

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

**Northwest Carpenters Facility  
25120 Pacific Highway South  
Kent, Washington  
November 30, 2017**

*Minutes*

**MEMBERS PRESENT**

Ato Apiafi, Ato Apiafi Architects  
David Beaudine, Heery International  
Kurt Boyd, Valley Electric Company  
Bill Dobyns, Lydig Construction  
David Brossard, King County  
Jim Dugan, Parametrix  
Amy Engle, University of Washington  
Bryan Eppler, University Mechanical Contractors  
Curt Gimmetstad, Absher Construction  
Rustin Hall, ALSC Architects (*Chair*)  
Matthew Lane, McGranahan Architects

James Lynch, Ahlers & Cressman (*Panel Chair*)  
Mark Ottele, Granite Construction  
John Palewicz, University of Washington  
Ed Peters, Edmonds School District  
Linneth Riley-Hall, Sound Transit (*Panel Chair*)  
Jeanne Rynne, The Evergreen State College (*Telecon*)  
Mike Shinn, Shinn Mechanical  
Joe Stowell, City of Oak Harbor  
David Talcott, Exeltech Consulting  
Rob Warnaca, Mortenson Construction  
Janice Zahn, Port of Seattle

**STAFF, GUESTS, PRESENTERS**

Layne Alfonso, GeoEngineers  
Talia Baker, Department of Enterprise Services  
Ethan Bernau, SOJ  
Rachel Bianchi, City of Tukwila  
Cathy Bowman, Clark Co Fire Protection Dist 6  
Dan Chandler, OAC Services  
Dale Clark, Hensel Phelps  
David Cline, City of Tukwila  
Nancy Deakins, Department of Enterprise Services  
Steve Goldblatt, Consultant  
Valerie Gow, Puget Sound Meeting Services  
Ty Heim, EvergreenHealth  
Jeff Humprhreys, Mackenzie  
Warren Johnson, Walsh  
Jeff Jurgensen, OAC Services

Bill Kent, Mortenson Construction  
Justine Kim, Shiels Oblatz Johnsen (SOJ)  
Erica Loynd, DLR Group  
Kristan Maurer, Clark Co Fire Protection Dist 6  
Dan Perry, EvergreenHealth  
Derek Rae, OAC Services  
Jay Rowell, Central Valley School District  
Walter Schacht, Schacht Aslani Architects  
Ben Small, Central Valley School District  
Melissa Teichman, OAC Services  
Ducan Theime, SRG Partnership  
Robin Tischmak, City of Tukwila  
Bill Valdez, DLR Group  
Clancy Welsh, Garco Construction

*Chair Rustin Hall called the meeting to order at 8:30 a.m.*

Members provided self-introduction.

Chair Hall welcomed new member Amy Engle representing the University of Washington.

Chair Hall provided new member orientation and training to members.

**Business Meeting/Introductions**

Chair Hall reported the Project Review Committee (PRC) was established in 2007. During a recent review of the bylaws, several proposed changes were identified. Additionally, some revisions to the application document are proposed. The draft document was posted on the PRC website. Members also received an advance copy of the Design-Build Best Practices Guidelines. He encouraged members to review the guidelines as it effectively characterizes the Design-Build delivery process. Additionally, new language is proposed to some of the PRC documents referring applicants to the Design-Build Best Practices Guidelines.

**Revisions to PRC Bylaws**

Chair Hall reported that after several meetings to review proposed changes to the bylaws, a draft was developed eliminating references of Department of General Administration and replacing with the Department of Enterprise

Services (DES). References to Design-Build were refined to match the language in the RCWs. References to project proposals were changed to reflect “project applications” for consistency.

***Ed Peters moved, seconded by Matthew Lane, to approve the proposed revisions to the PRC Bylaws as presented.***

Chair Hall noted that other proposed changes include modification to the code based on changes to RCW 39.10.

Nancy Deakins added that members reviewed most of the proposed changes in September. The most recent proposed change would reformat the document to improve readability. No comments were received on the red-lined draft version.

***Motion carried unanimously.***

### **Applications and Other Documentation**

Chair Hall referred members to a draft of the *Applicant Information Packet for Project Approval*. Proposed changes are highlighted in red. Some of the dates were revised to reflect a due date by the 20<sup>th</sup> of each month.

Ed Peters noted that the deadline should reflect the month preceding the next-scheduled PRC meeting. Talia Baker replied that the language speaks to submittal of the information by the 20<sup>th</sup> of the month for consideration of the application at the next-scheduled meeting of the PRC.

John Palewicz recommended additional clarification of the language. He asked about the status of special meetings. Ms. Baker advised that normally, the goal is not to schedule a special meeting unless necessary. The PRC should avoid scheduling special meetings. Chair Hall advised that the bylaws stipulate the PRC can meet when needed; however, the goal is to limit special meetings.

Ms. Deakins added that special meetings are not advised as DES lacks a capital budget. The Capital Projects Advisory Review Board (CPARB) is funded primarily through the capital budget. Some operating funds are available but not at a sufficient level to operate at full capacity. Unless a situation occurs requiring a special meeting, DES recommends not promoting special meetings.

Mr. Palewicz recommended clarifying the new policy.

Linneth Riley-Hall cited the RCW allowing automatic approval of project applications if the PRC does not consider the application within 60 days. Ms. Baker said the adjustment in the submittal date to the 20<sup>th</sup> affords sufficient time to schedule a meeting.

Janice Zahn asked about the circumstance of an applicant submitting an application earlier than the 20<sup>th</sup> of the month. Ms. Baker said the submittal timeline is stipulated to be no earlier than the 15<sup>th</sup> and no later than the 20<sup>th</sup> of the month. Applicants submitting an application earlier than the 15<sup>th</sup> would be contacted and notified of the meeting date, and if the next meeting was scheduled beyond 60 days, the applicant would be asked to resubmit the application between the 15<sup>th</sup> and the 20<sup>th</sup>.

Ms. Deakins added that if the standards are published along with the submittal window, the applicant would be notified that it did not submit within the window.

Ms. Baker said the website also includes the due dates and public noticing due dates.

Chair Hall acknowledged the one change to the document to clarify the submittal date.

Rob Warnaca suggested clarifying whether applications would be accepted by mail. Ms. Baker replied that the RCW speaks to “whatever means is deemed appropriate.” However, many owners are having difficulty meeting the deadline by mail but can meet the deadline electronically. The document was changed to reflect “electronic submission,” as well as mail.

Chair Hall reviewed proposed changes to the *Application for Project Approval to Use the Design-Build Alternative Contracting Procedure*. He asked Walter Schacht to speak to changes recommended by CPARB.

Mr. Schacht reviewed three fundamental recommendations within the Design-Build Best Practices Guidelines:

1. The Guidelines should be reviewed by agencies applying to the Project Review Committee to receive project approval or agency certification. The PRC application and review process should refer agencies to the Guidelines and serve as a checklist to demonstrate the public body is prepared to administer the Design-Build procedure.
2. CPARB should collect values case studies on the use of Design-Build. The case studies would provide a database and lessons learned to inform future procurements and maintain the relevancy of the Guidelines.
3. The Guidelines should serve as a syllabus for an AGC Education Foundation course based on the successful format of the GC/CM course that is given several times a year

Mr. Schacht offered that the application could include a statement asking the applicant whether the Guidelines were reviewed; however, he is unsure whether it is possible to require the applicant to review the Guidelines. The Guidelines do provide some latitude. Public bodies, however, are required to follow the statute and not the Guidelines. He shared an interesting fact he learned from the community of contractors, subcontractors, and design professionals. Those communities are very aware of the PRC. However, many are not aware of CPARB. The PRC has a higher profile in terms of alternative project delivery. It might be of value to post the Guidelines on the PRC website.

Mr. Hall affirmed the Guidelines have been posted on the PRC website.

Ms. Riley-Hall suggested including an alternative to a check box that indicates the public owner has reviewed the Guidelines by including a question that asks the applicant to describe how they plan to utilize the Guidelines on the project. Including that question also forces all PRC members to become familiar with the Guidelines, as well as the project teams. Mr. Schacht supported the recommendation, as it does not cross the line in terms of it being outside the statute.

Mr. Schacht pointed out that within section 3.A. pertaining to the project budget, the statute includes only two prescriptive budget requirements involving the honorarium and the 5% owner contingency against the contract amount. As those two items are included in the statutes, he suggested including them within the list. With respect to the honorarium, CPARB members have sought an opinion from the Office of the Attorney General (OAG) because many bids have been released for Progressive Design-Build with no honorarium, which is not the intent of the statute. The direction from the OAG is uncertain as the statute stipulates, “meets considerable level of effort” which may not be possible to interpret. Additionally, CPARB has no authority to interpret the amount of the honorarium.

Ms. Deakins noted the last two recommendations were not discussed by the CPARB.

Mr. Palewicz added that PRC members routinely question owners about the level of the honorarium. The PRC also verifies the 5% owner’s contingency during application reviews.

Chair Hall reviewed the proposed changes to the *Application for Project Approval to Use the Design-Build Alternative Contracting Procedure*.

James Lynch said that during the last review a motion was approved to add references to outreach and diversity inclusion data. He asked whether that addition would be included in the next update or whether members should

discuss options for inclusion. Ms. Baker shared information to help initiate the discussion as the CPARB has requested a report on how the PRC plans to implement the recommendation. The committee has not had an opportunity to review the information from the Board. Mr. Hall added that the Board also discussed the possibility of the PRC reviewing Job Order Contracting projects.

Curt Gimmetstad referred to section 3 pertaining to the project budget and questioned the relevance of the question stating, “Costs for Professional Services (A/E, Legal, etc.)”

Amy Engle replied that from an owner’s perspective, the University of Washington includes some consultant services within the budget even if the project delivery is Design-Build, especially if bridging documents are prepared for the traditional Design-Build method. The University has also hired Hazmat consultants that involve third-party commissioning.

Mr. Warnaca suggested clarifying the second item to state, “Estimated Design-Build contracts costs” to clarify that a design component is included in the Design-Build contract amount.

Several members commented that the application includes many of the same criteria as the GC/CM application and requires a review to ensure the items are specific to Design-Build. One example is the section that speaks to “Contingencies (design & owner), which should be separated.

Mr. Schacht referred to Mr. Lynch’s question surrounding the inclusion of business diversity. The Board adopted language from Senate Bill 5631 passed last year for the University of Washington’s critical care procurement. Most of the language reviewed by the Board is included in the Design-Build Best Practices Guidelines.

Bill Dobyns asked about adding a line item that speaks to the honorarium under the project budget section.

Ms. Zahn asked whether the first item under the project budget addressing costs for professional services also includes all outside service costs not included within the Design-Build contracting costs and what is included in contract administration costs. If the intent is to clarify the line items under the project budget, some of the categories should be revised to clarify that intent.

Kurt Boyd suggested revisiting the section off-line. Chair Hall agreed and asked members to forward any suggestions to Ms. Baker.

Jim Dugan added that as a frequent applicant, more specificity as allowed by law would help applicants fill out the application. The instructions do not provide sufficient guidance in terms of the information that should be submitted. He suggested the application should be as clear as possible to assist project applicants.

