

CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE
2ND Floor Board Room Session
Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington
July 27, 2017
Minutes

MEMBERS PRESENT

Rustin Hall, ALSC Architects (*Chair*)
Janice Zahn, Port of Seattle (*Vice Chair*) & (*Panel Chair*)
Ato Apiafi, Ato Apiafi Architects
David Beaudine, Heery International (*Panel Chair*)
Kurt Boyd, Valley Electric Company (*Panel Chair*)
David Brossard, King County
Bill Dobyns, Lydig Construction
Jim Dugan, Parametrix (*Panel Chair*)
Bryan Eppler, University Mechanical Contractors
David Ernevad, Seattle Central College
Curt Gimmestad, Absher Construction (*Panel Chair*)
Howard Hillinger, Parametrix (*Panel Chair*)
Matthew Lane, McGranahan Architects

Jon Lebo, University of Washington (*Panel Chair*)
James Lynch, Ahlers & Cressman
Jason Nakamura, 1 Alliance Geometrics LLC
Sam Obunike, O'Bunco Engineering International Inc.
Mark Ottele, Granite Construction
John Palewicz, University of Washington
Ed Peters, Edmonds School District
Yelena Semenova, Department of Enterprise Services
Mike Shinn, Shinn Mechanical
Joe Stowell, City of Oak Harbor (*Panel Chair*)
David Talcott, Exeltech Consulting
Rob Warnaca, Mortenson Construction

STAFF, GUESTS, PRESENTERS

Kevin Abel, Lake Chelan Community Hospital
Layne Alfonso, GeoEngineers
Kris Anderson, Tacoma Public Schools
Talia Baker, Department of Enterprise Services
Cynthia Balzarini, OAC Services
Bill Bouten, Bouten Construction
Dick Bratton, DBPM
Craig Caro, Spokane Public Schools
Dan Chandler, OAC Services
Dan Cody, Parametrix
William Coon, Clover Park School District
Nancy Deakins, Department of Enterprise Services
Lee Fenton, BLRB
Greg Forsyth, Spokane Public Schools
Keith Geary, Mason General Hospital
Phil Giuntoli, Collins Woerman
Valerie Gow, Puget Sound Meeting Services
Andrew Greene, Perkins Coie
Jeff Grose, Auburn School District
Phil Iverson, Centralia School District
Mike Keenan, Spokane Public Schools
Bill Kent, Mortenson Construction
John Korsmo, Korsmo Construction

Michelle Langi, Parametrix
Barry Leahy, Lake Chelan Community Hospital
Bob Lindstrom, BLRB
Jane Louie, OAC Services
Brian Maggio, Mortenson Construction
Eric Moll, Mason General Hospital
Guy Overman, NAC Architecture
Julius Pallotta, Tacoma Public Schools
Rusty Pritchard, OAC Services
Rick Ring, Clover Park School District
Brad Rock, OAC Services
Rob Roettger, Cheney Public Schools
Corrie Rosen, Mahlum
Chris Salerno, Osborne Construction
Rob Sawatzky, Tacoma Public Schools
Steve Shriver, NAC Architecture
Mary Signorelli, Lake Chelan Community Hospital
Todd Smith, OAC Services
Stephen Story, Tacoma Public Schools
Brian Urban, Skanska Construction
Steve Walther, ALSC
Don Wilson, Mason General Hospital
Kasey Wyatt, OAC Services

Chair Rustin Hall called the meeting to order at 8:05 a.m.

Members provided self-introduction. All members shared information about their present position, professional experience, and how it relates to the delivery methods of GC/CM and Design-Build (DB).

Training for New PRC Members

Chair Hall welcomed new members David Brossard, Bryan Eppler, David Ernevad, Jason Nakamura, Sam Obunike, Ed Peters, and David Talcott.

John Palewicz provided training to new members on the following topics:

- PRC Operating Bylaws (2008)
 - Two main purposes of the committee include reviewing and approving public works projects using Design-Build and GC/CM for public agencies not certified, and certifying, recertifying, or revoking certification of public bodies.
 - Policies and Practices – creation of forms and applications guided by RCW 39.10
 - Meetings are open to the public and advertised 20 day in advance.
 - Composition of PRC – members represent a balance of the construction industry. Members serve a three-year term.
 - Compensation and reimbursement for travel expenses
 - Public body certification requires a PRC committee quorum (18 members)
 - PRC panel reviews require a minimum of six panel members
 - Officer elections are held each July
 - Panel meetings are open to the public
 - Regular meetings are scheduled the fourth Thursday every other month with occasional special meetings based on need
 - Chair assigns members to panels
 - Teleconference participation is allowed
 - Super majority vote required for all agency certifications and project applications
 - Appeals of final determination are considered by the Capital Projects Advisory Review Board (CPARB)
 - Department of Enterprise Services provides administrative support to the PRC
 - Office of the Attorney General is available for legal counsel
 - Ethics and conflict of interest
- PRC Panel Procedures
 - Panel format: 20 minute presentation by applicant, 15 minutes for panel questions and answers, 10 minutes for public comment, 15 minutes for panel deliberation by members followed by a final vote on a recommendation.
 - Public body certification is for 3 years
 - Project approvals should consider:
 - Is the project applicable for alternate public works delivery of GC/CM or Design-Build?
 - Is the project team prepared and ready to complete the project?

Chair Hall emphasized the importance of all members identifying themselves when speaking and speaking loudly, as the meetings are recorded. Questions should be succinct and directed to the application, information contained in the application, and the RCWs. Most importantly, members should review the application before the meeting and submit any questions prior to the meeting.

Last year, the PRC rendered 22 GC/CM approvals and one denial, and three Design-Build approvals with no denials.

Business Meeting/Introductions

PRC members arriving late provided self-introduction. They included Rob Warnaca representing General Contractors, James Lynch representing the Private Sector, Ato Apiafi representing Minority/Women Businesses, Curt Gimmestad representing General Contractors, Kurt Boyd representing Specialty Subcontractors, and Matthew Lane representing Design Industry-Architects.

Chair Hall reported on some proposed changes to the bylaws. The bylaws have not been amended since 2008. He invited Nancy Deakins with DES to review the proposed changes.

Ms. Deakins noted that many of the changes are housekeeping in nature, such as changing “General Administration” to “Department of Enterprise Services” and correcting legislative bill numbers. Additionally, many laws were amended

since 2007. Ms. Deakins reviewed substantive changes and approval options for moving the changes forward to the CPARB in September.

Major proposed changes include:

- Within Article 2, under “Responsibilities, item A. 1, the law was changed eliminating the \$10 million threshold for GC/CM. Additionally, certified public bodies have a limit of five Design-Build projects with a total project cost between \$2 million and \$10 million. Certified public bodies are required to submit project proposals to the PRC if it exceeds that threshold.
- Within Article 3, under “Membership,” section 2, some original language was eliminated pertaining to “except for initial appointments.”
- Within Article 5, under “Officers,” a prior discussion by the PRC indicated agreement to include language stipulating that the Chair and Vice Chair positions would alternate between public and private sector representation.
- Within Article 6, under “Meetings,” the last sentence of the first paragraph was revised to reflect, “The PRC shall receive both written (before the meeting), and oral public comments at the meetings.”
- Within Article 7, under “PRC Actions,” an additional sentence was added to Section 2 stating, “Meeting minutes may be approved by the PRC Chair or Vice Chair, whichever is present.”

Discussion followed on whether CPARB must approve changes to the bylaws, Mr. Palewicz said he believes the committee is responsible for adopting changes to the bylaws with no approval required by CPARB. Ms. Deakins offered to follow-up to determine if the Board is required to approve changes to the bylaws.

Chair Hall suggested the proposed changes to Article 1 should be considered administrative changes in nature. He recommended reviewing the proposed changes to Article 2. Section 1. A. 2.

Mr. Palewicz said his agency as a certified agency has discussed the issue extensively. His agency has completed five Design-Build projects between \$2 million and \$10 million and would like to complete more Design-Build projects. Although, the agency believes it could apply to the PRC for approval of those additional projects, the statute is somewhat ambiguous as to whether that would be possible. He has never reviewed a section in the RCW that clearly states a certified agency could pursue additional projects. He is unsure whether the proposed language is referenced in the statute.

Ms. Deakins responded that the proposed language was from the statute. According to the statute, a certified agency that has exceeded five projects can apply directly to the PRC.

Chair Hall said the proposal is essentially not a change but inclusion of more information within the bylaws. He asked for feedback on the proposal.

Janice Zahn asked for the specific provision in RCW 39.10 enabling a certified agency to apply for another project if it has exceeded the project number threshold. RCW 39.10.280 was cited as the applicable section. Ms. Zahn said she asked because provisions in RCW 39.10.270 (1) stipulate that public bodies certified to use the DB procedure are limited to no more than five projects with a total project cost between \$2 million and \$10 million during the certification period. No additional language indicates the public body could submit additional projects to the PRC.

Ms. Deakins offered to follow up with some legal clarification. The language indicates that a public body may apply for certification and when certified they may use the contracting procedure on individual projects without seeking committee approval followed by language that limits certified public agencies to no more than five projects with a total project cost between \$2 million and \$10 million during the certification period. She interpreted that language as requiring the public body to seek PRC approval for additional projects.

Mr. Palewicz pointed out that no one has been able to identify language in RCW 39.10 that offers clarity.

Ms. Zahn added that the current language does not support the contention that certified public bodies exceeding the threshold could apply directly to the PRC. The language limits certified public bodies to five projects during the certification period.

Mr. Palewicz added that the PRC project application adds confusing language directing the certified agency not to fill out items #7 and #8. The language in the application implies that additional projects would be possible but there is no specific language in the statute that allows for additional projects.

Ms. Zahn pointed out that the project application is a tool and that the underlying legislation is RCW 39.10. It appears the application might need to be revised if it leads to a different conclusion than RCW 39.10.

Chair Hall said the issue is critical as the PRC is scheduled to receive an application next month that concerns the issue.

Ms. Zahn expressed uneasiness with interpreting RCW 39.10 within the bylaws as proposed.

Ms. Deakins recommended withdrawing the proposed language for Article 2 A. 2, pending further legal review or identifying other language that clarifies the intent.

Ms. Zahn noted that offering a recommendation would be okay other than she would indicate for the record that the intent of the proposal is not included within the RCW as the RCW clearly conveys that public agencies are limited to five projects with a total project cost between \$2 million and \$10 million during the certification period. She is also unsure whether the CPARB could interpret that intent based on current language in the RCW.

Mr. Palewicz noted that the issue is similar to an issue the PRC encountered with the 90-day application period for recertification. The PRC rejected several agencies that did not submit within the 90 days even though many members believed it did not make any sense. However, legislative language was black and white and the PRC is not able to supersede the law.

Ms. Zahn offered that the next review of the RCW might be a good opportunity to revisit the issues as more data reflects that the limitation of five projects no longer makes sense.

Mike Shinn said the legislation was originally crafted prior to the certification process. At that time, Design-Build was a test case and the intent was to limit the scope to five projects.

Members agreed to withdraw the proposal from consideration.

Ms. Deakins added that the 90-day issue was considered by the CPARB for potential legislative changes to provide more flexibility. The PRC could offer a similar recommendation for Design-Build project limits.

Jon Lebo asked whether it would be possible to seek a legal opinion on whether recertification of an agency is possible before the three-year certification period expires otherwise the public agency would be limited to five projects within the three-year period and would have to delay any projects until the agency received recertification for another five projects. It might be possible for an agency to request recertification prior to the expiration of the current certification to enable the agency to pursue more projects.

