to help guide him through the process.

Additional team members not in attendance include Chris Williams, Chief Operating Officer, Tacoma Public Schools. John Palewicz is serving as an advisor and Graehm Wallace with Perkins Coie serves as legal counsel. Michelle Langi, Parametrix, will provide project support. All team members have a wealth of knowledge to ensure the package and plan leads to a successful completion.

Tacoma Public Schools was founded in 1869 and has 57 campuses representing the fourth largest school district in the State of Washington serving approximately 30,000 students and 5,000 employees. Tacoma Public Schools is one of the largest employers in the City of Tacoma.

Mr. Aldridge displayed a map of the district, which was shared with voters as part of the 2013 bond package. The map depicts all campuses scheduled for replacement along with renovation projects.

Mr. Aldridge shared a copy of the Capital Planning & Construction organizational chart. He identified employees reporting directly to him. The department is supplemented by a number of consultants to include Parametrix, Vanir, Hill International, and Greene Gasaway, as well as business partners embedded within the department. Ms. Lawver is embedded within the department to ensure minority inclusion numbers are on track.

Business equity is extremely important to Tacoma Public Schools, City of Tacoma, and to the Tacoma Public School Board. The Board and the Superintendent adopted the Governor's diverse business goals three years ago to ensure the School District achieved the goals. As a district, Tacoma Public Schools is close but has not entirely achieved its goal. DB offers an opportunity to help the school district meet its goals. Tacoma Public Schools is striving to achieve 30% of the local share to ensure all citizens within the district believe their tax dollars are working for them, as well as for the students. The apprenticeship programs are important as well. Tacoma Public Schools examines all projects to include

apprentices to aid those students who have graduated from high school or are in apprenticeship programs. The School District tracks monthly percentages of MWBE and SBE utilized on projects, as well as apprenticeship utilization percentages.

Mr. Aldridge reviewed prior project history. Washington Elementary School was the first program under the 2013 bond program. Since then, 11 other projects have been completed or are underway with Hunt Middle School designated as the next project followed by Downing Elementary school. The Hunt Middle School project was moved up in the schedule to help the school district control spending based on current market escalation. Hunt Middle School is a larger project to afford better control on costs.

Mr. Aldridge reviewed Tacoma Public Schools project experience from 2001 through 2016. The experience is extensive. Since 1983, the community has approved \$1.3 billion in capital facility improvements with \$200 million in projects completed between 1983 and 1997, \$450 million in projects completed in 2001, and \$500 million in projects completed in 2013. From 2001 to 2018, funds have been used for modernizations, replacements, and/or building additions to 35 public schools. Under the 2013 bond, 28 projects have been completed with two projects currently under construction (Browns Point & Mary Lyon Elementary Schools), three projects in design (Grant, Birney, and Boze Elementary Schools), and two schools remaining (Hunt Middle School and Downing Elementary School).

Hunt Middle School is located in the west area of Tacoma within a mixed industrial area. The school is located on 24.8 acres and is one of the largest school sites. The building will be designed to house 600 students; however, the budget is not adequate to construct a building housing 600 students as a full middle school. Consequently, Tacoma Public Schools elected to phase the project with plans to seek another bond in 2019 to complete the next phase of the project following completion of the initial phase. Occupancy is scheduled in 2021. Currently, the campus serves as a swing site for other campuses. Today, the campus does not house students; however, elementary students would be moved to the site creating an occupied site during construction.

Site constraints include urban residential and commercial uses surrounding two of the four sides creating noise concerns to an apartment complex located across the street. The project includes extensive off-site improvements to roads. The site will be occupied and phasing will be complex. DB offers an opportunity to address those concerns.