Chair Hall referred members to the *Project Evaluation Criteria* forms, which have been separated for Design-Build and GC/CM. The proposed revisions reflect a more specific reflection of the RCWs on the review form. For the Design-Build evaluation form, item B includes three criteria. A project must meet one of the three criteria. However, item C requires the applicant to pass all six requirements, which speaks to experience and management plan, etc. That section typically generates a thorough conversation between the panel and the applicant. Should an applicant fail one of the requirements, the form should be noted accordingly.

Ms. Engle commented that the explanation under item B should also reflect that 15 projects under \$10 million across the state could be submitted for Design-Build as the state authorized 15 projects with a project cost of less than \$10 million.

Mr. Schacht cited section C.6 and the previous discussion regarding the budget and suggested revising 6 to state, “Necessary and appropriate project budget.” In a recent design and price competition, the construction budget was adequate but the project budget was inadequate. Chair Hall agreed the language should be consistent. Ms. Zahn cautioned that the language should be consistent with the statute.

Jeanne Rynne questioned whether section C requiring the applicant to pass all six requirements might eliminate some owners who might be pursuing their first Design-Build project and lack the delivery knowledge and experience but hired a consultant firm to assist the owner. She questioned whether the owner's lack of continuity for project management experience could be detrimental or disqualify some owners.

Mr. Gimmestad offered that any applicant demonstrating the availability of any consultant resources or services to ensure the project team is successful would not be eliminated.

Discussion ensued on sections B and C and the importance of including language that speak to the projects allowed to pursue the Design-Build delivery method, and revising the six experience factors to reflect the intent of the RCW. Chair Hall acknowledged several suggestions to ensure all language and terms line up with the RCWs.

Mr. Boyd suggested reformatting section D and listing the three experience factors similar to section C.

Chair Hall referred to the proposed revisions to the *Application for Project Approval for GC/CM*. The only proposed change simplifies instructions to the applicant on how to complete the application.

Chair Hall referred to the proposed revision to the *Project Evaluation Criteria for GC/CM*. The only proposed change is to item B and the inclusion of all criteria from the RCWs. He and staff plan to review all the forms to ensure consistent terminology with the RCWs

Chair Hall referred to the *Certification Evaluation Criteria* form. The proposed change reflects the addition of criteria from the RCWs.

Ms. Riley-Hall suggested revising "All 3 must pass to pass" as well as section B, which states "Must pass all 7 to pass." Mr. Dobyns recommended revising the language to reflect, "All three must pass for certification" with similar language substituted for section B.

Chair Hall referred to the *Recertification Evaluation Criteria* form. The proposed change reflects the addition of criteria from the RCWs.

Mr. Palewicz suggested deleting "Reasons for Determination" at the bottom of the form as the reason for determination has been determined by the evaluation outcomes in sections A, B, and C. Chair Hall said the section affords an opportunity for the panelist to share additional information on why a pass or fail was checked.

Ms. Riley-Hall added that observations do not necessarily equate to concerns. She suggested eliminating "concerns." Ms. Baker suggested revising the section to reflect "Observations or Concerns."

Ms. Zahn recommended adding more space to the comment sections.

Brian Eppler commented on the difficulty for panelists to evaluate whether the project delivery of DB or GC/CM provides a fiscal benefit. Most of the project submittals speak to the economic viability of using alternative delivery because of the market or the construction environment. The reasons lack quantification. He suggested seeking clarification from the CPARB or the PRC on what defines a fiscal benefit other than a statement that construction timing is critical and early procurement is necessary.

Mr. Gimmestad replied that the benefit of the PRC deliberation process enables panelists to vet that requirement. If an applicant cannot demonstrate a fiscal benefit, then the applicant would likely fail some criteria.

Mr. Dugan noted that there have been instances in the last several years, where it is often unclear as to whether the project should be DB or GC/CM; however, it is clear that the bid market is not the best option. Sometimes, there are gray areas and asking the question of "why not" helps panelists determine whether the project meets the

criteria. Asking the applicant to articulate the reasons is also possible. It is important applicants answer the questions. Mr. Eppler acknowledged that today everyone in the industry knows the market is competitive and it is often difficult to secure resources. However, the market could change, which speaks to the need for more clarity.

Mr. Dobyms suggested not boxing the PRC to the point where it must quantify the answer. Rather it should involve a narrative and logical reasoning for the decision. If the process involves quantification, many applicants could be eliminated from considering alternative delivery methods.

*Chair Hall recessed the meeting at 9:52 a.m.*

***Central Valley School District – Certification for GC/CM***

Chair Hall reconvened the meeting at 10:02 a.m.

Chair Hall reviewed the presentation and timing format to consider the certification application for GC/CM from Central Valley School District. PRC members provided self-introduction.

The following representatives from Central Valley School District provided self-introduction: Ben Small, Superintendent Central Valley School District; Jerrol Olson Planning Principal, Central Valley School District; Jeff Jurgensen, GC/CM Advisor & Program Manager, OAC Services; Jay Rowell, Deputy Superintendent, Central Valley School District; and Dan Chandler, GC/CM Advisor, OAC Services.

Chair Hall disclosed that his company provided a letter of recommendation supporting Central Valley School District's certification application. He does not believe a conflict of interest exists as the application is for agency certification. There are no specific projects dependent upon the decision. He plans to participate in the conversation, deliberation, and recommendation. There were no objections by members. No other member reported a conflict or disclosure.

Mr. Small said he serves as the Superintendent for Central Valley School District. The School District is seeking agency certification for GC/CM. The School District requested project approval from the PRC three years ago. Since then, the School District has positioned itself to achieve agency certification. Mr. Rowell has attended the GC/CM training class. The School District has specifically expanded staff to gain some expertise in the GC/CM delivery method. He has served as the Superintendent for the last 10 years and has been actively involved in all 13 School District projects. The School District is an involved owner and seeks to obtain the best project to benefit taxpayers, the community, and the children.

Based on assuming a progressive schedule, it was important to communicate differently to the School Board and constituents. The School Board has been engaged. Often, many school districts run into trouble by overlooking the School Board, which answers to the public. One of the first initiatives was development of a notebook to serve as a guide for School Board members. The School District believes it has positioned itself to receive agency approval.

Mr. Rowell said his role at the School District is to oversee construction projects. Approximately 95% of his time is spent on construction projects, construction meetings, and planning and budgeting for an active owner. The School District is extremely active in all projects and all decisions. He oversaw all 13 projects under the current bond. The School District has completed six GC/CM projects. Four of the projects have been completed with one in the last stages of construction with completion scheduled in December 2018. One GC/CM project is in the approval process for the North Pines Middle School and is scheduled for completion in summer 2018. Mr. Rowell said he recently attended GC/CM training and has over 31 years experience in the education environment.

Mr. Olson said he has been a building level administrator. His responsibilities include connecting the design team and the contractor with the end user. He works closely with principals and staff members in each school to ensure the projects provide a practical approach to construction, as well as flexibility and functionality. Sometimes, the terminology can be confusing in terms of what the designer might be conveying, what the contractor is providing,

and what the end user is seeking. It is important to design spaces that meet program needs while also creating flexibility to respond to program decisions in public education at the state level. He serves as a predictor of the future to provide flexibility, focus on the end user, and engage the construction management team to produce buildings that will last 40+ years both structurally and operationally.

Mr. Small introduced Dan Chandler with OAC Services.

Mr. Chandler reported his role is to provide support and backup in the event of any questions pertaining to GC/CM delivery. He and Mr. Jurgensen, a senior associate with OAC Services, work together on advancing the practice of the GC/CM delivery method for Central Valley School District.

Mr. Jurgensen said he has worked with Mr. Chandler, Mr. Small, and Mr. Rowell on all 13 projects. He serves as the Program Manager for Central Valley School District. The School District is a very active owner and embraces the GC/CM delivery methodology. The School District continues to learn better ways to complete projects.

Mr. Small reviewed demographics of the Central Valley School District. Students compete at the state and national level in both academics and athletics. The School District began educating students in 1890. Today, the School District's enrolled population is 14,000 students with growth of 250 to 300 students each year. At total buildout, the School District anticipates a population of 19,000 students. The School District has award-winning schools, programs, and departments and focuses its facilities to ensure it supports the learning environment for children. This fall, the School District offered a full-day kindergarten and class size ratio of 17:1 in all classrooms up to K-3. The District was able to achieve that goal because of the capital program. The District is one of the first districts to achieve that class size ratio. The School District has a sound financial record with 12 years of audits with no findings from the state of Washington.

The School District is comprised of 1.7 million square feet of interior space in 13 elementary schools, six middle schools (sixth school pending completion), two high schools, and two non-traditional schools. The School District is the official host district for Spokane Valley Tech. The School District has two support facilities and 337 acres of land.

Since the bond passage in 2015, the School District has completed the following projects:

- Chester Elementary School completed in April 2017 – GC/CM
- Greenacres and Sunrise Elementary Schools – August 2017 – GC/CM
- Opportunity Elementary School completed and dedicated in January 2018 – GC/CM
- Evergreen Middle School dedicated in August 2017 – GC/CM
- Mica Peak High School – Design-Bid-Build
- Early Learning Center – largest contiguous operating early learning center in the state of Washington. The project was a remodel of a grocery store of 63,000 square feet at a cost of \$13 million – Design-Bid-Build
- Central Valley Virtual Learning – purchased an old office building and renovated the building as a virtual learning program – Design-Bid-Build
- Phase 3 of Spokane Valley Tech
- Liberty Elementary School K-2 dedicated in August 2017 – Design-Bid-Build
- Ponderosa Elementary School scheduled for completion in March 2018 – Design-Bid-Build
- Safety and Security Upgrades across the School District of secure entryways, phone systems
- Summit School – 4 classroom addition completed in January 2017 – Design-Bid-Build
- A new Gym School at Horizon Middle School – Design-Bid-Build
- Completion of Tennis Courts
- 2 additional schools were constructed as part of the bond because the bond dollars were maximized. The schools are North Pines Middle School (GC/CM) and Riverbend Elementary School (Design-Bid-Build) opening in fall 2018.
- Sunrise Elementary School completed in summer 2017– GC/CM

The School District understands the appropriate use of the GC/CM delivery method.

Mr. Chandler commented on the strong partnership with Central Valley School District. OAC Services has completed or is in the process of delivering 57 alternative delivery projects. Approximately 40 of the projects are GC/CM and 17 are Design-Build. OAC Services has worked with the School District since 2015 when the bond issue was passed. OAC Services and the School District enjoy a strong and solid relationship.

Mr. Rowell noted that the School District also works closely with Graehm Wallace with Perkins Coie on all alternative delivery contracts. The internal process identifies a project within the bond planning process. The School District's Capital Facilities Team has worked for the last nine years on planning for bonds and projects. During that process, the team discusses the preferred delivery method. A recommendation is forwarded to the program manager who prepares a recommendation. He reviews and approves the delivery method recommendation, which is forwarded to Superintendent Small. If the recommendation is confirmed, the proposal is forwarded to the School Board. The process and transparency of all information is shared with the School Board to ensure awareness and understanding of the process to be used. Upon approval by the School Board, the District initiates the procurement process. The School Board unanimously adopted a resolution of support for the proposed project. Educating the School Board has afforded a better understanding of both projects and the alternative delivery method.

The School District also uses documentation and a process to track and record decisions. A form documents the tracking and recording decisions. The current form requires some updating as the delivery method of GMP is now GC/CM. The form will also include Heavy Civil as one of the alternative delivery methods.