Mr. Palewicz acknowledged that a number of agencies have pursued recertification after 2-1/2 years of certification. Many agencies seek both GC/CM and Design-Build certification at the same time. The University of Washington sought recertification six months earlier for Design-Build. He offered to develop a paper for review by the Assistant Attorney General to receive an interpretation. Ms. Deakins affirmed the request to forward the information to legal counsel.

Members continued with the review of proposed changes to the bylaws. Additional changes to Article 2 appear to be administrative in nature.

Chair Hall referred to Article 5 and the proposal to alternate the Chair position between public and private positions.

Mr. Palewicz said the PRC discussed the option during the election. The law is unclear. CPARB has adopted a policy of rotating the position. PRC has not formally adopted a policy. Adoption of the proposal would formalize the policy.

Kurt Boyd added that not adopting a policy affords more flexibility for the PRC.

James Lynch suggested the PRC would essentially limit itself if it approved a policy for inclusion in the bylaws. The PRC is comprised of 30 highly qualified professionals capable of making a decision on whom to vote for during an election. The discussion during the last round of elections was indicative of the kind of discussion the PRC should have during an election.

Kurt Boyd moved, seconded by Ato Apiafi, to adopt and include the proposed change in language to Article 5 – Officers, as presented by staff. Motion failed.

Ms. Zahn referred to the proposed changes to Article 2, Section 1 and recommended revising the section to align with language in RCW 39.10. She recommended some changes depicting that applications are submitted by an owner because RCW 39.10 states that the PRC is reviewing applications and not project proposals or that the PRC reviews a proposed project of which both the project qualifies, as well as owner qualifications. Ms. Deakins said the bylaws represent a summary of the responsibilities rather than repeating the RCW. She affirmed “project proposal” could be changed to reflect “application.” Ms. Zahn requested changes that clarify that applications are submitted by public owners and proposed projects meet all the criteria in the RCW.

Chair Hall recommended deferring action on the section to enable staff to present a revised proposal. He encouraged members to review the bylaws and to avoid meeting with other members to discuss the bylaws as the PRC is subject to the Open Public Meetings Act.

Chair Hall recessed the meeting from 9:06 a.m. to 9:12 a.m. for a break.

Welcome and Introductions

Chair Hall welcomed everyone to the meeting.

Members provided self-introduction.

Mason General Hospital – Certification for GC/CM

Chair Hall reviewed the presentation and timing format to consider the certification application for GC/CM from Mason General Hospital.

Eric Moll, Chief Executive Officer, Mason General Hospital, reported he was a former member of the PRC and enjoyed his time on the committee. He thanked the PRC for considering the certification application. He appreciated the feedback and is looking forward to providing responses during the presentation. The following team members provided self-introduction: Keith Geary, Director of Facilities, Mason General Hospital; Brad Rock, Senior Project Manager, OAC Services; Don Wilson, Commissioner of the Board; Dan Chandler, Principle, OAC Services on behalf of Derek Rae, Principle and Program Manager, OAC Services.

Mr. Moll reported the team structure for overseeing the project builds on the structure the hospital used successfully in another GC/CM project. The structure speaks to integration between the Board of Hospital Commissioners, the leadership team, and OAC Services. That integration was highly effective in a prior project. Team members will meet biweekly as a Facilities Committee to provide oversight to the project. Some key members include Don Wilson, Chair of the Board of Commissioners, several members of the senior leadership team to include himself, Eileen Branscome, Chief Operating Officer; Gaelen Spradley, Chief of Clinic Operations; Dr. Dean Gushee, Chief Medical Officer; Tom Hornburg, Chief Information Officer; Rick Smith, Chief Financial Officer; and Keith Geary, Director of Facilities. Mr. Geary will dedicate 50% of his time to the project to provide day-to-day oversight. Mr. Geary will have a direct line to Mr. Moll. The working relationship is very flexible to address any concerns that might arise unexpectedly.

Mr. Rock added that many of the same members are members of the current team over the course of the next three years. The integration of OAC on the last project will continue for future projects, as well as with team members within Mason General Hospital from Facilities through the Board of Commissioners. The team plans to build off the success of the last GC/CM project.

Mr. Geary commented on the importance of having a GC/CM early in the process who understands healthcare, patient safety, immunocompromised patients, and the adjacencies of construction and renovation work and how both patient safety and fire safety are a must as a top priority. The potential of infection control and the importance of the barriers that are maintained and managed through the project for fire and egress pathways are a top priority for any type of healthcare facility.

Mr. Moll reported that as part of the facilities master planning effort, one important goal was considering the long-term growth in Mason County. Underlying that growth are some incredible demographic shifts, which underscores the need to be nimble in facilities planning in terms of the long-term multi-phased approach. Evidence of that speaks to this year's current demand and utilizations as the hospital is already starting to approach its 2020 growth projections. There is a very strong need to have a nimble and flexible approach and it is why a GC/CM approach enables that flexibility.

Mr. Rock reported that master planning completed last year identified several projects. One is a large-scale Medical Office Building (MOB) addition. Additionally, many interior renovation projects were identified for a projected cost of \$70 million in projects ranging in scale and size, and more than 11 different individual projects that could be completed using the GC/CM delivery method. The hospital needs to have a qualified contractor who understands the hospital environment. Having the benefit of a GC/CM will help the hospital work through phasing, logistics, and provide cost certainty early in the projects. Mason General Hospital will continue to follow the RCWs for qualifying a project for GC/CM delivery. Many healthcare projects typically meet a minimum of the requirements, if not all the requirements. The hospital will continue to evaluate all projects to determine whether the project is a good fit for the GC/CM delivery method, as well as ensuring the projects qualify based on the RCW. Moving forward, the team realizes that the community and the hospital much focus its efforts first on patients.

The hospital plans to continue building from the success of the last GC/CM project. The hospital plans to continue to pursue public outreach to generate public support for projects, as well as meet on a regular basis with the Mason General Hospital Board of Commissioners. The Board of Commissioners review and approve change orders for projects. Commissioners are updated on schedule and phasing. The meetings are open to the public with public comment afforded during the meetings. The hospital will continue to integrate OAC and Mason General Hospital as a collaborative management team to implement the projects by working closely on project schedules, budgets, and any kind of risk and phasing needs. The integration of the teams will continue to move forward building off past project success.

Mr. Geary added that the integration and relationship with the GC/CM would be initiated early in the project. He shared an illustration of the phasing process for the last GC/CM project. That process involved working closely with the GC/CM and all internal directors, managers, departments, and clinical areas to build a phased plan for a segmented project to work through the different environments and not impact patient care. The use of RCW 39.10 and the GC/CM approach allowed the hospital to build a plan and a phased process to manage infection control and fire and life safety while continuing to provide patient care. As the project progressed, hospital infrastructure was important because it was life-supporting and life-sustaining involving water supply, electricity, and medical gases. When those systems are touched, there is always the potential for adverse outcomes. Having a GC/CM and subcontractors early in the process enables quick responses and a process to identify issues and potential benefits for a healthcare facility.

Mr. Wilson said the team's experience with GC/CM has been a very positive event for the hospital and for the people that were involved. Change orders were minimal with most change orders initiated by the hospital. The last project was a good experience and he anticipates future projects to be just as successful.

Mr. Moll said he is hopeful the team has conveyed the strong public need in Mason County for a nimble GC/CM contracting approach given the county's population growth and the pace of changes in healthcare. The past usage of the GC/CM delivery method within a very complex multi-phased project was highly successful. The team looks forward to

continuing to use the GC/CM delivery method as a certified GC/CM agency. He thanked the PRC for considering the request.

Chair Hall invited members to ask questions of the team.

Mr. Warnaca asked the team to speak specifically about how the hospital will vet and evaluate which projects would be recommended for GC/CM delivery versus a traditional Design-Bid-Build model. Mr. Rock said the hospital has established protocol for reviewing projects using RCW standards. The team will consider the level of complexity, whether complex phasing is required, and the five criteria in the RCW to ensure the project meets at least one of the five criteria, if not more. Additionally, the project would be evaluated to determine if it is on a critical path or whether the project could be pursued as a Design-Bid-Build or a Small Works Roster project. The hospital anticipates using all procurement methods and would like to have the opportunity to use the GC/CM delivery method.

Ms. Zahn asked whether the Board or an individual makes the determination for the delivery method. Mr. Moll advised that selection is a tiered process vetted through the Facilities Committee to review technical requirements. A recommended approach is then presented to the Board. The Board meets twice a month enabling communication between the Board and the team. The Facilities Committee serves as an advisory committee to the Board.

David Talcott asked about the function of the biweekly Facilities Committee, membership of the committee, and responsibilities of the committee. Mr. Moll replied that the committee is comprised of the Senior Leadership Team, one Commissioner, OAC, architects, and key members of the management team (Director of Facilities, Chief Information Officer, and the Director of Materials). The committee monitors the project timeline and renders decisions on scope and design.

Mr. Rock added that the committee also monitors the status of the budget in terms of project budgets and schedule, as well as pending projects requiring decisions by the Board of Commissioners. The committee compiles the information and presents the packages to the Board of Commissioners for its review and decision. The committee ensures the Board receives timely information to render decisions to ensure projects move forward.

Howard Hillinger observed that the team has completed much planning on its capital program. He asked about the number of projects that might be potential candidates for GC/CM delivery and the status of the project selection process, as well as whether the team has identified some projects that would not be appropriate for GC/CM. Mr. Rock said the team is beginning to initiate planning efforts for the MOB project, which includes integration to existing infrastructure of the hospital. The team believes the MOB project would be a good candidate for GC/CM delivery because of its interconnections to the hospital for both public and patient traffic. Additionally, some renovation projects would likely be delivered through the traditional small roster approach of lump sum bidding. The specific delivery method would be evaluated during design efforts. To date, only master planning has been completed, which is a high-level scoping vision of the projects. Planning of those efforts has not been initiated. Some of the renovation of the MOB space involves open shared spaces necessitating the need for renovations within the hospital. Those projects would be on the critical path to some of the interior renovations to meet community growth needs. At this time, the team has not completed analysis on projected projects. Analysis will occur when the projects have been scoped. However, the interior renovation projects appear to be good candidates for GC/CM delivery. Some existing MOB space to be repurposed to medical offices could be a potential GC/CM project. The intent of seeking certification is to continue vetting internally to ensure the projects selected for GC/CM meet the intent of the RCW.

Chair Hall asked whether the completed project offered any lessons learned that could be shared with the PRC. Mr. Moll advised that team members continue to reflect on the project, as the project was a dream project in terms of how well it was executed and completed based on the Board and management's estimation. The big takeaway was the critical importance of creating a sense of team, communication, and integration. The project was very complicated, complex, and multi-phased. The main takeaway was the ability to meet and collaborate on the design, anticipate any changes, and proactively work on solutions. Those efforts created a phenomenal result where there were no surprises and the project was completed prior to the schedule deadline. Any budget impact was because of changes in scope, and those changes in scope were proactive rather than a surprise.

Chair Hall asked whether the Building Committee would handle all change orders, as that process can be cumbersome because of timing. Mr. Moll said the process has been effective but some level of authority was necessary when decisions were necessary on the same day. Mr. Geary's access to him and his competency was important as his trust in Mr. Geary is very high. When a decision was necessary during the same day, the team was able to move forward to keep the project moving. Those decisions were then presented to the Board later for final ratification.