The total project budget is \$48 million comprised of the following:

• A/E Basic & Additional Services	\$ 3,869,000
• Project Construction Cost (including 3% DB contingency)	\$33,500,000
• Owners Project Contingency (5%)	\$ 1,868,450
• Owners Soft Cost Budget (project administration, FF&E, Owners Other Consultants, Permits/Fees, Sales Tax, etc.)	<u>\$ 8,762,550</u>
TOTAL	\$48,000,000

Mr. Aldridge reviewed the project schedule, which he believes is a generous schedule to avoid rushed decisions. At the point when a decision is necessary, Mr. Aldridge said he is responsible for the decision. Likewise, the Project Manager will make specific decisions sometimes in consultation with consultants without the necessity of seeking Board approval. The School Board believes in the project team. Scheduling wise, the process will not be delayed while the Board makes decisions. The advanced notice of project was published on March 8, 2018. The work completed by Mr. Cody on the documentation to ensure a smooth process is on target. The procurement schedule allows for team formation, questions, and addenda as needed prior to the due date of the SOQs.

Mr. Aldridge reviewed the project organizational chart assigned for the Hunt Middle School project. Support is provided by Parametrix in a number of different areas as the project proceeds.



The DB delivery method was an easy decision because of market conditions. Today, the market is saturated. Projects valued between \$25 million to \$50 million offer limited wiggle room. DB provides the opportunity to ensure the School District achieves its goal. Cost certainty is a major factor. After completion of design and prior to construction moving forward, the School District will have the benefit of knowing the project cost, which is extremely important as the budget is finite. The project meets all three RCW criteria:

*(5.1) Construction activities are highly specialized and a DB approach is critical in developing the construction methodology.*

*(5.2) The project provides opportunity for greater innovation and efficiencies between the designer and builder.*

*(5.3) Significant savings in project delivery time would be realized.*

Public benefits include cost savings, risk mitigation, safety, and fulfillment of bond promise.

Mr. Aldridge reviewed the team's qualifications. Ms. Anderson is certified in DB and Mr. Pallotta has the knowledge and background. The combined team has more experience in DB than he does. Tacoma Public Schools believes it has the appropriate budget to achieve the goals established for 2021 with another bond for completion of subsequent phases. The project management plan is clear and has been reviewed. Professionals both external and internal to the School District assisted in developing and moving the plan forward. The project team has the necessary experience. The project has the team capacity with Ms. Anderson completing a prior GC/CM project to enable her to be fully vested on the project. Mr. Pallotta is assisting in a number of other projects but works very closely with Ms. Anderson. Mr. Dugan participates in standing meetings with the District and the City of Tacoma to assist in moving the process forward. Today, Tacoma Public Schools is prepared to start the project. Mr. Aldridge invited questions.

***Panel Questions:***

*Panel Chair Eppler invited questions from the panel.*

Mr. Apiafi complimented the School District for its inclusion plan. Approximately four years ago when he volunteered to assist the state with inclusion efforts, Tacoma Public Schools pursued inclusion efforts and since then has made tremendous strides for inclusion. In terms of process improvements, he encouraged the District to maintain its course for continuity. Mr. Apiafi asked Ms. Anderson and Mr. Pallotta to elaborate on their involvement and how they plan to utilize resources. Ms. Anderson reported she is a licensed architect and is LEED and DBIA certified. She and Mr. Pallotta complement one another with his heavy background as a construction contractor. They frequently share ideas and examine the beginning of the project and programming needs. Common experience is the work completed on DB projects in the past providing a good working relationship moving forward.

Mr. Pallotta commented that working closely with another person requires a great deal of respect for the individual. He respects Ms. Anderson as she works very hard and has a lot of experience working with contractors as an architect. She provides strength to the team. The project represents nothing new to their working relationship as the work is completed on a daily basis for all projects. They collaborate quite frequently and ask many questions. Mr. Pallotta agreed that he and Ms. Anderson complement each other. In terms of DB, Ms. Anderson has a strong background and has worked with many contractors. Mr. Pallotta noted that his background in DB is also strong through his work with contractors on the federal and state side. They are more than capable of pursuing the project to a successful close.

Ms. Anderson added that she was an original proponent for using the DB delivery method for the project. At first, the idea was not well received when first introduced, but over time opinions changed as the delivery method affords more ability to increase inclusion in the process and meet MWBE targets established by the District.