Mr. Small said the School District would not be at this point today with current projects completed if the District has not pursued the GC/CM delivery method. The District has been very aggressive, but aggressive appropriately as demonstrated by the number of buildings completed. That process has enabled the District to deliver projects for students as there was a pent-up need for construction in the District. The alternative delivery method enables the District to complete the projects on time and under budget. The School District have successfully completed four projects with one project scheduled for completion in December 2017 and one project scheduled for completion in January 2018. The School District has highly qualified internal staff.

Mr. Small reported Mr. Olson was hired to support staff through the alternative delivery process. Deputy Superintendent Rowell attends all construction meetings and has the authority to make any decision. The internal processes developed by the District are quality and speak to a school district that has managed finances very well. The School Board is very supportive of the GC/CM delivery model.

*Chair Hall invited questions from panel members.*

Ms. Riley-Hall asked about key lessons learned from the first project that were applied to subsequent projects. Mr. Small responded that some of the first experiences encountered at the Sunrise and Green Acres projects were the acknowledgement and understanding of the importance of document control and quality documents within the GC/CM process. As the project moves forward, if the quality of the documents was lacking, the design team and the contractor were not able to provide the appropriate estimations or ensure budget controls. The District learned early during those projects, that better document control and quality documents were necessary from the architect services team. The team was able to ensure that occurred with the outcome of the projects very successful. It was an early lesson learned at the beginning of the project. Additionally, the projects are essentially a relationship business and sometimes people can be fearful of pushing others because they might have to work with those individuals in the future on another project. It is important to have an architect and a contractor team who are willing to speak up when something is not right to correct a course of action. All teams have been encouraged to ensure the project is not about liking one another it is about delivering the best possible project.



Mr. Rowell agreed the quality of documents, as well as open communications are important. When a team comes together to work on a project that will be delivered to students, it is important to set norms about the process and how conversations will occur. The team should ensure no holding back on issues because any concerns should be stated. That is not a criticism of the team, but rather it is important to know the answers and he would expect the team to push back on him. Those conversations about setting norms have occurred. If an owner is asking for an unrealistic expectation, it is important for the team to advise him that the expectation is unrealistic and needs to be explored and discussed. The ability to have those conversations beginning at schematic design is important rather than waiting for the conclusion of forming the project team.

Mr. Olson agreed on the importance of the relationship because it speaks to the advantage of the GC/CM delivery method and the importance of the relationship between the building principal, design team, and the contractor occurring early in the GC/CM process. Much more translation occurs during the first phases of the design process than in the construction phase as team members begin to learn some of the same terminology of the design team and construction team. The relationship that exists currently between each building principal and the contractor is crucial because the ongoing thread of conversations is necessary to ensure the design and construction of the school meets the unique needs for that specific school. That relationship occurring early is crucial.

Mr. Small added that he learned that during the formation of the team there was a willingness to put aside individual desires to support the desires of the owner, which is crucial because the team is an extension of all School District employees. Attaining the point of a trusting relationship means a successful outcome. The accomplishments attributed to the Evergreen Middle School project speak to the ability to occupy the school six months prior to the anticipated move-in date because the contractor was willing to work on a phasing plan and offer recommendations on alterations that saved costs while ensuring students were in a safe environment. It is important to attain a point where the owner believes the contractor and the designer are working in the best interests of the School District and willing to ask questions.

Ms. Zahn asked for additional information on lessons learned from the Green Acres Elementary School project that speak to the comments about the EC/CM-MC/CM not adding value. She asked how the School District plans to learn from that specific mistake. Mr. Small said the School District is somewhat reluctant to use the EC/CM-MC/CM method because of the lack of knowledge in terms of the number of competitors in the market. The project did not produce the benefits the School District desired. It could have been because the projects were not of sufficient size because Green Acres Elementary School was bundled with the Chester School project. Both projects may have been too small to maximize results.

Mr. Jurgensen added that there were some estimating errors during a time the owner could not afford any mistakes because of the number of projects moving forward. A \$600,000 estimating error for each project totaling \$1.2 million would be a substantial mistake. The owner was able to work through the issue and all the projects were ultimately completed successfully.

Ms. Zahn requested clarification because a previous comment was attributed to the importance of quality documents to obtain good estimates, which would be true regardless of the delivery method. In Design-Bid-Build, it would be important to have quality documents to secure the best bid possible. It is important to articulate the benefits of GC/CM. Mr. Olson responded that the reference to quality documents speaks to the owner relying on the GC/CM to identify whether the documents are insufficient for accurate estimating. The owner is placing the GC/CM in the role of having those conversations during the design phase, which speaks to the benefit of the GC/CM delivery method.

Ms. Riley-Hall asked about the District's plans to contend with the competitive market in terms for soliciting competition. Mr. Small responded that the School District believes in treating people well and it wants contractors who want to work for the School District. The School District issues payments on time. For the last two years, the School District has met with all the community's contractors and subcontractors to learn about what the School District is doing well or not well, and how the District plans to ensure the projects are worthy. Great feedback was obtained from the District's contractors. Some of the feedback attested to the fact that no

other owner has invited contractors to a meeting to ask for feedback on good and bad issues. Successfully attracting competition speaks to the way the School District treats its contractors and the processes employed to ensure the buildings are delivered on time. Contractors are informed upfront that the School District wants to ensure they generate a reasonable profit. That philosophy is stated upfront, especially if contractors plan to work on future projects. The School District is not an owner that squeezes as much as possible from a contractor or an architect. Current contractors working on School District projects would like to work on future projects and likely would bid on future projects. The School District regularly participates with AGC and shares information on planned and future projects. The bid for Riverbend Elementary School was during a time when the market was extremely busy. There were many discussions with contractors as well as with OAC Services conversing with contractors to encourage them to submit bids or ask questions about a project. There was a proactive outreach across the contracting community.

Mr. Rowell said it is important as an owner to ensure decisions are made appropriately and on time and the School District is at the table and having the conversations to enable a good process. Because they flow, the School District is able to achieve a good project and the contractor is able to make money. That process is followed for all projects to include subcontractors, as well as contractors.

Mr. Chandler said the ability to use GC/CM might tilt a project that might otherwise be hard bid in a busy market where future bidders could be difficult that could tilt a project to a GC/CM selection based on the lack of teams. Once the GC/CM is on board, how it is packaged and marketed is important because bundling might be different. For example, a large structures package might be better in a competitive market or it could be segmented. How it is marketed to the subcontractor community would be important. Being an owner of choice and being strategic about the selected delivery method and marketing to the subcontractor community with good drawings, a good schedule, and reasonable payment terms will attract bids from subcontractors.

*Chair Hall invited public comments.*

Clancy Welsh, Garco Construction, said the company has been fortunate to be part of 15+ GC/CM projects in eastern Washington with multiple school districts. Two of the projects were with Central Valley School District for the Evergreen Middle School and the current North Pines Middle School project. Another client was Spokane Public Schools, which received agency certification. The School District team has reiterated how Central Valley School District's process is a GC/CM model for every project. After the 2015 bond passage, capacity as well as lack of capacity within existing schools required many moving parts from multi-phasing within a project to multi-phasing of multiple projects. Central Valley School District set up the mentality with Garco Construction and other competitors in the area that required everyone to collaborate to ensure success of the projects. Some of the schedules for school projects were modified for the benefit of the entire School District. The School District team continually attends project meetings on a weekly basis. Mr. Rowell and Mr. Olson attend weekly meetings, as well as Mr. Small to assess progress. The company has been impressed with the School District's process to determine the project delivery type. The School District has had six GC/CM projects with four general contractors, which speaks to the District's ability to utilize the entire market. The School District has successfully attracted competition by the way it treats the contracting community. His company wants to continue working with the School District on projects using multiple project delivery methods.

*Chair Hall invited the panel's deliberation and recommendation.*

Mr. Apiafi said it appears the School District team has done its homework. For the last three years, members have attended GC/CM classes. The School District also has a GC/CM consultant through OAC Services, which has in-depth experience. However, on the negative side, the question pertaining to process improvement takeaways was not answered to his satisfaction.

Mr. Dobyms pointed out that the School District met with all contractors and asked for feedback on process improvements. That is a good step for process improvement in itself by improving the District's overall process, as well as positioning the School District as an attractive client to the contracting community. He believes the

School District team answered the question. The owner has pursued that process at a much higher level than most other agencies. He believes the District presents itself as a preferred client in today's competitive market. His company is very selective about its clients. The company is also selective on spending resources on competing by ensuring the owners run projects well. The School District runs good projects.

Ms. Riley-Hall said she believes the School District benefited from lessons learned by improvements in document control and quality from one project to another project, as well as the open communication and by establishing norms. Typically, the first project provides the opportunity to learn how to do things differently. Her takeaway from the responses spoke to how the District did things differently on the next project by ensuring improvements in the quality of the documents. She plans to support the application for owner certification because she believes the School District has demonstrated it is responsible. It is truly Central Valley School District and not the consultants that are presenting the application. In the past, some consultants have served as the face of the application for the owner. She does not believe that occurred with this application as the Central Valley team has the knowledge base. She believes the District uses consultants to supplement its knowledge base, which all owners do to some extent. However, in this case, the base exists within the School District team. The team is heavily involved in GC/CM projects and in all decisions. She was impressed by the development of a construction handbook for the School Board. She supports approval of the application.

Mr. Palewicz said he strongly supports the application. He has been a member of an oversight committee for the Seattle School District for 10 years and understands school delivery needs to meet the delivery requirements and the budget. Utilization of consultants by school districts has been necessary, as school districts experience peaks and valleys of work that follow funding levies. He believes it speaks to a good balance and it is a textbook example of how an agency can enter alternate public works and gain the necessary experience. He is impressed with the School District's efforts to bring the School Board up-to-speed because construction is typically not a priority within the priorities of the Board. Having the School Board involved and with an understanding of project nuances is very impressive.

Ms. Zahn said she also supports the application. She always evaluates owner readiness. She was impressed by the discussion of the timing and decision-making process. GC/CM is about making decisions quickly. Comments about design speak to the ability of leveraging the power of GC/CM. Although the EC/CM-MC/CM process was not successful for the School District, she is hopeful the District will reconsider because it can be a large part of the team. If the District was unable to use EC/CM-MC/CM successfully, she encouraged the District to consider the lessons learned and examine how the budget overrun occurred.

Ms. Riley-Hall agreed that the EC/CM-MC/CM process likely created some lessons learned. However, she is hopeful the comment against using the process in the future is not followed through because the District should explore the option again.

Mr. Dugan commented that as an active user of EC/CM-MC/CM within the last year, he encountered difficulties in ensuring competitive values upfront from the guaranteed players. The nuance that was conveyed speaks to how deeply the process is immersed inside the GC/CM delivery method. It is occurring right now and monitoring it carefully is critical. The PRC rarely witnesses sound project management in running a project, especially from the superintendent or the deputy superintendent. That represents a huge win for School District leadership as it has immersed skill sets in what they are doing. The beauty of 39.10 is its broadness; however, the difficulty of 39.10 is also its broadness. Figuring out how to manipulate 39.10 to work in an evolving market takes practice. Finally, it is great to see an owner that has done the work for years and on multiple projects before seeking agency certification.