Chair Hall invited public comments.

Chair Hall referred members to a letter from Chuck Davis regarding the project. He asked members to read the letter.

Chair Hall invited members to deliberate and offer a recommendation on the application.

Jim Dugan remarked that the PRC has previously commented on how K-12 projects satisfy the criteria for occupied sites. He cannot comprehend a project that is more critical than a healthcare facility on an occupied site. The team is competent and capable as demonstrated by a prior project. He supports the application.

Joe Stowell expressed appreciation for the presentation. He believes the team meets the criteria. He had some initial concerns about the experience level but it appears the team has plenty of experience and if replacements had been necessary, the team would have had the capability to replace team members. He is looking forward to the team completing some good work.

Mr. Hillinger said the information represents a well-thought process. It was beneficial that the CEO was involved in the PRC process. He likes how the team ties the determination to its capital planning and review of an application. He believes they have also addressed the personnel issues that the hospital struggled with previously. The hospital has completed a project and has a mix of personnel and contracted services. He believes the application meets the criteria and he supports approval.

Ms. Zahn said she also supports the application. One of the key elements related to alternative delivery is ensuring senior management understand what is required to be successful and establishing an owner culture because it drives the ability for the team to succeed. The responses to PRC questions reflect that the team clearly understands what integration represents. Her one concern surrounded how change orders in a public meeting are processed. The team addressed how necessary decisions are rendered and then ratified by the Board. That process resolved her questions and concerns regarding a discussion on change orders during a public meeting.

Chair Hall commented that the team was very clear on the process of determining whether a project should be pursued as a GC/CM delivery. He also heard that not all projects would be a candidate for GC/CM, which is a critical lesson learned. He believes the team is capable and the project types qualify for GC/CM. GC/CM works very nicely with a very complex and occupied building. He supports approval of the application.

Mr. Talcott added that he was impressed by the organizational structure and the team. Having personally visited many medical facilities recently, their attention to patient care and the function of the hospital during a project was very impressive. He supports the application.

By a unanimous vote, members approved Mason General Hospital's application for GC/CM Certification.
Chair Hall recessed the meeting at 9:42 a.m.

Clover Park School District – Agency Certification for GC/CM
Chair Jon Lebo reconvened the meeting at 9:57 a.m.

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

Mr. Hillinger recused himself from participating because Parametrix is currently working with Clover Park School District.

Jim Dugan presented the application for consideration for agency certification for GC/CM for the Clover Park School District. As part of the application, all projects planned by Clover Park School District Facilities and Planning are on occupied sites. Mr. Dugan outlined the presentation agenda.

Mr. Dugan introduced Rick Ring, Administrator of Business Services, Clover Park School District; William Coon, Director of Capital Projects & Project Manager, Clover Park School District; Dan Cody, GC/CM Procurement PM/CM, Parametrix; and Michelle Langi, Project Controls Specialist, Parametrix. Mr. Dugan reported he would serve in a program manager role sustained with procurement and advisory services.

One of the advance questions pertained to a number of project managers filled by Parametrix. The assignments of Parametrix personnel is determined at the time the project is initiated; however, it is intent of the School District to provide augmentation to the district's team for GC/CM experience through Parametrix. Graehm Wallace with Perkins Coie LLP will serve as the GC/CM attorney.

Clover Park School District is comprised of 24 schools with approximately 13,000 students and 1,500 employees. Clover Park School District is located primarily within the City of Lakewood and serves Joint Base Lewis-McChord (JBLM).

Mr. Dugan reviewed the organizational chart and the integration of the entire team. Clover Park School District was likely the first school district to bundle two GC/CM projects. The district has achieved a level of performance both financially and in scheduling/completion of GC/CM projects. Since 2001, the School District has used the Facility Advisory Committee to determine timing of projects with augmentation and enhancement of the internal team since 2006 with external consulting teams. The School District has developed a comprehensive controls system to plan and execute the work, select the most appropriate delivery method, and apply GC/CM successfully. In 2006, Clover Park School District applied that process for a \$65 million capital bond for two major capital projects. One of the projects was delivered using the GC/CM delivery method. At that time, the School District initiated a conversation around school infrastructure on military bases to raise awareness of failing school infrastructure on military bases. The partnership ultimately yielded a \$300 million capital program funded through multiple agencies for three separate schools serving both military and civilian students.

In 2010, the School District passed a \$92 million capital bond for three capital projects:

- Huddtloff Middle School replacement and site improvements
- Four Heroes Elementary School, a new combined K-5 elementary school consolidated by Oakwood and Southgate Elementary Schools
- Harrison Preparatory School, a new combined 6-12 prep school in partnership with Clover Park Technical College

Additionally, all team members and those in a leadership role participated in all the projects in one form or another.

The \$300 million granted from a variety of funding sources in addition to the 2006 and 2010 bonds generated 11 projects completed between 2006 and 2016. Most importantly, seven of the projects were GC/CM and six of those projects were completed in the last five years. Of the six projects, all projects were completed on time and significantly under budget. Those projects included:

- Carter Lake Elementary School completed on time in 2013 at 7.7% below budget
- Hillside Elementary School completed on time in 2013 at 7.84% below budget
- Rainier Elementary School completed on time in 2014 at 13.64% below budget
- Meriwether Elementary School completed on time in 2014 at 15.22% below budget
- Beachwood Elementary School completed on time in 2015 at 15.32% below budget
- Evergreen Elementary School completed on time in 2016 at 4.79% below budget

Mr. Dugan reviewed GC/CM lessons learned:

- Communication must be improved between stakeholders during design and the construction management team during construction (Carter Lake Elementary School)
- Consult Risk Management and maintenance staff early in design to identify potential safety issues in the building and site components (Hillside Elementary School)
- Coordinate final FF&E layouts with power and data outlet locations to avoid conflicts (Rainier Elementary School)
- The use of BIM software reduces system conflicts and errors (Meriwether Elementary School)
- Schedule commissioning of the elevator early for easier move-in to the second floor (Beachwood School District)
- Constant coordination to review final site layout with transportation to avoid conflicts (Evergreen Elementary School)

Mr. Dugan reviewed a color-coded GC/CM Project Organizational Chart comprised of School District staff, consultant staff, and legal support. He cited a question generally asked by Chair Hall of limiting PM/CM observer/inspector or otherwise as needed for a project for GC/CM services. It is the district's intent at this time to do that through Parametrix.

Mr. Dugan identified the School District leadership team, roles, and authorities. He outlined the School District's method for determining a project's delivery method:

- Project is identified during bond planning with preliminary delivery method identified
- Project Manager prepares Delivery Method Recommendation
- Purchasing Manager reviews and approves delivery method recommendation
- Director of Capital Projects reviews and confirms the use of GC/CM with the Administrator of Business Services
- The Administrator of Business Services presents the recommendation to the Board of Directors for approval of the GC/CM delivery method.

The School District uses a template for each project. The Project Manager fills out the justification for using the GC/CM delivery method and how the project satisfies the requirements of RCW 39.10.

Future GC/CM candidate projects involve combining schools. Many of the schools include a significant amount of hazardous mitigation. The Facility Advisory Committee has recommended and staff has formally recommended to the Board of Directors the next bond measure of projects. Those projects include:

- Combining Woodbrook Middle School and Mann Middle School
- Combining Dower Elementary School and Custer Elementary School
- Combining Lake Louise Elementary School and Idlewild Elementary School
- Lochburn Middle School Renovation
- Tye Park Elementary School Replacement

Other future projects in the School District have similar complications of occupied sites, critical phasing, and closely located within neighborhoods. From a business equity perspective, Clover Park School District is committed to community inclusion, as partnerships are critical to student education and community health and sustainability. Clover Park School District will endeavor to:

- Maintain and increase contracts with local businesses by:
 - Increasing local share of total construction
 - Adopt Governor's diverse business goals, including:
 - 10% Minority-Owned Business Enterprises,
 - 6% Woman-Owner Business Enterprises, and
 - 5% Small business Enterprises (SBE)

Mr. Dugan summarized the presentation and described the School District's history of capital projects. Within that history, the School District has completed six GC/CM projects within the last five years. In the performance of those projects, the School District has demonstrated competency to use the delivery tool. The leadership team represents the leadership experience of those projects with no audit findings for any of the projects. All remaining project sites will be occupied. In advance of seeking a public vote for a bond measure, Clover Park School District is requesting approval for GC/CM certification for future projects.

Chair Lebo invited questions from members.

Ms. Zahn said her question pertains to the organizational chart. In terms of accountability and responsibility, it appears that Mr. Dugan's placement within the organization is above the Director of Capital Projects. In terms of qualifications, Mr. Coon's experience reflects design construction close-out experience but no pre-design experience. Her question pertains to the level of leadership commitment from Clover Park as an owner vetting a project with augmentation of expertise from a consultant. Mr. Ring responded that Clover Park School District is a medium-sized school district with average growth, which speaks to the limited need of large ongoing capital projects. Because of that, the School District has augmented experience for larger projects with consultants. Those projects have been successful. Mr. Dugan's reference to the many successes of schools on JBLM included consultants from OAC Services who helped the School District achieve successful projects. Mr. Coon functions as the Project Manager, as well as Construction Director while also managing all capital items for all district systems. He plays a multiple role, which is not necessarily reflected in the organizational chart. Parametrix serves as the consultant to help backfill different areas and as a consultant expert to help the School District through different processes.

Ms. Zahn said the explanation did not achieve a level of comfort she was seeking.

Mr. Coon explained that he has been with Clover Park School District for more than two years. Prior to his employment with the School District, he was with the Office of the Superintendent for Public Instruction (OSPI) for several years as a regional coordinator. He assisted 90 school districts through the process of state systems, as well as working with local school boards, architects, and staff through 10 GC/CM projects to ensure all the school districts complied with the RCWs and understood the process as it applied to state funding and contractors. He met with several general contractors throughout that process. He offered advice to districts on how to proceed through the GC/CM process. While he was not directly managing the process, he understands the process and has completed GC/CM training. Prior to his position at OSPI, he worked 11 years as a consultant with the Robinson Company as a construction management consultant. He worked on several projects that included GC/CM delivery. He also has 20 years of experience as a general contractor project manager and is trained in architecture. He has a variety of experience and understands how to manage a project. He now has the opportunity at Clover Park School District to apply that knowledge at the beginning of a GC/CM process. He understands the process and is well versed by helping other contractors with other school districts to ensure compliance with all regulations and rules.

Mr. Dugan added that the intent of the placement of Mr. Coon and Mr. Ring on the organizational chart was to reflect the advisory role of Parametrix. Any disputes in advice provided to Mr. Coon would result in both individuals meeting with Mr. Ring to discuss the issues. Within the placement of Parametrix, support will be provided as needed. Parametrix will report directly to Mr. Coon.

Mr. Shinn noted that as a member of the PRC for many years, he has yet to review an application from a school district that reflected so many projects under budget. Mr. Ring said the outcome is reflective of good economic times as well as to the teams at that time. Kasey Wyatt with OAC Services worked closely with the district at that time. It was good team effort between the general contractor and the architect firm. It was also because of the quality of the team, as well as the bidding environment.

Mr. Shinn asked whether the district believed some cost savings were achieved because of the GC/CM delivery method. Mr. Ring affirmed the GC/CM delivery method played a role, especially in the second tier of projects when lessons learned were identified. That enabled the district to implement some improvements to the process.