Mr. Gimmestad asked whether the team has been able to learn anything from the first DB project, which has recently been launched, that might be relevant in terms of moving the project forward either in a similar fashion or possibly in a different direction. Mr. Aldridge replied that the experience of the team has been great as the harmonious aspect of having the architect and the construction company working together to evaluate how the building is to be developed based on architectural vision and constructability by the contractor has benefitted the District and afforded input for all stakeholders. The prior DB process resulted in one complaint from a citizen claiming the District did not involve the City

of Tacoma in the planning of sidewalks. Actually, Mr. Dugan met with the City each Friday to discuss different program elements. The community is very satisfied with the process and the District is satisfied. The DB delivery method is much more comforting than the GC/CM delivery method because everyone is working together. Should a proposal be offered, the process enables the contractor to evaluate pros and cons while ensuring the process maintains its course.

Mr. Dugan reported that Parametrix has been assigned to the Project Management role. The weekly meeting structure was intentional. He cited a series of meetings repeated each week to ensure all team members are on the same page. That meeting process was implemented for the Boze Elementary School project, as it was the District's first DB project. It has proved beneficial and will be repeated with each DB project because of the ability to identify and resolve issues quickly.

Ms. Lawver commented on the night and day aspect of DB with respect to inclusion as it affords time to plan and build on the relationships with subs and to connect with people.

Mr. Hall remarked that based on the project schedule, his experience reflects a need to include a validation period rather than selection and then design. He asked how the School District would determine the design without some programming time. Mr. Pallotta admitted the presentation's schedule did not include the validation component; however, it is included within the programming aspect of the schedule.

Yelena Semenova pointed out that the schedule appears to be too aggressive. Part of the program is following the DB process during construction. The schedule indicates the RFP affords only 10 calendar days or six business days for the team to prepare for the meeting. One of the days is the 4<sup>th</sup> of July holiday affording insufficient time for the teams to prepare. Additionally, only one business day is provided for teams to submit their SOQ. One day to prepare the proposal is insufficient. The schedule reflects first design and then construction. As the team previously mentioned the possibility of early release, the schedule does not permit verification of how the steps are progressing while the intent is to pursue Progressive DB, which is new to many members of the PRC. Because of the complexity of the project, the District has indicated the possibility of the site being occupied. She asked why the District did not consider Design-Bid-Build if the site is not occupied and why the District selected Progressive DB rather than GC/CM.

Mr. Aldridge replied that the selection process is about examining the project scope and controlling costs. The team believes it has more control over the costs in Progressive DB than in GC/CM because the District is subject to the bid market. As the process proceeds, key milestones, and key areas within construction are examined and the team will receive those costs from the construction team. The team has had conversations with the industry on a number of different elements for the Boze project. That enabled finalization of the numbers earlier in the process by the end of design versus GC/CM with a guaranteed maximum price, as change orders tend to start because something may have been missed within the scope. Completing the project by Design-Bid-Build guarantees a project that is continually subject to change orders because something was missed in the scoping. From a cost standpoint, the District believes Progressive Design-Build is the best method to pursue.

Mr. Dugan said the delivery method was selected because of cost certainty. Ms. Semenova remarked that the process is not integrated as construction begins after design is completed. The savings are achieved if construction begins sooner to save time.

Mr. Cody said the schedule included in the application is simplified. The schedule included in the RFP document is two pages. The RFP schedule is very detailed and speaks too many of the concerns. One of the concerns about proceeding immediately does not account for the team's earlier release of a notification ad to the contractors published in the Daily Journal and local newspaper. The team has been conversing with contractors by telephone. The community is very aware of the project. Design-builders have been building teams while the team completed the PRC application and presentation. Mr. Cody said he believes there is much interest by contractors based on the number of contacts. The procurement documents include much more detail.

Ms. Riley-Hall asked about the percentage of design completion when construction commences. Mr. Cody said the schedule identifies negotiation of the GMP between 40% and 60% design completion, which will be at the end of design development. The team will work with the DB partner to identify a construction schedule that would likely include early procurement and early site packages. However, as a team, the intent is to work collaboratively to establish the final schedule. Completion of design will be completed when early procurement packages and early site packages are released.

Mr. Boyd asked about the timing of the estimate for determining the square footage cost of \$380 for a middle school. His company is involved in several EC/CM DB and Progressive DB projects and because of the requirements for ADA kitchens, cafeteria, technology, and future anti-terror protections, costs tend to escalate. Mr. Aldridge said the budget was developed prior to 2013. The intent is to work with the design-builder as the project is phased because the District understands the budget is insufficient. Mr. Boyd asked whether the 2013 budget included an inflationary factor for 2018.