***Kurt Boyd moved, seconded by Ed Peters, to approve agency certification for GC/CM for the Central Valley School District. Motion carried unanimously. .***

*The meeting was recessed at 10:52 a.m.*

**King County Public Hospital District No. 2 – Evergreen Hospital Medical Center Infrastructure Upgrades Project – GC/CM.**

*Panel Chair Rustin Hall reconvened the meeting at 11:01 a.m.*

Panel Chair Hall reviewed the presentation and timing format to consider the project application for GC/CM from King County Public Hospital District No. 2. Panel members providing self-introduction included David Brossard, Rustin Hall, Bryan Eppler, James Lynch, Linneth Riley-Hall, Joe Stowell, Rob Warnaca, and Bill Dobyns.

Project presenters providing self introduction included Ty Heim, Executive Director Design, Construction & Facilities Manager, EvergreenHealth; Melissa Teichman, Project Manager, OAC Services; Derek Rae, Principal, OAC Services; Dan Chandler, Principal, OAC Services; John Palewicz, Consultant Advisory; Duncan Theime, Principal, SRG Partnership; and Dan Perry, Construction Manager, EvergreenHealth

Mr. Heim said the project is the agency's first GC/CM project; however, the Construction & Facilities Management Group has been completing projects for 45 years since the inception of the hospital. The team understands the complexity of working in a hospital environment. For this GC/CM project, the team has assembled a first-rate team to help the agency learn and become good GC/CM practitioners.

The project is located within the oldest part of the hospital creating some challenges in terms of location and complexity. Mr. Heim said he has been with the hospital for the last nine years and previously worked in the architectural arena for 35 years with the last 15 years working in construction management. He also represents the Public Hospital Districts on the CPARB and has been a member of the Board for two years. He thoroughly understands the regulatory background for GC/CM.

Mr. Chandler said he has consulted with EvergreenHealth for 20 years. His role on the project is as the GC/CM strategist assisting the team as required.

Mr. Rae said he is a Principal with OAC Services and has worked for the agency for 10 years. He has worked in the construction industry for 20 years focusing on healthcare facilities as a general contractor and then moving to the owner representative side as a construction manager. He has worked with EvergreenHealth since 2008 and is very familiar with the facility. He has completed one GC/CM rural hospital project. The project was successful in achieving savings and was completed prior to the end of the schedule. Currently, he is working on a new rural medical office building GC/CM project and a GC/CM museum project. The projects are complex and located within existing facilities with heavy infrastructure requiring modifications to mechanical and electrical systems, as well as addressing historical elements. For the proposed project, his role is to support the team during procurement, design, and construction.

Ms. Teichman said the project is the first opportunity for her to work with EvergreenHealth. She's appreciative of being in the company of some of the more seasoned GC/CM professionals and healthcare practitioners in the region. She transitioned from the general contracting arena after 14 years and has been involved in over \$400 million of private GC/CM negotiated work during that time.

Mr. Perry said he is a licensed architect in the state of Washington. He received certification in Construction Management from New York University and is a graduate of the AGC GC/CM training program. He has worked as a Project Manager at EvergreenHealth for the last four years.

Mr. Theime said he is a Principal at SRG Partnership. SRG is serving as architects for the project. He has been with SRG for 14 years. Most of his projects over the last 20 years included large, complex GC/CM projects, such as Safeco Field, Seattle Justice Center, Bellevue City Hall, Renovation of Pike Place Market, and more recently the North Precinct for the City of Seattle. This project will be his first project with EvergreenHealth.

Mr. Palewicz reported he recently retired from the University of Washington and serves as an executive advisor to Mr. Heim and his team. He was contacted by Mr. Heim to participate on the project.

Mr. Perry reviewed the details of the project. The project is divided into two parts. The first part is located within the heart of the hospital depicted on the map as green, tan, purple, and yellow buildings built in 1970 with all associated issues buildings from that era experience. Some of the issues include seismic, aging infrastructure, asbestos, and mission critical functions. The central area of the hospital serves as the major intersection of circulation systems where all distribution for the hospital is located and where major patient and public circulation nodes intersect. Data infrastructure, power, water, natural gas, and boilers are located in the central area. The areas require seismic retrofitting and other complex tasks.

The second element involves the blue, coral, and tan buildings. Most of the buildings have seismic issues associated with pre-Northridge buildings. The structural upgrades may include a combination of interior and exterior bracing and support with a goal of immediate occupancy after a 950-year event for mission critical areas.

To assist the hospital through all details of the project, the team is seeking a GC/CM to provide input on the schedule as the hospital is a 24/7, 365-day operation.

Mr. Heim reported the project is the second phase of a three-phased Master Space Plan. The hospital recently completed Phase 1. The funding model used funds from cash reserves for design and pre-construction services, with a bond used for construction. A similar model would be used for this project. The hospital has \$15 million available for pre-construction and design services with a public bond election scheduled in April 2019 to fund construction. The bond amount would be approximately \$140 million based on the current project scope. The GC/CM delivery method is important to assist with a complex and irregular project for costing, as estimating will be very difficult. The team is seeking GC/CM expertise to help identify estimates, schedules, and help with the complex constructability of working in the heart of a major campus of over 1.5 million square feet.

Ms. Teichman reviewed the project schedule. The project will require five years to complete with 2 to 2-1/2 years of preconstruction, design, investigations, and testing in select areas. The intent is to take adequate time to identify all necessary components to assist the GC/CM in establishing the schedule and to ensure all team members understand the phasing schedule. It is important to ensure estimates are identified to support the bond election and to prove to the community that the costs and scope of the project have been identified. The objective is to ensure construction activities do not affect patients and staff. Based on receiving approval from the PRC, advertisements and Statement of Qualifications (SOQs) for GC/CM services will be released to the community next week. Presubmittal conference and site walks are scheduled in December to afford GC/CMs the months of December and January to provide quality proposals for review in January and to address any questions and concerns they might have. As prescribed by RCW 39.10, the process involves collecting all required information, obtaining feedback, requesting fee proposals, completing the short-list process, and conducting interviews. Hiring the GC/CM is scheduled to occur in March 2018. The GC/CM would immediately begin the design and pre-construction process. Any testing or investigations required within the hospital would include the GC/CM. The team anticipates a three-year process, but the team will seek input from the GC/CM to assist in establishing the phasing schedule. The project is anticipated for completion by November 2022.

Mr. Heim reviewed the makeup of the project, management, and design teams. The management team includes the EvergreenHealth Construction Management Department. The Department has been in operation for 45 years. Staff members are very familiar with the facility. The Department is comprised of 12 employees with half as construction managers and half serving as support and medical planning personnel. All key players have completed GC/CM training through the AGC training program. All members are eager to pursue a GC/CM project with many complex construction projects completed through Design-Bid-Build. The complexities associated with the site are extraordinary and the project will be daunting, which is why the assistance of the GC/CM is so important.

Serving the Department is OAC Services with an established relationship of nearly 20 years. OAS Services will manage the day-to-day project and construction management activities with their respective expertise and GC/CM experience. Mr. Chandler will serve when needed.

The team is pleased to have Mr. Palewicz's assistance, because it was important as a public agency that has never completed a GC/CM project to have an executive level advisor outside of the day-to-day management arena assisting the team through the process and to ensure regulatory compliance.

David Alskog serves as legal counsel for EvergreenHealth. Mr. Alskog has worked with EvergreenHealth for over 20 years and also works with Lake Washington School District and other public agencies. Mr. Alskog is well versed in GC/CM.

Finally, the last partner is the GC/CM and potentially EC/CM and MC/CM to the degree it is appropriate for the project.

The design team includes two medical planner employees assisting SRG Partnership, which is leading design.

Mr. Theime said the project is SRG Partnership's first project with EvergreenHealth. SRG is joining a group of engineers who have studied the hospital for some time. Efforts have been ongoing for the last several months to identify and understand the problems and review the initial diagnosis. The process has reached a point where charrettes will be conducted to discuss possible solutions to the problems engineers have identified. The GC/CM will be involved in that process to provide some constructability advice. Joining SRG is Bryan Zagers with CPI Structural, who is a structural engineer and has worked with EvergreenHealth since 2011. The company completed several levels of design evaluation on the hospital and proposed a series of possible solutions to address seismic issues and strategies to address frames within the new section of the hospital. Mechanical engineering services will be provided by Notkin Mechanical, which has worked with EvergreenHealth for more than 20 years and is thoroughly knowledgeable about the mechanical systems in the hospital. SRG is working with Notkin Mechanical to identify essential components and assess how the work will impact other construction activities. Stantec Electrical has also worked with EvergreenHealth for many years and is knowledgeable about the hospital's electrical systems. Stantec is assisting in non-compliance systems in the older part of the hospital where emergency and regular power are not appropriately separated because of the lack of space for old and outdated equipment no longer serviced by the original manufacturer. That site will be difficult to navigate and the team anticipates the GC/CM and the EC/CM will understand how to manage the process of reconfiguring those systems.

Mr. Heim reviewed the organizational chart. As a public agency, a Board of Commissioners oversees EvergreenHealth with an Executive Level Team consisting of the CEO, Vice President, and his position.

Mr. Perry explained the working relationships between the teams. Several questions by the PRC pertained to roles and responsibilities. Mr. Perry emphasized that he is the person responsible at the hospital for the project and will be a team member during design and construction with 95% of his time allocated to the project. Ms. Teichman will provide assistance during design at 33% and 60% during construction. Mr. Heim has allocated 20% of his time, representing a significant commitment of his time to the project. Mr. Perry said he would have all the support necessary to work through the project successfully.

Mr. Heim has established an executive communication line with both the contractor and the architect to ensure the process is proceeding smoothly and to resolve any conflicts.

Mr. Heim described why the team wants to pursue the GC/CM delivery method. The team believes the project meets four of the six statutory criteria when only one is required. The project is complex and is located within a campus that will add new structures within very complex campus buildings. All mission-critical space must maintain 24/7 operations. The purpose of the project is to seismically retrofit the buildings to ensure operations continue should an event occur. The involvement of the GC/CM is critical for the reasons previously cited relative to the schedule and obtaining greater surety around costs and constructability. The complexity of the different medical systems is high. The team was selected because of their respective GC/CM experience and

experience with this type of a project. EvergreenHealth believes it has a first-rate team and hopes the PRC will support the project by providing the authority to move forward with the GC/CM delivery method.

*Panel Chair Hall invited questions from PRC members.*

Ms. Riley-Hall asked Mr. Heim as the final decision-maker, how he plans to ensure the Design-Bid-Build delivery method is not selected. Mr. Heim replied that the hospital could not envision using Design-Bid-Build for this particular project even though the hospital has completed several difficult Design-Bid-Build projects. The proposed project with an array of vintage buildings adjacent to one another and the addition of new structures within the intersection cannot be completed using conventional Design-Bid-Build. The team believes GC/CM is the only method to complete the project successfully. The project is complex and will be daunting. The School Board supports pursuing GC/CM, as well as EvergreenHealth leadership. Board members asked whether staff would consider using another delivery method. The response was no unless the hospital is unsuccessful in receiving GC/CM bids.