Dan Cody added that he was involved in the earlier projects through a previous employer, KMB Design from Olympia. The collaborative nature in the construction trailer during construction was excellent with both the contractor and subcontractors on the projects. The team did not spin its wheels but addressed things in the meetings and moved forward with the project. General contractors and subcontractors were very willing to work in a collaborative environment. The team did not butt heads or argue about pricing, as everything was open book, which helped achieve the projects coming in under budget.

Mr. Talcott said one of the lessons learned speaks to the importance of communications. He asked about the level of improvement for communications and how the School District is implementing that lesson. Mr. Ring replied that throughout the process, the School District created a principals meeting comprised of the principal architect and Dan Chandler from OAC Services, the Business Administrator, and an executive from the general contractor to discuss any potential issues. Through that process, it enabled the School District to stay ahead of issues, which the district has since built on by conducting close-out meetings and debriefings after the conclusion of each project to identify lessons learned and improvements for the next project. Many lessons were learned through that process because of constant changes. None of the three school projects was identical enabling the team to learn different things. That process helped the continuity of efforts. The district also had one school principal who worked on all projects for continuity as well. That collaborative effort followed best practices offered by the general contractors.

Mark Ottele referred to the prior project experience and the use of one or two contractors. He asked whether that was coincidental or whether the School District ensures fair bidding for all other general contractors. Mr. Ring replied that the School District undertook a pre-approval process involving interviews. Some of the selection was based on timing and the contractor's knowledge of the projects. Contractors with prior district project experience likely conveyed more strength concerning the JBLM environment. Many contractors were unwilling to bid on JBLM projects, which was one of the main challenges because many of the general contractors did not have subcontractors who were familiar with accessing JBLM.

Chair Lebo invited public comments.

John Korsmo, Korsmo Construction, spoke in support of the application. He is a citizen of the City of Lakewood and also resides within the Clover Park School District. His company has had the opportunity to work with the School District over the last 40 years on Design-Bid-Build projects and most recently on GC/CM projects. Two of the projects included the Rainier and Meriwether projects. He commented positively about the preconstruction work with the School District after the company was selected. The School District was disciplined, professional, and in control of the meetings along with the consultants and the design team. That process contributed to the projects constructed below budget because it helped achieve the project schedule resulting in a quick close-out. Mr. Ring spoke to the number of executive meetings, which were very helpful. The monthly meetings were helpful as Mr. Ring and his team were informed and knew the issues, were engaged and involved, and were collaborative in identifying solutions. The Facility Advisory Committee discussions involved the community and the City of Lakewood resulting in a collaborative process. Some of the conclusions from the meetings reflected a confirmation that the community was supportive of combining two middle schools.

Brian Urban, Skanska, said he worked with the School District on four of the six JBLM projects. He expressed a vote of confidence for the School District because of the collaborative nature on the projects between the owner, architect, and the owner's representative. It was one of the best jobs in terms of atmosphere and attacking the issues as they were identified. The team worked collaboratively to find solutions at the least cost possible. The first two projects were bundling of two schools, which required a learning process as there was some healthy competition between the two superintendents that drove the project towards a quick conclusion resulting in a project that was on time and within budget. He reiterated the collaborative nature of the School District when working with general contractors, as well as progression each time a project is completed that contributes to the learning curve.

Kasey Wyatt, OAC Services, reported on her involvement in all six JBLM projects. She spent the last five years working with the School District. She echoed the comments of Mr. Korsmo and Mr. Urban. In her experience of 23 years in K-12 construction, the leadership demonstrated by Clover Park School District in the collaborative spirit was tremendous. The projects were unprecedented in terms of schedule as the first two schools (Carter Lake & Hillside) were designed in six months to capture a specific source of funding. Most would believe that would have been an impossible feat. But because of the leadership at the district and the spirit of collaboration, the entire program was a success. She supports the application and encouraged the PRC to approve certification.

Chair Lebo invited deliberations by members.

Mr. Apiafi said he was impressed with Mr. Dugan's presentation. He is comfortable with the strong command of the subject matter. As long as Mr. Dugan is involved, it does not matter where his placement occurs on the organizational chart as long as he is involved hands-on and is part of the process from inception to completion. He would definitely move to approve the application.

Mr. Gimmestad expressed support of the application for certification having been involved in one of the School District's earliest GC/CM projects and watching the evolution of the School District, experience gained, and the public comments on how the School District has progressed. That is paramount to understanding GC/CM as there is always a learning curve and lessons to be learned because every project is different and unique, which speaks to why the PRC undertakes this process for individual projects. He supports certification of the School District because of what it has learned throughout the years in terms of what to do and what not to do.

Kurt Boyd commented that he believes the one constant is School District staff and the supportive School District. Although architects and contractors change, it is apparent the School District's process improves after each project. He supports approval of the application.

Ms. Zahn conveyed that the applicant answered her question. Often, when the consultant is the only one presenting, she can be concerned; however, the applicant answered all questions to her satisfaction. She is excited to vote in favor of the district's certification.

Mr. Shinn said although Mr. Dugan provided the presentation, it appears the School District has worked with other consultant companies. The School District has a reputation and a history of projects coming in under budget with two different general contractors. He supports approval of the application.

Chair Lebo added that based on his understanding, the School District used a single principal for the process of design and overseeing the design of the schools. He applauds the School District as an owner because it is often difficult to convey a single or clear voice. It appears the School District has learned many lessons and is applying those lessons to each project.

Mr. Hall said he would like to meet the budget person who achieved those budget results, which is remarkable.

Rob Warnaca moved, seconded by Ato Apiafi, to approve agency certification for GC/CM for the Clover Park School District. Motion carried unanimously.
The meeting was recessed at 10:37 a.m.

Spokane Public Schools – Agency Certification for GC/CM.

Chair Jim Dugan reconvened the meeting at 11:00 a.m.

Chair Dugan reviewed the presentation and timing format to consider the agency certification application for GC/CM from Spokane Public Schools. Members provided self-introduction.

Because of their respective company's tie with Spokane Public Schools, David Beaudine and Rustin Hall recused themselves from participating and voting.

Project presenters providing self introduction included Greg Forsyth, Director, Capital Projects & Planning Spokane Public Schools; Mike Keenan, Project Manager, Spokane Public Schools; and Craig Caro, Project Manager, Spokane Public Schools.

Mr. Forsyth reported Spokane Public Schools currently serves 30,773 students and is the second largest employer in Spokane with 4,095 employees. The School District has 38 elementary schools, nine high schools, six middle schools, and five other educational facilities. Spokane Public Schools was previously certified for GC/CM in 2013. Because of a change in directors at that time and a higher GC/CM project cost threshold, proposed school projects were under the limit

and the agency did not believe it had an opportunity to pursue GC/CM delivery. Now that the project cost threshold is lower, the agency believes some future projects would benefit from the GC/CM delivery method.

In 2003, a successful long-range plan was developed with bond votes every six years. A teaching and learning conference was conducted in 2003 focusing on a project forecast for the next 50 years. Spokane Public Schools continues with that forecasting goal. The 2003 bond of \$255 million in total investment passed with over 67% voter approval. In 2009, voters approved another bond with over 62% support for a total bond investment of \$357 million. In 2015, voters approved a bond of \$145 million in local funds for a total investment of \$205 million. The agency is currently planning for a 2021 bond measure.

Last year, Spokane Public Schools changed the level of middle schools from grades 7 and 8 to grades 6, 7, and 8 to attain small class sizes to achieve a student-teacher ratio of 20:1. Reconfiguration generates a gain of approximately 120 classrooms. The agency has acquired one property and has submitted offers on two other properties for future middle schools.

Mr. Forsyth reviewed the agency's organizational chart. The Spokane Public Schools Board of Directors is followed by the Superintendent of Schools, Dr. Shelly Redinger. Dr. Mark Anderson serves as the Associate Superintendent. The position of Director, Capital Projects & Planning is below the Associate Superintendent. At times, the district has consulted with Heery International. A full-time bond accountant has been with Spokane Public Schools since 2010. Internal project managers include Mr. Caro and Mr. Keenan followed by the consultant team and the architect/engineering team.

The Spokane area is fortunate to have many general contractors with GC/CM experience. To date, Spokane Public Schools has used four general contractors since 2007 and four different architectural firms experienced in the GC/CM delivery method. Spokane Public Schools utilizes a rigorous process for selection of architects and general contractors.

Dr. Anderson was unable to attend the presentation because of a personal move to a new home. Dr. Anderson has served in a leadership and oversight role for capital projects since 1998. He serves as the final determination of internal GC/CM recommendations and has been involved in all selections of A&E and GC/CM contractors for all 10 GC/CM projects for Spokane Public Schools.

Mr. Forsyth said he has served as the Director of Capital Projects and Planning since 2015 and was a member of the Capital Projects Team as a capital projects administrator serving as a planning principal prior to assuming his current position. His background includes many years of experience as a high school teacher. His original involvement began with the Rogers High School project as a planning partner. He soon moved to Capital Projects & Planning following the completion of the Rogers High School project. He has been involved in all GC/CM projects since 2005 and has oversight over all capital projects for Spokane Public Schools to include annual capital projects totaling approximately \$6 million annually.

Mr. Keenan shared that his educational background is in civil engineering with most of his time spent on construction management. He worked in San Francisco for a large international company in the purchasing department involving contractual and sub-bid packages for large-scale projects. That experience in addition to his construction management background with local Spokane contractors provided exposure to the GC/CM delivery method. For the last six years, he has worked for Spokane Public Schools with the Capital Projects & Planning Department. In that capacity, he oversees pre-design, design, construction, and closeout of Design-Bid-Build and more recently, GC/CM projects. The Salk Middle School GC/CM project was a phased project involving the construction of a gym concurrently with master planning of the site surrounding the gym on an occupied campus. Phase two of the project was funded through the 2015 bond and is nearly completed. Hutton Elementary School required the relocation of students from the school because of the restricted size of the campus within close proximity to the neighborhood. The neighborhood was very sensitive to construction activity. The North Central IST GC/CM project was completed on an occupied campus that included the addition of a three-story plus basement structure with frontage improvements for access. The project was complicated and involved multiple phases. In all projects, he has been deeply involved in compiling Dform applications and ensuring the process flows smoothly through the course of funding a project.

Mr. Caro said he is a registered architect and worked with Integrus Architecture in Spokane for 23 years. He worked on some of the earliest GC/CM projects as an architect for Washington State University at its Spokane campus. He has been with Spokane Public Schools for nearly five years and has managed three GC/CM projects. He and Mr. Keenan have worked on projects beginning from pre-construction through close-out and both served as the point of contact for the projects. The Franklin Elementary School GC/CM project is currently in construction and includes an historic remodel with Garco Construction and ALSC Architects. Mullan Road Elementary School was a phased project completed last year. The GC/CM North Central High School project includes constructing a new Commons addition within the center of an existing building with safety a primary factor for student flow and access. Mr. Caro said his architectural experience includes working on GC/CM estimating and GMP negotiations for the last 20 years.

Mr. Forsyth added that his role in the process begins with the educational specifications for each project. Originally, he was responsible for educational specifications to maintain equity within Spokane Public Schools. He follows all projects with the project managers and attends job site and design meetings.