Mr. Dugan said the cost per square foot for Browns Point Elementary School was \$382-\$383. Mary Lyon Elementary School is trending similar costs using current planning dollars. The schedule for this project mirrors the schedule for the other elementary schools successfully completed. The team considered the positive feedback from those schedules. Construction will actually begin when the design is complete, but the fixing of costs will be at the end of the early design phase followed by completion of the design under a GMP budget with construction at that point commencing. The process will help to inform the District that the last school can be completed within the bond program.

***Public Comments:***

*Panel Chair Eppler invited public comments.*

An unidentified representative from the DB Institute of America said the School District took the time to send personnel to DBIA training and participate on the CPARB Design-Build Best Practices Committee full day training.

***Panel Deliberation:***

*Panel Chair Eppler invited deliberations and a recommendation by the panel.*

Ms. Semenova said she continues to have concerns about the schedule and did not receive the answer as to whether the school will be occupied. Because of that uncertainty, she is not certain about the complexity of the construction site. Although there was reference to a detailed schedule, she has not viewed the document making it difficult for her to judge the project.

Mr. Apiafi said he initially shared Ms. Semonova's concerns surrounding schedule; however, the panel presented additional information and indicated the schedule was further broken down as to how to bring the project to completion. As Mr. Dugan pointed out earlier, the School District completed a similar project using the same kind of schedule, which worked.

Mr. Boyd said he is unsure about either issue but in a Progressive DB project he worked on, the architect and the general contractor were selected and within 10 days, the electrical and mechanical design builders were selected, as well as the structural engineer. Within three days, the remaining subcontractors were hired for the team. Based on the schedule and the design beginning in November there should be plenty of time to establish the team to correlate with project goals. He is unsure as to how the project fits within the progressive nature of DB.

Mr. Gimmestad said the contractor and the architect would be hired as a team and he assumes that based on how the remaining team is hired outside of the design team and the contractor, it would be the progressive design-build teams that would help the owner.

Mr. Boyd said there is plenty of time prior to November 2018 to establish the rest of the team.

Mr. Gimmestad said his comment concerns the schedule as Ms. Semenova raised a good point about timing between July 6 and July 10. He imagines by some of the detail that there might be some additional time associated with a proprietary meeting and submittal of proposals and the cost approach. However, in terms of overall duration within the schedule to select the design-builder, the timing is not surprising based on what is occurring in the marketplace for a DB selection process. The contracting community could likely overcome and manage effectively to submit the right information as to what is a deliverable for the project. In terms of the question as to the percentage of completion of the drawings prior to construction, he is unsure how to answer that question because it is up to the architect and the contractor to figure it out. Whether the site is occupied or not is not a concern for the contractor as the contractor will figure out the challenges to determine what is required if the site is occupied to manage the risk. If not occupied, the plan would be developed for site risks, which may include demolition of the existing building, as it may no longer be needed. All of those issues within Progressive DB allow all those risk factors to be deliberated as part of the team.

Ms. Semenova said her comments were from a different perspective. If the site is not occupied, there is less risk to the project. If the site is less complex, she questioned why the School district would not consider Design-Bid-Build.

Mr. Boyd replied that it depends on what is called out in the SOQs and the deliverables since most Progressive DB jobs typically are qualification-based with a number to meet the requirements of the RCW. While the process occurs over the 4<sup>th</sup> of July and sometimes owners do not consider what is occurring in the market prior to a holiday, the design would still be in process as the process is a more qualification-based proposal.

Ms. Riley-Hall said her questions surrounding the status of design prior to construction pertained to some questions from the panel relating to why the School District was not pursuing Design-Bid-Build when the design would be at 100%. She was seeking some clarification because if the design is at 100% then the question is why not Design-Bid-Build. In terms of the schedule, she agreed the timeline is aggressive; however, once it is released, the contracting community will react to the schedule and if they believe it is not doable, they will push for more time in the schedule. She knows that contractors who believe the schedule is a deal breaker will push back.