Ms. Riley-Hall asked about key differences between the Design-Bid-Build and GC/CM. Mr. Perry responded that the team needs a GC/CM to help with budgeting and scheduling, as well as with design input from MC/CM and EC/CM subcontractors to ensure critical systems in the hospital remain operational. The hospital has a huge responsibility to patients for infection control and to ensure construction activities and the methods are not compromising patients. It is a difficult environment and being in an adversarial relationship with a general contractor would not be the desired outcome.

Mr. Theime added that some of the biggest challenges are enabling work and the balance of means and methods to complete the work. Often, in the Design-Bid-Build world, that is left to the contractor's discretion. For this project, the hospital does not have that luxury. It is also likely the bid period would be insufficient to manage articulating the complexity of ongoing work. He views GC/CM as an enormous benefit because it enables working side-by-side with the contractor who can convey what is required to complete the work as reflected in the final documents.

Panel Chair Hall said the schedule was not clear as to where the design phase stops relative to the hiring of the GC/CM. Ms. Teichman responded that the project is currently in programming with the team meeting with user groups. Design has not been started as the team is still working to determine the scope of the project. The GC/CM will be hired prior to schematic design and will participate immediately in the development of schematic design. A substantial amount of investigating remains to be completed, as well as some destructive testing because of different types of dampers that could be employed or different seismic systems. The intent is to investigate systems only once because many areas of the hospital require access continually. The intent is to reduce inconvenience to the different facilities. It is absolutely critical to have the GC/CM during design.

Panel Chair Hall asked the team about its biggest concern as a team. Mr. Chandler said he does not have any big concerns about the team, as the team is well underway and understands what is needed from the GC/CM contractor. With SRG's team and hospital staff, the depth and knowledge is really strong. It is about securing the right contractor. The schedule has allowed more than the usual time for contractor selection. The project represents a major commitment by a contractor to commit a quality team to work on a project for five years. That is a major decision as the project is not an elementary school scheduled for completion within an established timeline. The project is unique and the schedule includes sufficient time for a strategic procurement utilizing all OAC lessons learned to ensure the right contractor is selected at a fair fee that will embrace the project. The project represents a substantial commitment by a contractor.

Mr. Palewicz said that from his standpoint for an owner to use GC/CM and alternate public works some areas of understanding are not particularly obvious. When initial discussion focused on presenting to the PRC to obtain approval, there was recognition of the need to form a team as the PRC would want to know who is doing what. The team is comprised of hospital staff members with experience with projects, OAC Services, and architects. The issue is how the players will work together and whether they understand Mr. Perry is in charge. The team

recognized Mr. Perry as the lead with OAC Services providing all project management and construction management expertise. Sometimes the simple questions can bring up a complex understanding of the difference in the GC/CM delivery method. His experience for the last several years was with the Washington State Ferry System as an advisor meeting with representatives monthly to help guide them in the next steps and educating them as on its role as an owner. His role is to enlighten EvergreenHealth through a similar process to avoid surprises.

Mr. Dobyns referred to several concerns surrounding the budget because of the length of the project. He asked how the hospital plans to forecast the budget over a five-year period. Additionally, because the project involves complicated systems, many unforeseen issues would be likely. He asked how the hospital plans to manage those uncertainties with the budget projections to ensure the project is adequately funded. Mr. Heim said when the bond package was developed escalation factors were included for each project along with identifying the duration to ensure inclusion of a healthy escalation factor based on market demand. Additionally, the budget includes a sizable contingency because of the uncertainties of the scope and not beginning design. The budget anticipates surprises. He believes EvergreenHealth has more than adequately covered the budget. Over \$15 million in excess was realized from the first phase of work of the 10-year plan. That \$15 million will be used to front-fund the project. Successful completion of the first phase has proven the hospital has adequately managed contingency and provided sufficient funds to cover all needs. The first phase also included complex projects on the campus.

Mr. Stowell commented that it appears the hospital has much exploration to complete prior to initiating the project because of the number of unknowns. He asked why the hospital has not considered hiring a contractor under an exploratory contract to help develop the design so that when the GC/CM has been hired, some elements of the project have been identified. He questioned what information would be provided to the GC/CM so the GC/CM can develop a proposal. Mr. Rae said the team has been discussing the issue over the last several weeks during efforts to prepare the RFQ for the GC/CM. The issue is drafting the RFQ so that contractors know what is needed to enable them to provide a SOQ, followed by short listing and preparation of the fee proposal. The hospital is accustomed to contacting the market and collecting rates for personnel. The intent is to outreach the contracting community and acquiring rates for the project for the entire phase. The hospital typically considers the process as a preconstruction quote where the contractor's expertise and knowledge can be identified based on their understanding of infection and control and tracking costs in an open book methodology. General contractors would most likely develop some preliminary packages for investigation. The beauty of the GC/CM is the ability for the contractor to work with the architect to create bid packages and define the work. The team foresees the need for a GC/CM on board just to define that work and plan out the project. That work would be difficult to complete in a Design-Bid-Build scenario just for investigation.

Mr. Theime added that there would be some design decisions that he would love the contractor to determine. It is unknown whether brace frames or shear walls would be the better solution in some parts of the hospital. There are questions about shear structures that might require deep footings or strong footings and whether it would be better to construct spread footings that requires demolition, or other pile solutions that might more sense. If it was a pile solution, it would be important to identify how to consider spatial constraints and whether the GC/CM could reach out to subcontractors to identify the type of equipment necessary to do the work. Those are questions the designer would have opinions about but a contractor would really be able to dig much deeper and that would affect the nature of the design. It would not be plausible to move forward with investigation with someone else and then hand it to the GC/CM to complete the work.

Mr. Heim noted that EvergreenHealth completed its first seismic study of the structures in 2011 and followed up with more work in 2014. That work served as the basis of the Master Space Plan. Within the mechanical and electrical side, an aging infrastructure study was completed on all equipment. Much investigation work has been completed for the GC/CM. EvergreenHealth has not designed the solution, but it has a good definition of the problem and what the GC/CM will need to work with. Quite bit of information is available.

Mr. Eppler asked how the \$15 million will be used on the project. Mr. Heim said the \$15 million will fund architectural and engineering bridging documents, GC/CM preconstruction, and other elements up to the point the



GMP is negotiated. A clear line will be explained to GC/CM applicants that if the community is not supportive, the project will cease. In the last 45 years, the hospital has never failed a bond or levy. The community has supported the hospital. Conveying the importance of seismic safety and continuity of operations after an earthquake should result in community support of the bond.

*Panel Chair Hall invited public comments. There were no public comments.  
Panel Chair Hall invited deliberation by members and a recommendation.*

Mr. Warnaca said he did not have any questions as he believes the team satisfied all the evaluation criteria and the GC/CM application criteria. He supports approval of the application as the project's characteristics clearly meet GC/CM criteria. EvergreenHealth has selected a competent GC/CM management team to assist it through the processes as it pursues its first GC/CM project. The most important aspect was how the question on "why GC/CM" was answered by Mr. Perry and Mr. Heim. They demonstrated their understanding of the delivery model although they have not used it before but have been educated on the model and they have the right goals for using GC/CM.

Ms. Riley-Hall said anytime an owner is embarking on its first GC/CM project or other alternative delivery method project, it is important to have a team that knows the delivery method. EvergreenHealth has secured the right team members who know the GC/CM process to enable the owner team to pull from throughout the process. Mr. Perry's comment about ensuring the owner spends enough time to select the right contractor will be critical for this project. She supports the project application as the team has a good understanding of GC/CM even though it is the first GC/CM project for the owner. EvergreenHealth has established the right team and they will do a good job in selecting the right contractor.

Panel Chair Hall remarked that the proposal is quite a project for the owner's first GC/CM process. The counterbalance of the team members will not let the project fail. In terms of the 24/7 365-day facility, sensitive nature and occupancy of the facility, and the critical systems, GC/CM is the right delivery method.

Ms. Riley-Hall said she would prefer that the owner does not use the Design-Bid-Build method for this project.

***Rob Warnaca moved, seconded by Linneth Riley-Hall, to approve the GC/CM application from King County Public Health Hospital District No. 2 for EvergreenHealth's Infrastructure Upgrades Project. Motion carried unanimously.***

*Chair Hall recessed the meeting at 11:42 a.m. for lunch.*

***City of Tukwila – Tukwila Justice Center Project – GC/CM***  
*Panel Chair Riley-Hall reconvened the meeting at 12:30 p.m.*

Panel Chair Riley-Hall reviewed the presentation and timing format to consider the GC/CM application from the City of Tukwila for the Tukwila Justice Center Project. Panel members providing self-introduction included Bill Dobyns, Rustin Hall, Linneth Riley-Hall, John Palewicz, David Brossard, Bryan Eppler, Rob Warnaca, and James Lynch.

David Cline, City Administrator, City of Tukwila, thanked members for considering the City's application. The City's previous Fire Station project presented in August received approval by the PRC for the GC/CM delivery. This proposal is for the Tukwila Justice Center. The City has formed a great team with much GC/CM experience. The City of Tukwila is often viewed as a medium-sized City. However, the City completes many large projects. The City manages South Center and is responsible for infrastructure, interstates, bridges, and Boeing Field. The City is experienced in completing large projects successfully.

Mr. Cline introduced members of the project team:

- Justine Kim, Program Manager/Senior Program Manager, Shiels Oblatz Johnsen (SOJ)
- Ethan Bernau, Program Manager, SOJ
- Rachel Bianchi, Public Safety Plan Manager, City of Tukwila
- Robin Tischmak, Acting Public Works Director, City of Tukwila
- Steve Goldblatt, City of Tukwila's Program Management Quality Assurance Consultant
- Bill Valdez, Principal, DLR Group
- Erica Loynd, Project Manager, DLR Group

The City has developed a structure that is efficient and responsible for three major projects within the Public Safety Plan. In November 2016, voters of Tukwila approved \$80 million in public funding to construct three fire stations, a justice center, and a public works facility.

SOJ is serving as the main project team. Mr. Goldblatt works on behalf of the City Council and is an integral member of the team. The DLR Group was selected as the architect for the project and has begun moving forward. The last piece is the addition of the GC/CM.

The City of Tukwila has over 90 police officers, 10 court officials, and an Emergency Operations Center (EOC) to be housed in one location. Today, personnel are working in buildings that are over 40 years old and not seismically safe. The intent is to combine all functions in one new building.

Ms. Loynd reported the new Justice Center would house the police, courts, and the EOC. The facility will be approximately 45,500 square feet in size and constructed on a new site. The integral part of the project is finding a way to co-locate the departments in one facility because each department has different circulation needs and operations that require functionality while co-located and sharing resources.

The proposed site is located off Tukwila International Boulevard and South 150th Street with the building and parking on the south lot with overflow and court proceedings located on the north lot. The site has space for community outdoor events and activities. The facility will be a two-story structure with Police and Courts sharing a central area in the building. Many considerations were necessary for a shared sally port, shared secured parking, and shared access around the site while being able to access Tukwila International Boulevard.