Mr. Forsyth reviewed the GC/CM experience of Spokane Public Schools beginning in 2008 with the Rogers High School historic renovation project. The Shadle Park High School project in 2009 was a phased and complicated project. The GC/CM Ferris High School project in 2014 was on an occupied site with construction of the new school around an existing school. As buildings were completed, existing buildings were demolished for readiness for the next phase of the project. The North Central High School IST GC/CM project in 2014 was located over existing classrooms. The North Central High School Commons Addition project is currently in progress with the first phase to be completed in August 2017 followed by the second phase in December 2017. The first phase of the project could be equated to constructing a garage followed by the second phase of building a kitchen. Both phases are very different projects. Spokane Public Schools is replacing one middle school (Salk Middle School). Mr. Keenan is serving as the Project Manager on that project. Spokane Public Schools has also completed many GC/CM elementary schools to include Mullan Road Elementary School, Hutton Elementary School, which is a national historic register property, and an historic renovation of Franklin Elementary School. Spokane Public Schools also owns the NEWTECH Skill Center. Phase one was completed in 2015 as a GC/CM project.

Mr. Forsyth shared some of the lessons learned. Spokane Public Schools works with Perkins Coie on all contracts. All contracts are approved by Mr. Wallace. One of the original options to achieve savings has been eliminated. Contract language revisions are current with the WAC and the RCWs. All projects include extensive site and investigation of buildings. During historic renovations or on constrained sites, having the GC/CM early in the process to work with Spokane Public Schools during pre-construction has been extremely beneficial. Spokane Public Schools gained many lessons from the Lewis and Clark High School project. Although the project was not a GC/CM delivery, the project was located within an historic building site with many unforeseen conditions. Spokane Public Schools has initiated the use of early site packages on occupied sites to afford an opportunity to begin construction earlier in the spring.

GC/CM Projects identified as part of the 2015 bond measure include:

- Lewis & Clark High School classroom addition on an occupied site
- Wilson Elementary School Addition – renovation and expansion of existing elementary school on a limited site and potential impact to the neighborhood. The site currently lacks a parking lot and ADA accessible parking is located on the playground. Students will be relocated to Old Jefferson Elementary School.
- Adams Elementary School Upgrades – renovations to existing elementary school on a very limited site. At this time, it is unknown whether students would remain or be relocated to Old Jefferson Elementary School, which requires timing with the Wilson Elementary School project.
- Shaw Middle School Gymnasium – Gymnasium to be constructed on site as phase 1 of middle school replacement while school is occupied.

Mr. Forsyth concluded the presentation summarizing how Spokane Public Schools has been very successful in completing GC/CM projects. Typically, the projects have been on time and under budget with no project exceeding its budget. The state's recent action to lower the cost threshold for GC/CM projects has been very beneficial for Spokane Public Schools for its future program of projects. Spokane Public Schools has extensive experience with the RFQ process and has

generated good results. RFQs are curtailed to the specifics of the project enabling Spokane Public Schools to attract many contractors during the bidding process. The District no longer advances a contractor through the process if the RFQ received a low score preventing them from being successful during the interview or the bidding process. The District is seeking to have its agency certification restored. He thanked members for listening to the presentation.

Chair Dugan commented on the successful track record Spokane Public Schools has experienced in the passage of school bonds. He invited questions from PRC members.

Mr. Apiafi said his question pertains to minority and women-owned businesses. As one of the largest school districts in the eastern part of the state, the District is likely aware of or has an appreciation for inclusion of those groups. He asked the presenters to elaborate on the District's policy or efforts as it relates to minority and women businesses. Mr. Forsyth acknowledged that Spokane Public Schools is the second largest school district in the state. The District has a quality process for hiring as part of the RFQ process. The GC/CM RFQ includes questions on business inclusion. Often during the interview process, follow-up questions are asked about the company's inclusion policies. The District also has a strong apprenticeship program that brings younger individuals into Spokane. He believes integration is important, especially as a former teacher who taught at two intercity schools.

Mr. Stowell said that information on lessons learned was not provided for contracts. Mr. Caro replied that the lessons highlighted the importance of maintaining up-to-date contracts. All District contracts are reviewed by Graehm Wallace with Perkins Coie to include Design-Build contracts. The School District also has in-house experience in purchasing and accounting in terms of WAC and RCW requirements. Mr. Forsyth said the lesson learned identified the importance of changing the contracts to conform to the WACs. Another change pertained to the incentive because the District did not believe it met the requirements of the WAC.

Mr. Lebo said Spokane Public Schools has an excellent track record in delivering projects that are on time and within the budget. He asked the team to speak to the District's process for change order approval and claims submitted on any projects. Mr. Forsyth said the District has not experienced any claims on any of its projects. He is able to approve change orders up to \$50,000. Mr. Anderson has the authority to sign change orders above \$50,000. He counts on the team to work with contractors on change orders. Typically, the District has experienced up to 2% in change orders in addition to the change orders directed by the District.

Mr. Hillinger referred to the comments regarding incentives. He asked about lessons learned in terms of risk allocation and the risk level that is assigned to the GC/CM contractor. He asked whether the School District has made any changes because of lessons learned. Mr. Caro cited an example of two recent elementary school historic renovations. The team did not investigate the Hutton Elementary School site as well as it should have. The result provided a lesson learned. For the Franklin Elementary School project, a much more extensive investigation was completed for both the site and within the building. During the Hutton Elementary School project, the team encountered some problems but was able to work with the GC/CM on some revisions. The District utilizes the AIA - A133 Standard Form of Agreement containing clauses that speak to the GC/CM contingency and the owner contingency. The District is very experienced with the contract and has not encountered any disputes through that process.

Mr. Hillinger asked about similar contingency allocations moving forward with new projects. Mr. Forsyth said the Wilson Elementary School addition requires extensive exploration as the project adds a second story to an existing structure. The District plans to move forward earlier with the design team and the GC/CM to ensure exploration is extensive. The structure was previously renovated to add an addition. The project includes adding a second addition above the structure, which necessitates earlier involvement by the design and GC/CM teams. Mr. Caro added that the District also budgets owner contingencies differently dependent upon the type of project.

Mr. Boyd commented on the good presentation and the great track record especially in the medium to larger projects. Of the projects listed, five were awarded to one contractor, which likely is because of the availability of resources. He asked about any lessons learned on the process of selecting the general contractor or whether the RFP was improved or continues to be maintained. It appears the area has four to five major bidders, but the District appears to have awarded the larger projects to one contractor. Mr. Forsyth described how the District has customized the process to the project site and

to the intricacies of each project. Garco Construction was awarded more projects because of the good experience with the company. The team is moving to complete a better analysis of the projects to attract more competition. The District had developed some partnerships with several consultant companies. The District's questioning and interview structure has broadened and attracted more competition. A previous director experienced success with Garco and tended to select the company. Since then, the District is moving in a different direction with different questions and process.

Mr. Boyd asked whether the team reviewed the questions about the preconstruction process, as it is one of the major hurdles. He asked about potentially revising some of the questions for preconstruction to entice more contractors to become involved and to enable them to grade out because it speaks to the ability to secure an interview. Mr. Forsyth said the process includes extensive questions on preconstruction, as well as specific questions about team members. The team considers team member history for GC/CM and grades the results. One local contractor has been able to expand its history, which has opened the competition much more. Additionally, because of the size and the cost of the projects, some of the less experienced contractors will likely submit bids because they would have the ability to mobilize for the smaller projects. He anticipates that the projects will be shared much more.

Mr. Warnaca said his question pertains to the District's resources to manage a successful GC/CM project. As mentioned earlier, Spokane Public Schools has occasionally relied on Heery. It appears that Mr. Caro and Mr. Keenan possess the GC/CM experience and serve as the horsepower to facilitate the GC/CM project delivery effectively from preconstruction to close-out. His interest is in the type of contingency plan the district employs if Mr. Caro and Mr. Keenan were absorbed into other projects and how the District might apply the right level of GC/CM management expertise if the project managers are not available. Mr. Forsyth replied that the District has structured the process to ensure availability of both project managers. In the likelihood of needed assistance, the District would likely defer to a consultant to provide support. The District has utilized Heery on several projects. However, the District is very conscious of cost. The 2015 bond was a lower bond with the District believing it could be coordinated with the current team. At times, the District has hired up to five project managers. The district tends to expand and shrink based on the amount of the bond. The 2021 bond would likely be much larger and include some increase in resources.

Mr. Lebo asked about the level of experience with the MC/ECCM process on any of the projects and if the District has considered that process moving forward. Mr. Forsyth said the District has not employed the MC/ECCM process at this point based on the size of the projects remaining from the 2015 bond. However, projects from the 2021 bond could use the process. The Spokane area has many good electrical and mechanical contractors. The use would likely be driven by the size of the project.

Chair Dugan invited public comments.

David Beaudine commented on his good fortune of working with Spokane Public Schools since 2005 on various projects. When he first began working with the District, the District lacked GC/CM experience. His company provided the necessary GC/CM support. It has been a privilege to have been part of that process. Additionally, the growth of the District's knowledge in GC/CM from 2005 to the present has been impressive. With the District's new leadership, he anticipates growth in terms of changes in process and procedures and becoming more involved in the A&E and contractor community. The District has completed projects on time and under budget and those projects were successful for the community. He recommends approval of the application.

Chair Dugan invited deliberation by members and a recommendation.

Chair Dugan commented that he was pleased the presentation emphasized early and in-depth site investigations on existing buildings, especially historic structures. It's likely not possible to spend enough dollars to investigate a building thoroughly whether occupied or otherwise. He was pleased to see that emphasis, as well as the different types of projects sites.

Ms. Zahn said she likes the fact that the district has acknowledged that perhaps there was some leadership energy in how it selected the same the GC/CM for projects. She believes that for owners, the first recognition is awareness to enable changes. She is hopeful Spokane Public Schools actually moves forward looking at how it levels the playing field and

how it releases projects that have similar scope and complexities to avoid selection of favored general contractors because that will continue to be a problem for owners moving forward, especially if the owner is certified for GC/CM because it is important that type of leadership does not prevail.

Mr. Boyd agreed because the competition becomes savvy. The owners need to consider the questions that are asked, understand the elements of process, and highlight different firms' abilities to execute the same type of work. Another important consideration is how the owner assesses the point system. If the point system is heavily loaded on the prequalifier versus the interview or the pricing, the results could be swayed to favor particular contractors.

Ms. Zahn added that the issue could also apply to consultants. It is important to be cognizant that there are many consultants with knowledge of GC/CM and it's important to ensure a level playing field for selecting consultants to support the District's efforts.

Yelena Semenova noted that the companies often selected are typically better and that aspect should not be overlooked.

Mr. Stowell pointed out the District must also demonstrate that it has pursued a process.

Mr. Hillinger said the application is good and the owner has the capabilities. It was also beneficial that the owner is considering expansion of capacity because in 2013 the District received up to seven proposals that have since been reduced to three proposals. It is important to be cognizant of the importance of industry capacity. The GC/CM delivery method affords an opportunity to reward with service, but it is also important to be cognizant on how the agency can expand capacity.

Ms. Semenova added that one of the lessons learned mentioned the importance of revisions to contracts.

Joe Stowell moved, seconded by Howard Hillinger, to approve the GC/CM application from Spokane Public Schools for GC/CM. Motion carried unanimously.

Chair Dugan recessed the meeting at 11:41 a.m. for lunch.

Chelan County Public Hospital – Lake Chelan Hospital GC/CM

Panel Chair David Beaudine reconvened the afternoon session at 12:31 p.m.