Ms. Semenova pointed out that if the panel agrees the schedule is too aggressive, the panel should ask the team to revise the schedule rather than having pushback from the contractors.

Panel Chair Eppler acknowledged the comments on the schedule but said his biggest concern is the budget because it was budgeted in 2013. Given the state of the economy for contracting, he would be concerned about completing the project to the required level. There might be a requirement to reduce the scope. Another concern is meeting the RCW as one criterion speaks to highly specialized construction activities. He questioned why the project is highly specialized, as the overview was a generic review of what might be specialized and possible innovations. He questioned the elements that might be innovative. If the panel cannot qualify one of the three criteria, that is of concern. He did not believe it was fully addressed. Those are two of his high level concerns with the application at this time.

Mr. Apiafi said he shares Ms. Riley-Hall's concerns. However, overall he supports the application but would advise the School District to consider the schedule. Overall, the experience and history would enable the team to bring the project to a successful completion.

Ms. Riley-Hall noted that under the RCW, the applicant is only required to meet one of the requirements. One of the requirements speaks to greater innovation and efficiencies. One goal of the team is to collaborate with the design-builder to increase efficiency and constructability of the project. She suggested it might not be possible to indicate the project does not have any innovation and efficiencies.

Panel Chair Eppler agreed as it was only a concern he has.

Ms. Semenova said the project is a wood frame building and is considered a basic project, which is why she is questioning why the proposal is to pursue Progressive DB. She asked whether any of the team members have any Progressive DB experience. Another issue is the 3% contingency on the project, which is too low. Comment related to no change orders should serve as a caution as there would be some change orders.

Mr. Hall cautioned members to consider the lens of the panel's review as the panel is guided by the RCW. At this time, one of the three boxes can be satisfied primarily because the team acknowledged at the onset that the school district lacks the funds to complete the entire budget as the budget was established in 2013. The proposal is an ideal way for the owner, contractor, and the designer to work together in Progressive DB to figure out what that means. The schedule affords ample calendar time with 13 months of design. He would have preferred to see that schedule broken into a period of validation. There are some issues around the edges that may be rough, but in the grand scheme, it is the right delivery method for this project. Pursuing the project as Design-Bid-Build would be a disaster. He plans to support the proposal.

Mr. Boyd agreed with Mr. Rustin's comments as he has worked on similar construction projects and there are opportunities for innovation.

***Kurt Boyd moved, seconded by Ato Apiafi, to approve the Design-Build project application from Tacoma Public Schools for the Hunt Middle School Project. Motion carried. Yelena Semenova opposed. – PROJECT APPROVED***

Ms. Riley-Hall acknowledged the opportunity for the PRC to provide any advice or guidance to the team.

Ms. Semenova said she believes the School District has a great project but she could not vote for the project, as she is not as familiar with the team as some other members are. She also does not know about the capabilities of the School District. Although the schedule might be appropriate, the information she reviewed was insufficient, which prompted her to vote no. However, the project is a good project and she is hopeful the team is very successful.

*The meeting was recessed from to 1:23 p.m. to 1:32 p.m.*

**MEAD SCHOOL DISTRICT – NEW ELEMENTARY, TRANSPORTATION CO-OP, DISTRICT MAINTENANCE FACILITY & PERFORMING ARTS/ATHLETIC COMPLEX – GC/CM**

Panel Chair Linneth Riley-Hall reviewed the presentation and timing format to consider the application from Mead School District for the New Elementary, Transportation Co-Op, District Maintenance Facility & Performing Arts/Athletic Complex GC/CM Project. PRC members Ato Apiafi, Bryan Eppler, Jim Dugan, John Palewicz, Howard Hillinger, and Linneth Riley-Hall.