Mr. Bernau reviewed the project budget. The adopted project budget is \$28.6 million with the construction portion estimated at \$16.2 million. The budget is tight and the City believes the GC/CM approach will ensure the City remains on budget. The selection of the GC/CM delivery method for the project was because of the urgent need to replace the facility because existing facilities were constructed in the 1970s, are outdated, and lack functionality for users. Schedule is an important driver for the project. The City believes that a skilled GC/CM on the project will help in identifying the project schedule to deliver the project on time, as well as develop mitigation plans through understanding the risks and identifying ways to mitigate those risks to maintain the schedule. The GC/CM will assist in developing a phased schedule to reduce some costly site work in advance of construction. That will involve addressing building demolition, Hazmat issues, and the potential for environmental contamination on the site that is likely given the site is off Tukwila International Boulevard, which is auto-oriented and previously housed dry cleaner business and auto-oriented uses on the site. The City believes that having a GC/CM will help the City develop a realistic schedule that can be achieved.

The project involves complex systems and combines three different programs of the Police Station, Municipal Court, and the EOC, all of which are essential public facilities. The EOC will serve as the hub of the City during emergencies. The EOC provides specialized services of communications and server needs while the Police Station provides specialized needs for security access controls, holding facilities for the court and the police station, and complex mechanical systems supporting evidence processing and storage in the police station. The project is a complex building rather than an office building. The GC/CM will enable the City to add experienced and well-qualified subcontractors to ensure good quality work and quality of control by the GC/CM.

The site of the project has environmental clean-up risks that will require the expertise of the GC/CM during the pre-construction phase to investigate the site and develop a contingency plan for potential contamination underground or any other unforeseen conditions that could potentially impact the construction schedule or increase costs.

Ms. Kim described the benefits of using the GC/CM delivery method. The involvement of the GC/CM is critical during design as experienced during the current fire station project. The GC/CM is engaged fully to estimate the schematic design set and is engaging all subcontractors to evaluate all the components and building systems to try and eliminate unnecessary and costly solutions and provide quality control and minimize constructability issues. The team is reviewing all estimates in real time and meeting with subcontractors for each trade to ensure the estimates are in line. Otherwise, the City would need to engage in an extensive value engineering phase to ensure the budget and scope align. The City hopes to attract multiple qualified bidders in the current tight bidding market. It will be critical to ensure subcontractors will be participating in estimating and bidding so that the City can track the budget and schedule. Early bid packages are under discussion for foundation work should precast panels be used. The discussions are necessary to ensure the prices are locked in as early as possible.

In terms of the public benefit of using the GC/CM delivery method, the City plans to establish a close team between the GC/CM and the design team to ensure working chemistry is created during the construction phase to minimize RFIs and change order exposures. The delivery method will also help reduce surprises and claim risks. Ms. Kim shared that she has worked on many GC/CM projects and can attest that in comparison to Design-Bid-Build projects, she enjoys the GC/CM process much more, especially when the project is complex and requires investigation, preconstruction services, and partnerships throughout construction to ensure the success of the project.

In real time, subcontractor cost estimates are important, constructability reviews are important, and tailoring the bid packages to take advantage of the subcontractor market is important. Additionally, the GC/CM strives to ensure a safe and clean job site through construction and can develop a critical path schedule to ensure the construction schedule is on track to deliver the project as estimated to the public. The City believes the GC/CM will assist the City in meeting its goals as well as supporting disadvantaged businesses and utilizing apprenticeship goals. The City plans to factor those elements into the selection of the GC/CM firms to ensure all firms have an active record of attracting small businesses and disadvantaged businesses.

Mr. Cline summarized the experience of the team. As mentioned previously, the City constructs large projects. Many of the projects are horizontal with many roads, bridges, and utility projects completed. The City's experience with vertical projects is less extensive. The City has formed a team that has the necessary experience to enable the City to benefit from that experience. The City has completed many multi-million projects that includes a 19-story building in South Center for infrastructure work and a \$10 million bridge scheduled to open next week, as well as a \$25 million interchange off Interstate 5 that were successfully completed by the City using state, federal, and local funding. The owner representative's teams have worked on the public side (SOJ) and have GC/CM experience. SOJ and DLR Group have completed over 40 GC/CM successful projects.

Mr. Cline reported he serves as the City Administrator and has been with the City for six years and has worked for cities and local government for over 25 years. One of his first projects was as the City Manager for the City of Burien of a joint library/city hall project in Burien Town Square. The City is also currently working with a GC/CM on the City's three fire stations.

Other team members from the City include Ms. Bianchi. Ms. Bianchi is the City's Project Manager and works on all City projects and community outreach. Mr. Tischmak serves as the Public Works Director. Mr. Tischmak has over 25 years of experience as a City engineer for the City's projects. The City has much experience.

Ms. Kim said SOJ delivers primarily public sector projects utilizing the GC/CM delivery method for most projects. She reviewed a list of successful GC/CM projects completed by SOJ. She has completed six projects

with another project currently in design using the GC/CM delivery method. Most recently, she completed the Cascadia Elementary School, Robert Eagle Staff Middle School, and the Pike Place MarketFront projects. She is a licensed and registered architect and has nearly 30 years experience in design, project delivery, and construction.

Mr. Bernau said he has 13 years of experience as a project manager and owner's representative. SOJ delivered several school projects. He worked on three of the schools at two sites that were opened in September 2017 with Lydig Construction and Cornerstone Construction. Both projects were delivered by the GC/CM method. He also worked on the GC/CM ShoWare Center project with Mortenson Construction, the SCORE Correctional Facility with DLR Group, and the Seattle Joint Training Facility for the City of Seattle.

Mr. Valdez reported he is the Principal in Charge for the design team and has over 15 years of experience with GC/CM projects in four states. He is committed to ensuring the design team is fully leveraging the GC/CM.

Ms. Loynd reported that as the Project Manager, she has over 15 years of experience on similar justice and civic projects. She worked on multiple projects that were qualified as GC/CM project, most notably the Marysville Getchell High School GC/CM project completed in 2011. Recently completed DLR projects include Everett Municipal Court that was on a tight budget with tight constraints from the state and the Mukilteo Police Station, a 13,900 square foot police station completed in 2003. The projects are examples of DLR's expertise with public sector projects.

Mr. Goldblatt said he serves as an advisor to the City of Tukwila's seven-member part-time City Council on the overall Public Safety Plan. Although he reports to the Council, he works closely with the project executive team. He has completed many projects with SOJ and four projects with DLR. Both companies are very experienced in the GC/CM delivery method. During his five months with the City, he has been impressed with Mr. Cline and Ms. Bianchi's work on the fire station GC/CM project and their work on the Justice Center project. For the last 23 years, the majority of his work since his involvement in creating RCW 39.10 as one of the original authors has been on GC/CM projects. The Justice Center project is a great candidate for the PRC's consideration.

Mr. Cline concluded that the project is very important for the City of Tukwila. Current tenants are residing in buildings constructed in the 1970s that are seismically unsafe, lack efficiencies, and do not meet essential public facility needs for first responders. It is critical for the project to be completed properly. The City has invested tens of millions of dollars to transform Tukwila International Boulevard and Old Highway 99 neighborhoods. The facility will become a transformational building and a gateway to the City. The project is important to the Mayor and City Council. The City created a team with extensive public works experience. The team will work on the project over the next several years and at the end of the Public Safety Plan, the City will have two-thirds of City staff housed in new facilities that are seismically safe for all first responders. The City believes that the Justice Center project meets the criteria for GC/CM and looks forward to the PRC's positive review. The City has developed a great team that is already working well together and all members are looking forward to pursuing the GC/CM project.

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

Panel Chair Riley-Hall asked for feedback on the lessons learned from the current fire station project that would be applied to the proposed project. Ms. Kim said some lessons learned have transitioned to the new project, such as identifying some misunderstanding of the goals and actual code requirements applicable to each project. For example, the scope of storm water management as some documents refer to the goal of restoring the environment to pre-forestation levels. As code requirements for the fire stations are determined, the information will be transmitted to the Justice Center team to avoid duplication of research. Additionally, any subcontractor information would be shared with the project team as the City has scheduled weekly executive meetings between the project managers of the fire station and the Justice Center projects. As information is discovered, the information will be shared.

Mr. Cline added that from the City's perspective, cost is a major concern and by having the GC/CM onboard early, accurate estimates would move forward. Secondly, the creation of good systems is important, especially air systems. Having the expertise of the GC/CM has aided in identifying how to create air locks and HVAC systems that remove contaminants when firefighters enter buildings. The same scenario will be important for the Justice Center project as three different programs will be co-located in one facility.

Ms. Kim added that IT Department technical protocols are being identified and will be applied to all five projects.

Mr. Palewicz commented that one of the reasons identified by the applicant for using GC/CM is to shorten the project schedule. He asked how the team plans to implement that process to shorten the timeline in terms of design and construction. Ms. Kim said the team is worried about contamination on the site and is eager to secure a GC/CM to assist in testing contamination levels. As the design team completes design, the next steps will involve demolition and earthwork as a way to enable efforts on mitigating any contamination. Another aspect of the site is the number of different property owners that will need to be relocated. The availability of the GC/CM early will assist in facilitating some of the site phasing and sequencing actions. It is critical in the early stage because of the number of tenant relocations.

Mr. Hall cited a worst case scenario as he is having some trouble in identifying how the project fits the criteria in the RCW. It is difficult to apply the criterion of complex scheduling and basic coordination as the facility is a new building. The site is not occupied and would not require relocation of occupants. If the City has determined a compressed schedule, that was by choice. The second criterion that speaks to project construction on an occupied facility does not apply to this project. The third criterion of involvement of the GC/CM during the design stage as critical to the success of the project would likely not apply as the facility is a new building and although there are three different users, that type of project has been completed successfully using traditional Design-Bid-Build for decades. The fourth criterion of the project encompasses a complex or technical work environment is unknown, as the site has not been selected at this point based on information contained in the application.

Ms. Kim noted that the site has been selected.

Mr. Cline added that the City Council approved moving forward with eminent domain authority on November 6, 2017 for the sites.

Mr. Hall suggested it might be possible for the City to contract separately for testing the sites as part of a typical Design-Bid-Build process. Part of the litmus test by the panel is to determine why the project would not be possible using the Design-Bid-Build process. He asked the team to provide more information to reassure him that the project clearly meets one of the criteria.

Ms. Loynd replied that preliminary investigations in predesign have identified some issues that need to be addressed immediately to identify any potential clean-up actions. Gas station tanks are located on the site as well as potential dry cleaner plumes that could require potential borings and early testing to address that issue, as well as stormwater retention criteria and soils conditions that have been identified in other projects around the state. Those civil impacts would definitely benefit from GC/CM to help identify strategies to mitigate the design impacts and delays without waiting for the full design package of assumptions. The GC/CM would help to strategize those solutions and could help negate some costs. The complexity of a police station in terms of the electrical and mechanical systems supporting all three functions without one system prioritized over another is important budget-wise and for energy efficiency. The engineering component is the catalyst of the complexities of the project that should be addressed at the onset to ensure the right solutions are determined before any value engineering obstacles occur near the end.

Mr. Goldblatt added that in addition to site issues, involvement during design, and the tight budget, having the GC/CM to help DLR to accomplish a building of importance within the budget for the City and citizens is

important. The facility will need to accomplish many programs for a limited amount of funding, which speaks to why the contractor needs to be involved at the onset.