Panel members providing self-introduction included David Beaudine, Ato Apiafi, Bryan Eppler, Jon Lebo, Ed Peters, Joe Stowell, Rob Warnaca, and Sam Obunike.

Panel Chair Beaudine reviewed the presentation and timing format to consider the GC/CM application from Chelan County Public Hospital for the Lake Chelan Hospital project. Members received a copy of answers to questions previously submitted by the panel.

Kevin Abel, Chief Executive Officer (CEO), Lake Chelan Community Hospital, reported the project is a full replacement hospital located less than two miles from the current hospital. The community is excited about the project. The presentation includes introduction of the project team, purpose of the GC/CM project application, a project description, benefits the organization anticipates from a GC/CM project delivery, and information on team management and project schedule.

Lake Chelan Community Hospital & Clinics (LCCHC) is a part of Chelan County Public Hospital District #2 serving a 2,200 square mile rural hospital district area. Chelan County Public Hospital District #2 is governed by a Board of five elected Commissioners each serving six-year terms.

Mr. Abel introduced Mary Signorelli, Chair of the Board of Commissioners. Ms. Signorelli has extensive experience in governance and has served on several boards and civic committees, such as the Hospice Foundation of North Central Washington, Wenatchee Chamber of Commerce, many City of Wenatchee advisory committees, and the Chelan Arts Council. Ms. Signorelli works in real estate.

Mr. Abel said he has been with the organization for over eight years as the CEO. Previously, he was with the St. Charles Health System in Bend, Oregon serving more than 10 years. As a trained CPA, he is experienced in bond issues and overseeing budgets of major capital projects with the hospital system in central Oregon.

Legal counsel for the project is Graehm Wallace with Perkins Coie. Perkins Coie was selected in addition to the hospital's legal counsel because of Mr. Wallace's extensive experience with the GC/CM delivery method.

Dick Bratton serves as the project's GC/CM consultant. Mr. Bratton has over 40 years of construction experience and has completed the AGC GC/CM training.

Barry Leahy has over 35 years of experience in development and construction and is serving as the project manager and owner's representative working directly with LCCHC on the project. Mr. Leahy has completed many large projects including other rural hospitals of similar size and scope as the subject project.

Phil Giuntoli with the architectural firm of Collins Woerman has over 40 years of experience with projects and as a specialist in healthcare. The company's projects include major and rural replacement hospitals ranging from Group Health, Evergreen Health, Pullman Regional Hospital, and Swedish Hospital.

Mr. Leahy reported he has been a member of the project's team for over 12 years serving three different CEOs and five Board Chairs. The project was previously submitted to the PRC nine years ago prior to the bond issue. The bond measure did not pass. At that time, the CEO elected to submit the project to the PRC. The only major project constructed in Chelan at that time was the Lake House project, a condo hotel. Chelan is an agricultural and tourist oriented-economy with limited resources. Subcontractors tend to work on custom homes in the area. Lake House, a \$15 million 40-unit high end condominium project is owned by Wyndham Resorts today. The contractor was based in Spokane and struggled with sourcing subcontractors. Additionally because of the winter season in Chelan, the area received snow until April of last year. The logistics of delivering materials to a site and working through those conditions requires interesting scheduling and planning in terms of sequencing work on site. Winters in Chelan can create frozen ground. The project site is flat and issues should be minimal for site work. However, concrete and asphalt plants often close dependent upon weather temperature. Resources based in Wenatchee are also struggling because of the lack of workers. The proposed project at a cost of \$25 million would be one of the largest projects built in central Washington over the course of two winter seasons. The request to the PRC is approval to use the GC/CM delivery method because of the difficulty in scheduling and sequencing without having expertise onboard. The community is also counting on predictability in terms of cost controls. The bond measure was offered to the voters five separate times with four failures over 12 years. The last measure passed with a super majority of 65%. Hospital doctors are supporting the project. It is very important the team delivers the project to the community at a predicable cost.

Mr. Giuntoli said the team anticipates the project to be a simple exterior envelope of concrete block predominantly with some accents with wood panels and punched openings. The structure is a one-story building. Collins Woerman recently completed a similar project with Mortenson Construction in Marysville although the project was a two-story building. The project is a critical access hospital built on a 12-acre flat site. The structure would house 25 hospital beds between a 14-bed sanctuary for mental health and substance abuse and another 11-bed unit. The hospital houses all elements required for a fully functioning hospital, such as imaging, surgery, and support services. The team believes the GC/CM delivery method will help deliver a successful project on a greenfield site.

Mr. Leahy reported that most of his work used a collaborative approach with the contractor involved early. Chelan is a small community, especially in the winter when tourists have left. The team needs a contractor who can work with the community, doctors, and clinical and administrative staff to provide a predicable cost to the voters. The project represents a 40-year odyssey to the residents as the current hospital is a three-story round structure located on a hillside operating under a conditional use permit within a residential neighborhood. Nothing works as the building is in the wrong location. The land was donated in 1969. The project must be delivered at a predicable cost for the Chelan community. The benefits of having the contractor involved earlier enables the contractor to provide project costs based on market conditions. One of the pre-questions from the panel was the comfort level of the proposed budget. At this time, the team

is comfortable because professional expertise from Jody Carona and Joe Kunkel with The Healthcare Collaborative Group assisted in the development of the estimate.

As previously described, the project is a simple building. Site work involves a slab on grade with parking on a surface asphalt parking lot. The facility will provide all services the hospital provides; however, Lake Chelan Community Hospital does not provide a full-range of services, such as cardiology, cancer care, and other smaller specialties. The hospital is close to the Wenatchee Confluence Healthcare organization through a partnership. The involvement of the contractor early enables a predictable price for the project and information on the sequencing of work through several winters. Construction is anticipated to begin at the end of the winter season in 2019 and continue through the winter season of 2020. Columbia Valley Health built a new facility during the winter season and faced some interesting challenges. Winters in Chelan can be unusual. The City has only one concrete supplier with a limited number of trucks. Pouring slabs is a time sensitive process for a 50-year old project.

Mr. Abel reviewed team management. A national accounting firm is working with him on the financing, as well as a financing arm working on the project similar to other hospital funding mechanisms. Legal counsel is in place. Project management includes Dick Bratton and the architect firm of Collins Woerman.

Mr. Leahy reported the Board elected not to expend funds going forward on design until the passage of the bond issue because previous design work resulted in the bond issue not passing. Design work and permitting require a year with construction forecasted to start in the third/fourth quarter of 2018 dependent upon permitting with the project delivered at the end of the second quarter or the beginning of the third quarter of 2020.

Mr. Abel referred to the panel's pre-questions and the answers provided. He thanked the panel for its time and consideration of the project. The project is very important for the healthcare of the rural community. Initial approval of the GC/CM alternative delivery method was received in 2009. The project did not move forward at that time because the bond measure received only 58% approval, which was less than a super majority as required by law.

Panel Chair Beaudine invited questions from panel members.

Mr. Apiafi asked the applicants to elaborate on two of the pre-questions pertaining to the design phase schedule and GC/CM experience, as there was a concern about the compressed timeframe for design and only one of the team members having GC/CM experience. Mr. Giuntoli replied that because of the history of the project, the project has been designed three separate times. Subsequently, the architect team knows much more than a situation where the architect team was meeting a client for the first time and beginning the process. It is anticipated a rigorous concept design and program validation phase would be undertaken. However, that process would not be lengthy as that work was completed in the past and the issues continue to remain valid today. Once that point has been achieved, design would move forward quickly. The building design is simple to meet both community and budget expectations.

Mr. Leahy responded to the question about adequate GC/CM coverage. He has committed to attending the AGC GC/CM workshop.

Mr. Giuntoli added that Collins Woerman also intends to send a member to the GC/CM training in January.

Mr. Warnaca followed up on the question involving GC/CM coverage. The response from the applicant indicates Mr. Leahy is planning to complete the AGC GC/CM training and that much of his past prior experience was listed as GC/CM, although the delivery models were very similar to GC/CM. He asked for additional feedback on Mr. Bratton's role and how he interfaces within the overall management of the process. Mr. Leahy said his experience with Mr. Bratton entails a number of years. He has known Mr. Bratton personally for many years and when he worked for Mortenson. They both went through this process nine years ago with a consultant that the CEO at that time had contracted with. Since embarking on the project again, Collins Woerman was contracted. When Mr. Bratton's name was referred, he asked Mr. Bratton to join the team. Mr. Bratton is guiding the team through this portion of the process and complementing the team because of his years of experience with GC/CM delivered projects. The process has not moved beyond this point other

than for negotiating the contract with Collins Woerman. The Board is scheduled to consider the contract at its August 2017 Board meeting. One final review is scheduled with the hospital's attorneys.

Mr. Abel added that the hospital has also retained an attorney with GC/CM experience to assist with contracts.

Mr. Bratton shared that he attended the GC/CM workshop in May 2016. Since then he was a member of the team that presented the Summit Pacific Medical Center project to the PRC. Since May 2016, he has guided that project through the GC/CM selection process with the owner hiring a local firm as the GC/CM. He has been working with the GC/CM over the last 12 months through the design phase of the project. Currently, the project is in the process of establishing the MACC with construction planned in September 2017. The experience he gained over the last 12 months is on the hospital project. He and Mr. Leahy will be able to inform both the institution and Mr. Leahy, as the project manager, about the process that was undertaken for the successful award and future construction start for the Summit Pacific Medical Center project.

Mr. Stowell referred to the organizational chart. It appears both the project and experience are good; however, he questioned how the team would respond if an unexpected issue is encountered and whether the team would be able to augment staff quickly to address issues. For example, a situation could arise of a requirement to have more inspectors on site or the construction was not proceeding as planned and more oversight was required on the project. He asked how those circumstances would be addressed within the existing organizational chart. Mr. Leahy advised that he would be the first to notice any shortfalls. All due diligence for the hospital site involving survey, soils, and environmental work were completed by local companies with local offices. Those contacts would continue moving forward. Special inspections for the Lake House project for concrete and wood were provided by Wenatchee firms. Everyone in eastern Washington drives long distances to work. It is amazing how far people will drive to work. A crane operator on another project drove from a town that is approximately one hour from Lake Chelan. The operator drove during the winter and hours of darkness. Additionally, the budget contingency includes sufficient funds for unexpected events. Most unexpected circumstances occur in the soil and the hospital does not anticipate many surprises because the project involves footings for a one-story structure. It is hopeful that some funds could be saved for the community from the budget.

Bryan Eppler referred to the three previous designs of the hospital and asked about the completion phase of those designs. Mr. Giuntoli explained that the team is approaching the design from a schematic design approach as extensive programming was completed; however, new staff members have been added, which will require additional meetings to ensure programming completed to date is accurate. The design would not begin from scratch.

Mr. Eppler said the litmus test for the delivery mechanism mentioned the budget and the winters. He asked why the winter environment requires the use of an alternative method. The team also mentioned that resources are constrained. However, planning should be able to accommodate for those constraints in theory. Mr. Leahy said his concerns surround the sequencing of work, delivery of materials to the job site, and when certain activities occur on the job during winter. The Lake House project encountered delays during the winter because materials scheduled for delivery were delayed because the pass was closed. Lake Chelan is an isolated community as most materials are delivered from western Washington.