Ned Wendle, Director of Facilities and Planning, Mead School District, presented the project application for consideration for the GC/CM delivery method. The project includes four components of an elementary school, a transportation co-op, a maintenance district facility, and a performing arts and athletic complex. The project team believes the project is suited for GC/CM. The project team begins with the Mead School District Board of Directors and the School Superintendent. They will participate in all aspects of the projects as oversight. Wayne Leonard, Assistant Superintendent Business Services, has oversight of all budgetary issues and will attend most of the project meetings. Mr. Wendle reported he is the main point of contact for Mead School District on all aspects of the projects. Greg Brown with CBRE/Heery is serving as the main Project Manager with David Beaudine and Dan Gendreau providing additional project management services. Roxann Robinson, CBRE/Heery, will provide budgetary services support. The ALSC Architects team includes Dave Huotari, Principal-in-Charge. Each project has an assigned managing principal from ALSC Architects with Indy Dehal, Design Lead, ALSC Architects, serving on all three projects.

Several of the team members provided self-introduction. Mr. Leonard said he has been with the School District for 13 years and was previously employed by the Park School District. This project is his ninth construction project between the two districts. The project will also be his third GC/CM project. The project has much community interest primarily because of the sports complex desired by many in the community since the 70s.

Mr. Wendle said he oversees all School District bond projects. He currently manages the district's 1.3 million square feet of buildings and 450 acres of grounds. He has worked on two GC/CM projects with one completed and the second scheduled for completion in August. One project progressed smoothly while the second project has faced some challenges. However, the School District is completing both projects.

Greg Brown reported he is a member of the CBRE/Heery team and has been in the K-12 project management arena for 30 years. This project represents his eleventh GC/CM project. He was the Capital Projects Director for Spokane Public Schools for 12 years. Spokane Public Schools was the first school district to obtain public agency certification in the State of Washington. All team presenters have GC/CM experience. The project includes a qualified team.

David Beaudine, Senior Project Manager, CBRE/Heery, said he is providing some additional support to the program. He has experience on multiple GC/CM projects and serves on the PRC. In addition to providing management experience to projects in eastern Washington, the percentage of time and commitment by CBRE/Heery includes 80% commitment by Greg Brown to the Mead School District program with 50% of his time committed to the project, 30% committed to the Mead Five Mile Prairie Middle School project, and 20% committed to Federal Way Public Schools. The company has six employees committed to central and eastern Washington projects providing additional support as required.

Rustin Hall reported he has been a Managing Principal at ALSC Architects for the last 20 years and has been working within the industry for 33 years. A vast majority of his experience has been with sports and recreational facilities. The last two facilities were GC/CM projects at Washington State University of two expansions and one stadium valued at \$130 million. This project is complex.

Ken Murphy reported he is Mr. Hall's partner at ALSC Architects. The majority of his work has focused on K-12 projects. He has worked on several GC/CM projects with the first project 15 years ago as part of the first pilot project at a middle school.

Roxann Robinson said she has been with CBRE/Heery for nearly 16 years and over that time, she has participated on GC/CM projects for Seattle Public Schools for approximately 15 GC/CM selections.

Mr. Wendle said the team is rounded out with legal advisor, Graehm Wallace with Perkins Coie. Mr. Wallace's reputation speaks for itself with respect to GC/CM abilities.

At the last presentation to the PRC for the Mead School District, the school team had no GC/CM experience. The School District relied nearly 100% on consultants for that project. In the three years since then, the team has accumulated GC/CM experience enabling a strong understanding of the GC/CM process.

The project meets the criteria as it involves complex scheduling, coordination, and phasing. The School District is growing at a massive rate with over 300 new students each year for the last three years. Recently, a demographics study revealed that the School District will welcome another 3,000 students in the next 10 years. The School District has many facilities located outside the urban growth boundary creating some challenges to locate property inside the urban growth area. The project site is located within the urban growth area. Hiring a GC/CM early in the process is critical as the school is scheduled to be online and the projects must proceed through an aggressive timeline. Having the GC/CM involved early will assist the School District in meeting the schedule.

Spokane is also experiencing volatile escalation in the marketplace with difficulty in securing adequate subcontractors as many are committed to other projects. Having a good GC/CM will make a big difference for the subcontractors. The School District has had good experience to date. Certain facilities in the project must be rebuilt with parts demolished. The center part of the site is active with the Boys and Girls Club and transportation and maintenance facilities. The building will need to be constructed and moved to enable work on other elements of the project. The four project components are interdependent. The project involves construction at an existing site that will continue to operate. The phasing aspect impacts 110 buses and 125 employees for transportation services. Approximately 40 maintenance staff will be impacted. The Boys and Girls Club will be on site during part of the construction phase.