Mr. Warnaca referred to the project roles of Mr. Kim and Mr. Bernau as outlined in the application and the time commitment of between 50% and 75%. He asked for clarification as to the how the roles will be split and how each one will interact with DLR and the GC/CM, in terms of the main point of contact and management of day-to-day activities versus contract support. Ms. Kim said she is the lead for all five projects for the City of Tukwila as the Program Manager. Mr. Bernau assists in managing the Justice Center project with daily interactions with the architect. Another project manager is working on the fire station projects with her. Everyone attends weekly meetings to ensure efforts are coordinated. Day-to-day responsibilities rest with the project managers while she leads the review of all GC/CM procedures, contracts, min/max, and total construction costs.

Mr. Bernau said he is dedicated exclusively to the Justice Center project and will serve as the day-to-day contact working directly with DLR and the GC/CM. Ms. Kim serves at the program level bringing all the projects together.

Mr. Lynch said based on the application and the site information, one of the areas for seeking technical expertise is mechanical. He asked whether the team plans to explore MC/CM or whether the team anticipates the GC/CM to provide expertise in that area. Mr. Bernau said the intent is to explore MC/CM, as well as discussing options with the GC/CM early to determine if it would benefit the project. Because of the interconnectedness of the EOC, courts, and the police, some mechanical specialized needs have been identified for police evidence processing and evidence storage that will create some complexities. Input early from mechanical contractors early is warranted if the GC/CM recommends that course.

Panel Chair Riley-Hall asked whether the role of the Public Works Director is to serve as a resource to the project. Mr. Cline explained that the organizational chart was developed in August 2017 prior to the Public Works Director retiring on September 30, 2017. Mr. Tischmak is the City's Engineer and is serving as the Acting Public Works Director. When the City selects a permanent director, the new director will play a role within the team. The prior director was responsible for all facility planning. The City has benefitted from having the Public Works Department working on the projects on a daily basis.

*Panel Chair Riley-Hall invited public comments. There were no public comments.  
Panel Chair Riley-Hall invited deliberations by members and a recommendation.*

Mr. Dobyms said that the budget positions the project as a good candidate for GC/CM because an essential public facility for \$16 million would require creativity, value engineering, and constructability planning to complete successfully. That fact alone qualifies the project for GC/CM. Although other similar essential public facilities have been constructed using the Design-Bid-Build process he is seeing those facilities becoming much more complicated because of the type of work conducted by police and the complexity of the facilities that has increased in the last 20 years. The project merits GC/CM because of the complexity of the building and the tight budget.

Mr. Brossard agreed as his agency is involved in a larger justice center project. Those projects are extremely complicated as Mr. Dobyms pointed out. This project is essential for GC/CM, as well as for a successful outcome because the team will need advice from the contractor to help the City meet budget and to ensure constructability of three different users in one building all with different architectural and engineering needs.

Mr. Eppler commented that the RCW also speaks to whether the budget is appropriate and necessary. It is a factor for approval by the PRC. The comments with respect to the size of the budget have increased his concerns.

Mr. Dobyms responded that as a general contractor, it is always better to identify funding deficits during preconstruction rather than after opening bids and discovering the project is not sufficiently funded. The benefit to the public is vetting the sufficiency of the budget during preconstruction. If the project is determined to be

underfunded, it is preferable to discover the issue through the preconstruction effort rather than opening bids and learning the project is not feasible.

Mr. Brossard added that based on information provided by the City, the bonds are available.

Panel Chair Riley-Hall said that based on the presentation, having the GC/CM involved early would assist in vetting some of the issues, which is of significant importance to the City. The use of Design-Bid-Build would result in completion of the design with no input from the contractor to assist in addressing the differences of three different disciplines in one facility. Utilization of the GC/CM early adds value to reduce costs and to vet some of the issues and it would likely result in a successful project.

Mr. Lynch said many times with project applications, the panel is often posed with projects that might not be able to be delivered as traditional Design-Bid-Build and therefore would benefit from GC/CM or Design-Build. This project could likely be delivered by the Design-Bid-Build method; however, the statute is not asking the PRC to determine if the project is impossible to be delivered by the traditional delivery method. Rather, the statute directs the panel to review the criteria and determine if the criteria apply. He believes that involvement at the design stage is critical for the success of the proposed project both from a public and technical standpoint. It could be pursued as a traditional project, but there is sufficient value for a GC/CM delivery method.

Mr. Hall acknowledged the comment and indicated he does not disagree with the viewpoint; however, if someone is creating a schedule that is too short and a budget that is not sufficient, that might not always justify using the GC/CM delivery method or that it is a good idea. He is somewhat weary about that aspect while also pointing out that he is not conveying that this is the circumstance for this particular project. Mr. Dobyns explanation assisted in convincing him that the project would benefit from GC/CM.

Mr. Brossard emphasized that the presence of the GC/CM could assist in managing many of the problems as the contractor could adjust the scope and the schedule whereas if the project was bid in the market and the proposals are well over the budget, the owner wasted public money and would have to start a new process.

Mr. Hall agreed that the killer of the project is the calendar as it would be unfortunate to discover the project is not viable.

***Justin Hall moved, seconded by Rob Warnaca, to approve the GC/CM application from the City of Tukwila for the Justice Center Project. Motion carried unanimously.***

*The meeting was recessed at 1:12 p.m. for a break.*

***Clark County Fire Protection District – Station Renovation & Replacement Project – GC/CM***  
*Panel Chair James Lynch reconvened the meeting at 1:30 p.m.*

Panel Chair James Lynch reviewed the presentation and timing format to consider the GC/CM application from the Clark County Fire Protection District 6 for the Station Renovation & Replacement Project. PRC panel members James Lynch, John Palewicz, Bryan Eppler, Rustin Hall, David Brossard, and Rob Warnaca provided self-introduction.

Project team members providing self-introduction included: Kristan Maurer, Assistant Chief, Clark County Fire District 6; Cathy Bowman, Architect, Mackenzie Architects; and Jeff Humpreys, Director of Architecture, Mackenzie Architects.

Ms. Maurer reported Clark County Fire Protection District 6 is located in the southwest region of Washington State and north of the City of Vancouver. Mackenzie is serving as the project's architectural and design firm. The presentation will include an overview of the project, project budget, project schedule, experience of the team, and why the project qualifies for GC/CM,

Team members are comprised of administrative staff at Clark County Fire Protection District, which includes one Fire Chief and four Assistant Fire Chiefs, as well as a panel of four Firefighters and Fire Captains assisting with the project. Mackenzie Architects serves as the project architect and team members include Jeff Humpreys, Cathy Bowman, and Andrew McAllister.

Clark County Fire Protection District 6 is the owner. In late 2015, the District completed the RFQ process to secure the architectural and design firm to assist the District with building projects for Clark County Fire Protection District 6. The process generated five applicants. Mackenzie Architects was selected as the architect. Ms. Maurer said she is serving as the Project Manager for the project.

Ms. Bowman said the role of Mackenzie Architects has been evaluating existing conditions to help the firm understand the operations of the District and identify current needs after evaluating all existing facilities. The firm is providing that service and the design work. With the GC/CM onboard early and prior to construction, the firm will be able to take advantage of the contractor's understanding of the structure, constructability, phasing, and schedule since most of the sites will be occupied while establishing an early GMP to keep costs at a minimum.

The Station 62 project includes a remodel and a seismic hardening. The 7,000 square-foot facility was constructed in 1987 and would be occupied and operational during the project. The station is adequate for the District; however, it is not a safe or an efficient building. Each room in the station would be involved in the project. Most of the work will be the seismic upgrade requiring hardening of the exterior walls to protect the building during a seismic event. Fire sprinklers would also be added with new HVAC systems installed and lighting to meet current building code and ADA requirements. Overall, the station would be improved for the District and for the public to enable the station to respond to the public.

Station 63 is located south of the training tower owned by the District. The existing station was built in 1970. The building is approximately 5,000 square feet in size. The area has experienced a significant amount of urban growth requiring a larger facility to meet modern day needs and projected growth of the District over the next 50 years. The new station would also provide training and multipurpose rooms for the District. The project is comprised of a new building with the existing station remaining operational during construction. The new facility is an 18,000 square-foot two-story building with four bays with living quarters located on the second floor. The site includes a wetland impacting approximately one-quarter of the property. Efforts have been initiated for land use approval for the project from the U.S. Army Corps of Engineers to mitigate the wetland area. Soil conditions have been identified as unfavorable and will require mitigation and construction of the building on geopiers. Those factors will require some level of expertise by the GC/CM on how to build the piers, which will be a lengthier site development process.

Ms. Maurer reported the project budget is over \$12 million for both facilities with funding secured through a non-voter approved obligation bond of approximately \$9 million with a three-year time limit for utilization of the funds. The District is facing some pressure to complete the projects prior to expiration of the bond, which is April 19, 2020.

Ms. Bowman said the Station 62 project has initiated the permitting process and was designed through a traditional Design-Bid-Build bidding process. The bid process was unsuccessful because it was 30% over budget. With the GC/CM process, the District hopes to resume the schedule with adjustments to constructability followed by procurement of the contractor to assist in phasing the project to minimize hardship on the District. Station 62 is scheduled to be the first project after the GC/CM is hired. The schedule for Station 63 is dependent on the approval of land use. Construction documents are nearly 60% completed. The timing will afford a good opportunity for the GC/CM to review all cost estimates, validate, and review constructability reviews during the next phase of the construction documents, as well as acquire subcontractors. Dependent upon the final approval from the U.S. Army Corps of Engineers, the District may also utilize subcontractors as early site packages during the summer months.



Ms. Bowman said GC/CM was selected as the delivery method because of the complex schedule/phasing, occupation of existing facilities, site elements of Station 63 with the wetland and the potential for geopiers, and volatile market conditions. It is important that construction activity is less intrusive on the District and can be completed within a specific schedule.

Ms. Maurer added that the District has two stations with overlapping project schedules and complex phasing. Clark County Fire Protection District 6 is comprised of three stations with two-thirds of the response facilities modified concurrently, which is complicated. The District handles a volume of 7,000 emergency calls each year with 55 personnel. The stations currently meet response times and community needs. The Station 63 project lacks a training center, which is required to meet Washington State Survey and Ratings Bureau requirements for fire departments. Adding a training facility increases the complexity of the schedule. Additionally, the projects must be completed prior to the expiration of the bond in April 2020.

Mr. Humphreys mentioned previous comments by the PRC with respect to questions on whether the projects could be completed by using the traditional method of Design-Bid-Build. Approximately 50% of the firm's projects are completed by Design-Bid-Build versus GC/CM. Both delivery methods have produced successful projects. However, this project has some complexities. At the beginning of the process, there was some belief that it might be possible to navigate a Design-Bid-Build delivery method successfully. Consequently, construction documents were completed for the small remodel of Station 62 and seismic upgrade. The District was able to secure building permits and released the bid. Only two bidders responded and of those two bidders, only one bid was for electrical. As Ms. Bowman indicated, the bids were 30% over the projected budget with half of the overage attributed to electrical. The outcome was disappointing. A pre-bid meeting had been held with several general contractors in attendance. However, most of the contractors did not submit a bid. Mackenzie has good relationships with general contractors and after many follow-up calls, many of the contractors expressed interest in the project if the delivery method was GC/CM as opposed to bidding against the market. GC/CM is viewed as an advantage because the projects are small in scope, are complex, and the facilities must remain operational during construction. The advantage of coupling both stations was identified as a way to create a larger project to attract general contractors utilizing the GC/CM delivery method. The District believes a strategy would spark more competitive interest from the contracting community.