Panel Chair Beaudine asked whether the project is phased. Mr. Leahy replied that the project is not phased. Panel Chair Beaudine referred to references to the development of phasing plans. He is struggling with the proposal as the project is a new building on a vacant site and phasing does not appear to be an issue. His concerns center on the reasons for using GC/CM as cost control and winter construction and he is unsure whether that is a legitimate reason for GC/CM because the site is empty and the schedule is not tight. Mr. Leahy replied that cost control is the top priority because there is no flexibility to increase the budget. Ms. Signorelli attended the meeting because she has lived in Chelan for 31 years. The project is extremely important having failed four ballot measures because there was not sufficient belief by the community that the hospital could be built. At this time, the community is very supportive of the project. For the first time, hospital doctors stepped up and advocated for the need of a new facility. Predictability in the budget is the top priority.

Mr. Warnaca said it is incumbent on the PRC to have the applicant, as a public entity, demonstrate its ability to perform a successful GC/CM delivery. Although the owner may not need prior GC/CM experience, the owner must demonstrate to

the PRC that it has a plan to reinforce in-house expertise with individuals who have successfully performed GC/CM. Mr. Leahy has indicated he would be working through a plan with Mr. Bratton; however, the information did not reveal what that would look like at the end beyond negotiating a procurement process for the selection of a GC/CM and how the GC/CM is brought onboard. It was unclear as to the owner's GC/CM experience throughout the project delivery. Mr. Leahy responded that on a daily basis, he manages all of the same resources to include the design side, permitting side, construction side, draw requests, and the bank side for all projects. Although it is called GC/CM, in the private sector that delivery method is a negotiated contract. He is responsible of all those activities each day on all projects he has managed. He does not know if a GC/CM project would be any different from other projects he has overseen. He might not be as knowledgeable about some of the nuances of a GC/CM process. In those circumstances, Mr. Bratton would provide the necessary support to afford an opportunity for him to learn as quickly as possible. Mr. Eppler said that although he does not disagree fundamentally with Mr. Leahy's explanation, it does speak to understanding RCW 39.10 and demonstrating to the committee that the owner has met the requirements.

Mr. Abel added that it was the reason the Board elected to contract with Mr. Bratton, as he has extensive experience with the delivery method. With his help, the hospital was able to find the right legal counsel. The team is relying on Mr. Bratton to assist the team.

Mr. Bratton noted that for the past 12-14 months, he has been working through this process quite diligently with Summit Pacific and has come to know, understand, and respect RCW 39.10 quite thoroughly. It is a fairly exhaustive document requiring certain checks and balances. The team is following those checks and balances as it should. The creation of that document enabled the team to hire the right GC/CM for that particular project, which is what Lake Chelan is expected to do on its project. Going back to the question on cost control and the winter situation for rendering the decision to pursue a GC/CM delivery method, a similar situation applied to the Summit Pacific project, as it is located in a remote area of southwest Washington. Both Lake Chelan and Elma are isolated areas. It was important for the Summit Pacific project to engage in a qualifications selection process of a GC/CM to identify a highly qualified contractor, competitive in the fee process, and who had the resources and talent before making a final selection. A Design-Bid-Build selection process would not have afforded that opportunity as that process forces the owner to select the lowest bidder. The diligent pursuit of the right firm is enabled by the GC/CM selection process, which is important today with the volume of construction occurring in the Puget Sound area. Having a contractor without proven abilities as low bidder and not knowing the contractor's resources would be a risky undertaking.

Mr. Giuntoli added that utilizing the GC/CM method produces a better design because more information is provided to the design team. It's possible to add cost control personnel to assist with cost estimates; however, the same level of input for materials and methods of construction would not be provided. He recently drove to Lake Chelan and it took 3 hours and 9 minutes from downtown Seattle to reach the hospital. Someone will need to identify the source of the work force and the materials. The architect team is excited about the opportunity of having a contractor on the team who has knowledge and can assist the team avoid designing a project that might not make sense.

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

Panel Chair Beaudine invited deliberations by members and a recommendation.

Mr. Apiafi commented that the panel's questions focused on schedule and GC/CM experience. What the applicant failed to demonstrate was sufficient GC/CM experience. Taking a class and actually experiencing a GC/CM project is similar to night and day. He does not believe having only one resource with GC/CM experience is sufficient, which is concerning.

Mr. Stowell said he reviewed RCW 39.10.340 during the discussion to refresh his memory. Implementation of a project that involves complex scheduling, phasing, and coordination is a criterion the applicant believes it meets as the project clearly does not meet the remaining criteria. The project is located in an area that is unique, and as described by the team, the project would involve complex scheduling. The applicant may have demonstrated that it meets that criterion. Conversations about experience reflect that the applicant has a consultant who can assist, as well as demonstrating that if the need should arise, the team could add more resources. Many projects have reached that point where additional help is warranted. It is important to have the resources, as well as the will power to add those resources. He wanted to address

those issues, as it appeared the panel was going down the path that the applicant was not quite prepared. However, he believes the applicant is prepared and is pursuing a project that might be on the border of whether GC/CM applies. He believes GC/CM can apply based on what the panel is required to consider.

Panel Chair Beaudine shared that he has similar sentiments in terms of personnel. A smaller area like Chelan does not have the larger consulting firms that are easy to access. The team has hired an individual with great experience and an architect who is willing to attend the GC/CM workshop and learn about GC/CM. His concerns do not surround personnel because the applicant has committed to seeking additional resources if required. He is struggling with the justification that involvement of the GC/CM during design phase is critical as it relates to phasing. The applicant has satisfied one criterion and he is appreciative of the complexity of the location as he is currently involved in a difficult project in central Washington because of the need to obtain resources from both eastern and western Washington. The issue is whether the location of the project adds complexity to the project.

Mr. Peters offered that there is one factor that addresses both concerns with respect to building a project and qualifications of the team. If the owner was not a public district, there would be no questions the project would have been pursued as a negotiated bid project. A member of the team has negotiated bid experience. Although there are some differences, he believes the team has the consultant experience in construction management. Legal counsel is also very able to help the team bridge those differences, which should not be dismissed. Based on his experience, he would argue that although the project is in many ways simpler than many other projects, today, there are no longer any “simple” projects. Input from the contractor during design and assistance in addressing a myriad of issues provides an owner the ability to complete the best project with a limited budget. The panel should be sensitive about both of those issues. In this particular case, he believes the project merits the panel’s consideration.

Mr. Warnaca remarked that above and beyond the discussion, the most powerful information was the passion and excitement to leverage the GC/CM model to ensure successful delivery. The team is supporting the GC/CM model for the right reasons. In terms of his support of the project with respect to meeting RCW criteria, the issue is whether the project represents a unique need and benefits the community to use the GC/CM delivery method. He believes it would. The market is busy and likely will be for the next several years. He acknowledged that a GC/CM could provide value to the project because drawing labor from various areas of the state that might not be as available given market conditions would be problematic. Patient care is also an important factor. With respect to demonstrated ability to perform GC/CM, the team has solid construction management experience in-house and the owner has the GC/CM construction management experience available through a consultant. Based on those factors, he supports the project moving forward as a GC/CM delivered project.

Mr. Lebo said he also supports the project. Passion and excitement are important because the team has demonstrated that they have the passion. The team also has the experience in both Mr. Bratton and Mr. Leahy that demonstrates how they can complete a GC/CM project. Private negotiated work is much like GC/CM. The GC/CM model generates a “clunky way of doing private work.” The team has the expertise and legal counsel to help with contracts, and a lawyer that will help advise when there are low bid considerations. Mr. Bratton, as the consultant, can advise how to process works and how to negotiate. The involvement of the general contractor during the design phase is important to ensure the project is successful. Alternative public works in GC/CM and Design-Build provides a public benefit because it takes the private industry and enables a much better product in a low-bid environment. The GC/CM model is “clunky” but it is better than the alternative. He is generally supportive of alternative public works and believes the team has made the effort in terms of what is required in the RCW in answering panel questions. He would prefer that the project utilize the GC/CM model rather than a low bid process because it would provide many more benefits to the community. Price is an important consideration and having a general contractor onboard is important. He was also pleased the applicant believes there is sufficient contingency to address any unforeseen issues to ensure the project is completed successfully. He also believes the team is sensitive in terms of the expenditure of funds.

Mr. Eppler said his questions weighed what the applicant was attempting to measure in terms of complexities and costs. Costs could escalate because of delays. The hurdle is “financial benefit.” Given the complexity of delivery and the current labor market today, he believes having a GC/CM onboard will help the team mitigate or have a better

understanding of costs in the long-term. He believes the team would be wise and seek additional resources if required. He supports the application.

Panel Chair Beaudine agreed that the involvement of the GC/CM during the design phase is critical to the success, especially on the financial side. That was an important key he did not pick up in the application, but it was clearly articulated during the presentation.

Rob Warnaca moved, seconded by Jon Lebo, to approve the GC/CM application from Chelan County Public Hospital District No. 2 for the Lake Chelan Community Hospital & Clinics Replacement project. Motion carried unanimously. The meeting was recessed at 1:21 p.m. for a break.

Centralia School District – Centralia High School – GC/CM

Panel Chair Curt Gimmestad reconvened the meeting at 1:30 p.m.

Panel Chair Gimmestad reviewed the presentation and timing format to consider the GC/CM application from Centralia School District for the Centralia High School GC/CM project. Members received a copy of answers to questions previously submitted by the panel.

PRC panel members Ato Apiafi, David Beaudine, Curt Gimmestad, Bryan Eppler, Jon Lebo, Sam Obunike, Ed Peters, and Joe Stowell provided self-introduction.

Dan Chandler, Principal, OAC Services, said the firm serves the Centralia School District as the program and project management consultant for the high school and two elementary schools. Mark Davalos, Centralia School District Superintendent, is recovering from surgery and not able to attend the presentation. Mr. Chandler assured the panel that the leadership and executive teams at the District are very invested in the capital project process and in the GC/CM delivery method. As an alumnus of Centralia High School, he knows the school well and believes it would be a great candidate for GC/CM. The project is well-suited for GC/CM as it is located on an occupied site.

Kasey Wyatt, OAC Services, Program Manager for Centralia High School and other capital projects, said she is also a proud graduate of Centralia High School. The project is special for both her and Mr. Chandler and both are thankful for the opportunity to present the project to the PRC.

In response to the panel's pre-questions on staffing and GC/CM experience, Ms. Wyatt reviewed the project staffing plan. The Centralia School Board serves as the high level leadership responsible for approving contracts based on recommendations from Mr. Davalos. Mr. Davalos has extensive capital project experience having been the Deputy Superintendent at Portland Public Schools, as well as having renovation experience for a high school located in Salem, Oregon. Phil Iverson, Director, Facilities & Maintenance, is charged with ensuring all standards for maintenance, operations, and instructions are attained. Mr. Iverson serves as the authority for execution of contracts and delivery method decisions. Mr. Iverson has completed two GC/CM projects as a project manager at Montana State University. The projects included a student union building and a fitness center for a combined cost of \$30 million in GC/CM experience. He is also seeking opportunities to attend the AGC GC/CM workshop to gain a better understanding of how GC/CM is delivered in Washington State.

Andrew Greene, Perkins Coie is available to address any questions from the panel in terms of whether the projects meet criteria in the RCW. Jane Louie serves as the senior project manager and is with OAC Services. Ms. Louie will serve as the day-to-day project manager on the project. Ms. Louie completed the AGC GC/CM training in June 2017. She has also worked on the Tahoma High School project, a large GC/CM project completed in March 2019. Ms. Louie worked on the closeout of the project and is now working on the \$50 million GC/CM Point Defiance Zoo and Aquarium project in Tacoma. Cynthia Balzarini serves as the project's Project Engineer. Ms. Balzarini previously worked for Clover Park School District and was involved in six GC/CM elementary school projects.