Involvement of the GC/CM during the design phase is critical. The GC/CM is critical to deal with cost escalations and securing subcontractors and suppliers. Because of bidding conditions, the availability of the GC/CM is a critical component prior to initiating design. A streamlined process allows the School District to reduce value engineering and constructability reviews throughout the process as discovered on other projects, which provided significant value to the School District.

The New Mead Elementary School site includes complex permitting issues as much county utility work has occurred in the neighborhood; however, part of the sewer previously installed during a roadway project is a dry line. The site is near a north/south freeway connecting to 395 and Highway 2 with Market Street serving as a busy corridor for commercial vehicles. Mitigation will be required along with utility work. The Transportation and Maintenance Departments along with a large gym will be occupied, which is used by the Boys and Girls Club.

Mr. Wendle reviewed the location of the new transportation and maintenance facilities, sports complex/performing arts venue, and the elementary school. The site is surrounded by residential neighborhoods. The county has not determined whether the project can include a private sewer.

Mr. Leonard described why the School District bundled the projects. The main reason was because of escalation. Staggering the projects would entail up to five years to complete. Bundling the projects on the same schedule enables completion within two to three years. However, hiring separate contractors was deemed problematic, as it would result in overlaps, confusion, finger pointing, and overlapping roads and utilities. The decision to pursue GC/CM delivery enables one contractor with each project becoming components of one large project. One architect is designing all the components. The combined project is an ideal candidate for GC/CM delivery.

Mr. Wendle reviewed the project budget of \$61,911,000. The only component of the larger project with state match funds is the transportation co-op facility of \$5 million. The remaining funds are local funds from the School District. The three projects include approximately \$4.8 million in contingency funds. The construction estimates for each component includes a 5% owner contingency. It was noted that the application included a misprint within the budget.

Questions concerning the project schedule included timing for the elementary school. The elementary school is 12 months in design with seven months of design for the transportation co-op and maintenance facilities, and 12 months of design for the performing arts and athletic venue. The team recognizes the schedule is aggressive but because of growth and escalation, the team believes the timeline can be achieved.

Another question spoke to the status of the design. The intent is to hire the GC/CM prior to the conclusion of schematic design. At this time, schematic design has not been started, as it will take at least 5-6 weeks to hire the contractor. If the project is approved by the PRC, the School District plans to advertise as soon as possible. The procurement schedule has been drafted for the contractor. The School District has met with several contractors in the community to generate interest in the projects.

The project schedule includes some overlap between the performing arts venue and the transportation and maintenance facilities. The intent was to open the performing arts venue prior to the start of the football season, which is why the schedule was adjusted with the relocation of the transportation and maintenance to the other site affording some advantage to begin work on the venue earlier.

Another question from the PRC asked about the application's reference to an "open selection process." The phrase "open selection process" is intended to inform applicants and the public that the School District has no pre-selected contractor in mind for this project. It also refers to the fact that the process will be public and transparent. Based on some rumors, some entities had pre-determined a selection. The School District wanted to ensure that the contracting community was aware that this would be an open selection project.

The School District believes the project is a great candidate for the GC/CM delivery method for the reasons as stated. The project team is experienced, qualified, and available. CBRE/Heery and ALSC project teams have many successful GC/CM deliveries. Mead School District also now has GC/CM success and it has proven resources and controls in place. Mr. Wendle thanked the panel for its consideration.

***Panel Questions:***

*Panel Chair Riley-Hall invited questions from the panel.*

Mr. Apiafi asked about the plans to mitigate dust, noise, and vibration caused from construction activities. The team explained that the prior two GC/CM projects included one occupied site. The contractor developed a plan and distributed the plan to the neighborhood to address dust, noise, and construction activity. The School District also prepared a plan that involved meetings with the Capital Projects group, the principal, and a teacher committee to address problems weekly. Another project currently is a phased occupied elementary school, which has entailed some issues with dust and neighbors, as well as noise and smells from the construction site. The team aggressively addressed those issues with the contractor, who has been proactive with plans to minimize impacts and disturbances.