While most of the work is done and design opportunities are no longer available for the seismic hardening and remodel of Station 62, the District is only halfway completed with the Station 63 project providing some opportunities for the GC/CM for early site packages, geopier work, wetland work, and working around the existing station. Those complexities speak to the benefits of having a contractor during design completion.

Mr. Humphreys added that fire stations are not large houses but are essential public facilities not unlike the previous justice center project. The stations have many complex systems and having consistency between the retrofits for Station 62 and improvements to Station 63 speak to the advantage of having a quality contractor and the same subcontractors for both projects.

Ms. Bowman reported that because GC/CM affords early participation by the contractor prior to releasing the bid and establishment of the GMP, the Fire District is able to review the project in much more detail with the contractor and discuss all the intricacies the Fire District has identified to obtain input to minimize phasing, scheduling, and the cost of the project. Both stations will utilize the identical systems for mechanical, as well as door sequencing, private space, and learning systems that will require knowledge and can be used for both stations. The process provides some gains in efficiencies. Opportunities are also available to discuss phasing earlier in the process with the contractors. Securing subcontractors early, developing buy-out packages, and setting realistic expectations are important.

Ms. Maurer said the Fire District is familiar with the needs of the buildings. That knowledge guides Mackenzie and the general contractor as to what is required by the Fire District.

Mr. Humphreys said Mackenzie Architects has been in business for more than 60 years. He leads the team that specializes in fire facilities. The company has completed over 60 fire facilities in Oregon and Washington. The design team assigned to the project has completed 12 fire facilities completed by the GC/CM delivery method in the last six years. Mackenzie has extensive experience with the project type and the delivery method.

Ms. Maurer said other owner experience within Clark County Fire Protection District 6 include Fire Chief Jerry Green who has been the Chief for the last 13 years. She will serve as the Project Manager for the project and has been with the District for 18 years. Other personnel include Assistant Chief David Taylor who has been with the District for 35 years and Assistant Chief Shawn Newberry who has been with the District for 18 years.

Mr. Humphreys said he serves as the Principal and the project architect. He has been engaged in Board meetings and has helped lead the design effort. He works closely with Ms. Bowman on the project. He will provide executive-level leadership throughout the project.

Ms. Bowman reported she is the Project Manager and the point of contact for Clark County Fire Protection District 6 and the GC/CM. She will manage the project throughout the entire process. She has over 10 years of experience in the industry and has specialized in public safety facilities during the last five years. She has extensive experience in the GC/CM delivery method ranging from a \$28 million student housing project to forensic laboratory facilities. She understands the complexities and the value that the GC/CM delivery method contributes to the team.

Mr. Humphreys said another important team member is Andrew McAllister, an architect who has been with Mackenzie Architects for the last three years and has 10 years of experience in the industry.

Ms. Bowman and Mr. Humphreys reviewed a list of completed Mackenzie GC/CM projects:

- Depoe Bay Rural Fire Station 2300 – a 10,000 square-foot fire station located on the Oregon Coast. The GC/CM delivery project entailed a seismic upgrade and complete remodel of the station. The project was completed on schedule and within the allotted timeframe authorized by the Oregon State funding grant.
- Philomath Fire District – a 15,372 square-foot remodel and seismic upgrade completed by the GC/CM delivery method. The project was funded by a seismic grant through the state of Oregon requiring completion of the project within 18 months. The project was divided into three phases to ensure operations were maintained during construction activities.
- Rockwood Police Station – a 12,565 square-foot police facility completed using the GC/CM delivery method at a cost of \$3.5 million.
- Canby Police Department – a 40,135 square-foot building completed in 2012 at a cost of \$7 million. The delivery method was GC/CM, which afforded completion of the project within the allotted timeframe of the Oregon State grant.

Ms. Maurer reported the Clark County Fire Protection District 6 Fire Stations 62 and 63 Project is the most significant project in the history of the Fire Department. The project will increase the safety and function for firefighters in the community. The facilities are planned to accommodate growth for the next 50 years.

Mr. Humphreys added that Mackenzie has the project type experience and GC/CM experience.

Ms. Bowman said the presentation also highlighted how the project meets the RCW criteria by ensuring the project is cost-effective for the public in the use of public funds and providing the Fire District with facilities to serve the community in the next 50 years.

*Panel Chair Lynch invited questions from the panel.*

Mr. Warnaca asked whether the design is complete and includes a validated cost estimate the District would complete for \$9.4 million or whether the District believes it has a 30% budget overrun that a District is looking for a GC/CM to help resolve. Mr. Humphreys explained that it is a combination of both reasons. For Station 62,

design documents have been essentially completed after assessment of the building and identifying needed upgrades to meet facility standards. However, a GC/CM could provide input on alternatives that could reduce the budget but not close the 30% budget gap. The owner believes that utilizing the GC/CM method would result in more bids that are competitive by having general contractors that have relationships with subcontractors, especially on the electrical side, which could lower costs. The availability of the GC/CM will right size Station 63 as the last half of the station is completed. Value engineering may help to reduce costs for Station 63.

Mr. Palewicz said his question pertains to the team make-up. It appears Ms. Bowman and Mr. Humphreys are with Mackenzie Architects and Ms. Maurer is an employee of Clark County Fire Protection District 6. What appears to be lacking is an experienced owner's representative similar to the previous project which is utilizing SOJ and Mr. Goldblatt as experienced owner representatives who will manage the GC/CM project for the owner. That assistance appears to be lacking for this project. He inquired as to whether Mackenzie Architects would serve in the role of the owner's representative. Mr. Humphreys said the team believes that the structure of the team will provide all the services required in interfacing between the owner team, design team, and the contractor team similar to GC/CM delivered projects and Design-Build projects. Typically, half of all public facility projects completed by Mackenzie have had an owner's representative. The sizes of the facilities are on the smaller end and may not require an owner representative.

Mr. Palewicz asked Mr. Humphreys whether he has completed any GC/CM projects in the state of Washington. Mr. Humphreys said the completed projects were located in Oregon. Mr. Palewicz pointed out that Oregon does not pursue the GC/CM delivery method. Rather Oregon allows CM/GC, which is different than GC/CM projects completed in the state of Washington. He asked about his personal experience on those projects. Ms. Bowman and Mr. Humphreys said they participated in all the projects completed in Oregon. Mr. Humphreys added that Mackenzie Architects has completed projects in Washington but the public projects are not utilizing the GC/CM delivery process.

Mr. Hall said one requirement in the RCW requires completion of design development at 30% or less before bringing the GC/CM onboard in the state of Washington, which is clearly not the case for this project. He is unsure as to whether the panel could overlook that requirement. Additionally, the contingency is a required minimum of 5% of the general contract. The estimate includes only a quarter of the minimum contingency amount that is required by law. There are several basic flaws in the proposal that indicate the owner is not quite ready to pursue a GC/CM delivered project. Mr. Humphreys said Ms. Maurer challenged him on the costs as it appeared the costs reflected more building for less. Traditionally, a 30% construction contingency is included at the beginning of the project. As the project moves forward, the contingency begins to decline. The listed construction costs include soft cost related items. The \$12 million budget includes all costs associated with the project. All contingency costs are included within the budget and were not reflected as separate line item. He added that Mackenzie undergoes a rigorous cost estimating process. The information included in the application is at much less detail as summary costs require one full page with up to 35 line items.

Mr. Hall noted that from the panel's perspective, the filter is RCW 39.10. The contingency amount should have been separated to inform the panel as it would not be possible for the panel to identify the level of contingency, which is required to be a minimum of 5%. Additionally, if construction documents are completed the value provided by the GC/CM process has been forfeited, which the owner pays for in preconstruction services. To him, the project appears to be a perfect candidate for more of a Design-Build bridging document approach to alternative delivery rather than GC/CM. He added he is not advising the owner to pursue that approach; however, he has delivered many different types of alternative delivery projects and he is unsure how the owner will receive any benefits when process is so far down the road. The intent of the GC/CM delivery method is to bring the GC/CM in early to provide advice as the owner is working through the solutions and phasing. That benefit would not be realized for this project.

Mr. Humphreys said he would challenge the comments as Station 63 is only at 50% for construction documents. Mr. Hall reiterated that he is guided by the RCWs, which require 30% or less. Mr. Humphreys said he does not

refute the comments but there is much work remaining for Station 63. The team believes there would be significant value in having a contractor engaged in the last half of the project's development.

Ms. Bowman added that the complexity of the Station 63 site was only learned after acquisition of the site, which requires a U.S. Corps of Army Engineers process that might take up to a year. The Fire District had to decide on the site layout to enable proper documentation to move forward. Those activities were also driven by the state requirements for wetland mitigation.

Panel Chair Lynch asked about the cost breakdown between Stations 62 and Station 63. Ms. Maurer said the budget for Station 62 is \$750,000. Panel Chair Lynch asked whether the Fire District discussed the possibility of bundling the two stations as a Design-Bid-Build package to gain similar benefits. Mr. Humphreys affirmed the team discussed that option. Panel Chair Lynch asked about the team's conclusion as to that option. Mr. Humphreys indicated that there were complexities associated with that option as well. Having the contractor in the relationship and in the delivery of the GC/CM process would be a better process than a Design-Bid-Build process.

Ms. Bowman said it was also important to ensure that Station 63 would be right-sized prior to establishment of the GMP because of the volatility of the market.

Mr. Brossard asked whether the Fire District has legal representation to assist in developing the GC/CM contract. Ms. Maurer replied that the Fire District's legal counsel is Brian Snure. He represents most fire districts in the state; however, she is unsure as to his experience with GC/CM.

*Panel Chair Lynch invited public comments. There were no public comments.  
Panel Chair Lynch invited deliberations by members and a recommendation.*

Mr. Warnaca said that based on the project presentation, he would not dispute that Fire Stations 62 and 63 are not suitable for GC/CM as the project would be a good application for GC/CM; however, the window has passed as the PRC's requirements are to uphold RCW 39.10. Based on the contingency of 1% for the project as reflected in the application, the lack of an experienced owner's representative or past GC/CM experience by the owner, the lack of Washington State GC/CM experience by the design team, and exceeding the design window of 30% as stipulated by the RCW, he is unable to support the application.

Panel Chair Lynch noted that since the panel is comprised of six members, four affirmative votes are required to approve the application.

Mr. Palewicz echoed some of the same comments as Mr. Warnaca. It is unfortunate as it appears it is a needed project and the application was submitted too late in the process. The PRC has approved some projects that were past schematic design; however, that is not the intent of the law. Not having any owner representative to help the agency deliver the project is worrisome and although Mackenzie has successfully delivered projects in Oregon, other issues relative to the required 5% contingency as required by law would not garner his approval of the application. He would like Clark County Fire Protection District 6 to meet with some firms, such SOJ, OAC Services, or Parametrix to help the Fire District develop the project. He supported previous comments that the project could be a good candidate for Design-Build with bridging documents.

***By affirmation, all members of the panel disapproved the application from Clark County Fire Protection District 6 for GC/CM for the Station 62 and Station 63 project.***

*Panel Chair Lynch advised the applicants that a letter documenting the decision would be sent within 10 days.*

#### **ADJOURNMENT**

***Justin Hall moved, seconded by David Brossard, to adjourn the meeting at 2:06 p.m. Motion carried unanimously.***