Mr. Brown reported the School District has also worked on a best practices manual. Some of the manual's provisions address construction issues. During the interview process, the School District seeks contractors that have experience working on occupied sites to ensure they are familiar with the issues that will likely arise. The intent is for the contractor to prepare a mitigation plan at the onset. The first project's contractor took the issue seriously and most of the issues were addressed prior to becoming an issue. The second project contractor is working hard to address the issues but lacks the experience. The second contractor is a smaller GC/CM contractor. The School District wanted to give the contractor an opportunity to work on a GC/CM project, as the Spokane area is very limited in the GC/CM market. As a public agency, it was important to provide an opportunity to another contractor to gain some experience to help the company compete and increase competition in the market.

Mr. Dugan asked for clarity with respect to the organizational chart because it appears that there is no single project manager assigned to each project, instead it reflects that Mr. Beaudine, Mr. Brown, and another project manager will manage the three projects. He asked whether that was an accurate representation. Mr. Brown said the project under consideration is his main project. He is also serving in an advisory role. He is the full-time project manager for the entire project with the four components. Another project manager was recently hired with experience from the Spokane area who lives in the district. He will serve as the Project Manager once the design phase is completed. Mr. Brown said his strengths reside in the upfront phase; however, once construction commences, he plans to transition off with the newly hired Project Manager assuming the role. Because the process is still in the design phase, the newly hired Project Manager would have time to acclimate to the project. The architect has three separate project managers with experience as well. Permitting generally involves a six-week window.

Mr. Palewicz asked whether the project includes the middle school. Mr. Wendle clarified that the middle school is a separate project. Mr. Brown said the applicant included the middle school; however, it is a separate project as it is part of the same bond. Mr. Palewicz asked about the timeline for permitting. Mr. Brown responded that Spokane County was contacted last year about some of the issues associated with the project pertaining to parking for the stadium and traffic issues. The county is aware of the project. The county provided some feedback. The City of Spokane and the county both have a good predevelopment process. During that process, issues are identified and the design team has the ability to respond.

Panel Chair Riley-Hall asked whether any lessons learned from the previous two GC/CM projects would move forward to the proposed project. Mr. Wendle said the first project was a spoiler as it was a seamless process with a great GC/CM and architectural firm. The second project although it encountered some problems, is still a success and the schedule has been maintained. There were some bumps in the road the team did not anticipate surrounding quality control issues. The biggest lesson is trust and then verify. The second project was a phased occupied elementary school site. The first meeting spoke to the need to ensure the general contractor understood the commitment to the timeline. Turnover of the gym on the construction schedule was scheduled on December 1. The School District conveyed that the timeline was not acceptable because of student needs.

***Public Comments:***

*Panel Chair Riley-Hall invited public comments. There were no public comments.*



**Panel Deliberation:**

*Panel Chair Riley-Hall invited panel deliberations and a recommendation.*

Mr. Apiafi said he anticipates challenges, as the Spokane area does not have the same selection of construction firms. However, the School District has developed a solid team with history and experience in GC/CM and DB projects.

Mr. Eppler said the School District inspires confidence in their projects even though it has experienced some good and bad experiences, which will be considered in the proposed project. The complexity of the overall site warrants GC/CM delivery. He supports the applicant.

Mr. Dugan said the project satisfies the statute. It is clearly on an occupied site with critical phasing, notwithstanding some of the other challenges. The team has the appropriate skill set. The skill set also has the capacity. The project is a poster child for GC/CM.

Mr. Hillinger said he believes the application is strong and he supports the School District testing the market capacity. The owner also acknowledged and is integrating lessons learned, as well as feeding that back to the market, which is valuable for an owner to do.

Panel Chair Riley-Hall echoed similar sentiments.

***Jim Dugan moved, seconded by Bryan Eppler, to approve the GC/CM application from Mead School District for the New Mead Elementary, Transportation Co-operative, District Maintenance Facility, and Performing Arts/Athletic Complex Project. Motion carried unanimously. – PROJECT APPROVED***

**ADJOURNMENT**

***With there being no further business, Panel Chair Riley-Hall adjourned this part of the meeting at 2:15 p.m.***