The project architect, Lee Fenton, BLRB, has worked on 10 GC/CM projects two of which included OAC Services. Bob Lindstrom, BLRB, is the Project Manager.

Ms. Wyatt displayed a slide reflecting the years of experience of the project team. All members have alternative delivery experience.

The project is suited for GC/CM because of complex phasing and scheduling on an occupied site. The school will remain in operation with a portables campus to house approximately half of the student population. Some of the complexities of the project involve the central kitchen. The high school provides breakfast and lunch for all schools within the District. The team will need to develop a plan for the continuance of delivery of meals during construction. Having a GC/CM will assist in developing a phasing plan, which will be critical. The same situation applies to athletics and PE as the campus has one existing dynamism. Delivering the athletics program during construction will be important. Having a GC/CM partner will help the team navigate through development of the most practical solution.

Centralia High School is located within a 500-year floodplain that requires some mitigation. Determining the most pragmatic mitigation in terms of affordability and the most practical is critical and speaks to why the involvement of the GC/CM is important in that decision-making process. Having the expertise of the general contractor will be very helpful.

Cost predictability is another important reason for the early involvement of the GC/CM because of current market conditions.

As the City of Centralia is located in a rural area and located some distance from larger city contractors and suppliers, the GC/CM would assist the team in soliciting subcontractors. Most importantly, having the GC/CM will benefit the development of safety plans and logistics to ensure students, staff, and the public remain safe during construction activities.

Another unique aspect of the GC/CM delivery method is because the District is 50% completed with an auxiliary STEM building and would like to incorporate the building into the footprint of the new high school. Some coordination issues would be required as the building was funded through a STEM grant from OSPI.

Mr. Iverson described the existing project site. Centralia High School is the district's newest building built in 1969. The District has not been successful in passing a bond for over 30 years. The project is important to the community. As the high school has virtually been untouched, all mechanical and electrical systems are obsolete, function poorly, and exceed capacity. Attempting to fit all the components that need to be upgraded into a project is why the District hired OAC Services following a very competitive process, generally not experienced previously by the District. After vetting and following up with references, OAC Services was selected because it was a good fit. The company has delivered many projects under budget and on schedule.

Mr. Fenton said it was an honor for BLRB Architects to be selected by the Centralia School District to work on the high school, which collectively is referred to as the "legacy project." The building was designed by BLRB's founder, Don Burr. Mr. Burr received an architectural award as an educational architect in the 1960s. The project will modernize the facility that has withstood the last 50 years and still stands. The project is challenging encompassing modernization of 149,000 square feet of space occupied by 1,050 students during construction. The project is a good candidate for the GC/CM delivery method. The challenge associated with upgrading safety and security involves a complete systems replacement. Having a pragmatic team approach with the GC/CM will be a huge driver for success. The STEM addition is a key component. Incorporating the facility within a one roof concept as part of an addition and modernized facility will be challenging.

Mr. Fenton reported some early studies have been completed on a good pragmatic approach. However, one partner, the GC/CM, is missing. To date, there has been much success in partnering with the firm's GC/CMs to ensure a thoughtful and pragmatic approach, which will be important for the success of the project. Having the GC/CM join the team is important to help partner in the design and to solve problems.

Ms. Louie reviewed the schedule and the process for procurement of the GC/CM, as well as construction and completion. The RFQ for the GC/CM has been prepared and with the approval by the panel, the School District plans to post the

advertisement on Monday, July 31, 2017 to select the most qualified GC/CM. The complex project includes the STEM building, production kitchen, and an occupied school. Construction is scheduled to begin in November 2018 over a 26-month construction schedule. The intent is reduce or minimize the schedule and complete the project early in the fall of 2020 in time for the new school year. However, to achieve that goal, the School District needs the benefit of having a GC/CM to receive feedback and assist in phasing and scheduling.

One of the pre-questions from the panel pertained to the budget and whether the School District considered a replacement school rather than modernizing an existing school. The School District did review that option; however, because of current market conditions, replacement of the school would equate to \$350 per square foot. To replace the school, the budget would need to be approximately \$56 million just for construction costs, which is why modernization was the option selected because the total approved budget is \$52.3 million. Having the involvement of the GC/CM early in the process and working with the team enables exploration of cost efficiencies and solutions to reduce risk and maintain the authorized budget.

Ms. Wyatt added that when the School District was analyzing whether to replace or modernize, the decision was determined by the voters as voters supported a modernization. Because of the quality of the existing structure, the School District believes the modernization project will be successful.

Panel Chair Gimmestad invited questions from the panel.

Mr. Apiafi asked about plans to mitigate issues of noise, dust, and vibrations in an occupied building. Ms. Wyatt explained that it would be important to minimize any disruptions to teaching and learning. Typically, any work generating those issues is typically performed after hours. Disruptive work is scheduled when school has ended for the day.

Mr. Chandler added that he is very familiar with the building. The building was designed with mountable partitions enabling each phase to be gutted and replaced in a relatively quiet environment. Work would never occur over an occupied space. Working off hours should minimize any disruptions.

Panel Chair Gimmestad invited public comments.

Dan Cody, Parametrix, said he believes the involvement of the GC/CM on a large, occupied high school site is critical after learning about the building during the solicitation process and based on his current experience working on high schools not only for some of the factors previously mentioned but to also confirm existing conditions. The contractor currently working with Parametrix on the Lake Stevens school project is exploring facility systems and identifying systems that could be reused, replaced, and could be remanufactured to help save costs. With the proposed tight budget and the current market, the GC/CM delivery method would benefit both the design team and the community.

Panel Chair Gimmestad invited deliberations by members and a recommendation.

Mr. Stowell noted that the panel had many questions on the application. Another question concerning Mr. Iverson's GC/CM experience was answered before he had a chance to ask the question. He believes the School District has established a good team and the project is right for GC/CM delivery.

Mr. Beaudine added that he does not have any issues with the project as it meets the criteria of a project for GC/CM delivery. The team will be working on an occupied site in and around the building. The team is very well qualified to perform the work.

Mr. Apiafi said he believes the team of OAC Services, the architect firm, Mr. Chandler, Mr. Fenton, and upper management seem to have a good comfort level and he does not foresee any issues.

Mr. Stowell commented on the fortunate situation of the School District of having a project manager who attended the school providing some institutional knowledge that might not otherwise be possible with another company.

Panel Chair Gimmestad commented on Mr. Apiafi's pointed questions on why the project was classic for GC/CM. The team has the passion, individuals are engaged, and several have personal connections with the school, which appears from a team standpoint to create a good team. The project is a classic example of a GC/CM project and he supports the application.

Ed Peters moved, seconded by Ato Apiafi, to approve the GC/CM application from Centralia School District #401 for the Centralia High School Modernization project. Motion carried unanimously.

Panel Chair Gimmestad recessed the meeting at 1:45 p.m.

Tacoma Public Schools – Boze Elementary School Replacement – Design-Build

Panel Chair Joe Stowell reconvened the meeting at 2:30 p.m.

Panel Chair Stowell reviewed the presentation and timing format to consider the Design-Build application from Tacoma Public Schools for the Boze Elementary School Replacement project. PRC panel members Ato Apiafi, David Beaudine, Bryan Eppler, Jon Lebo, San Obunike, Ed Peters, Joe Stowell, and Curt Gimmestad provided self-introduction.

Rob Sawatzky, Director of Planning & Construction, Tacoma Public Schools, said the district has presented several project applications over the last several years. The most recent presentation was for GC/CM agency certification, which was approved by the PRC. Because of changes in the market, Tacoma Public Schools submitted a Design-Build application for the Boze Elementary School Replacement project. The proposed project is the first Design-Build project for the district.

Mr. Sawatzky introduced several members of the project team: Julius Pallotta, Project Manager, Tacoma Public Schools, Kris Anderson, Project Manager, Tacoma Public Schools, Stephen Story, Interim Chief Operating Officer, Tacoma Public Schools; and Jim Dugan, Consultant with Parametrix. Graehm Wallace with Perkins Coie is the district's external legal counsel. John Palewicz serves Tacoma Public Schools as an external Design-Build advisor.

Tacoma Public Schools was founded in 1869. Today, the School District has 36 elementary schools, 11 middle schools, 10 high schools, and numerous special programs. Tacoma Public Schools is the fourth largest school district in the state serving 30,000 students with 5,000 employees offering preschool through 12th grade. Tacoma Public Schools is one of the largest employers and a developer in the City of Tacoma.

Mr. Sawatzky displayed graphics depicting current bond projects underway under the 2013 \$500 million bond. He shared an agency organizational chart depicting the different departments working with Planning & Construction. As an example, Planning & Construction works with the Maintenance & Operations Department, Teaching & Learning, Community Partners, and other departments to ensure schools reflect congruency between each department's goals.

Mr. Sawatzky shared a copy of the Planning & Construction organizational chart.

Tacoma Public Schools is committed to community inclusion, as partnerships are critical to student education and community health and sustainability. The Tacoma Public Schools Board adopted a resolution supporting the role of Tacoma Public Schools to serve in a leadership role in the state for matching the goals of the state for minority, women-owned businesses, and small business enterprises. By the end of 2018, Tacoma Public Schools will:

- Maintain and increase contracts with local businesses by:
- Increasing local share of total construction from 15% to 30%
- Adopt Governor's diverse business goals, including:
- 10% Minority-Owned Business Enterprises,
- 6% Woman-Owner Business Enterprises, and
- 5% Small Business Enterprises (SBE)

Tacoma Public Schools collects MWBE and apprenticeship utilization information from project contractors monthly, as well as revising the role of the Facilities Communication Coordinator to a Strategic Program Analyst to increase the

efforts by Planning & Construction to increase participation of minority and women-owned businesses. Tacoma Public Schools is proud of the increases to date and is beginning to make progress in moving forward. Contractors are paying attention and are seeking ways to increase outreach efforts.

Mr. Sawatzky reviewed the history of capital projects. Tacoma Public Schools has been a major participant in capital bond programming. The Boze Elementary School project is one of the last projects from the 2013 bond. Consequently, cost control is paramount for Tacoma Public Schools. The Mary Lyon Elementary School replacement project recently came in at \$4.5 million over the estimate. As the department tracks projects across Puget Sound, most projects reflect an increase in cost with some projects as high as \$500 per square foot. Tacoma Public Schools seeks an average square footage cost of \$430 to \$480, which is approximately \$140 over the capital plan in 2012. Cost control is very important at this stage of the 2013 bond program.

Tacoma Public Schools project experience reflects many years of completing successful capital improvements within the District. Other projects include site adaptations of schools, such as First Creek Middle School and Giaudrone Middle School, which are mirror images but with similar programs with some minor adjustments. Manitou Park Elementary School and Edison Elementary School were both schools that were modified. Site adaptation projects are not new for Tacoma Public Schools.

In terms of project delivery experience and qualifications, Tacoma Public Schools has successfully passed \$1.3 billion in bonds for capital improvements. Between 1983 and 1997, the District passed \$299 million in bonds. In 2001, the District passed a \$450 million bond followed by a \$500 million bond in 2003. Between 2007 and 2017, the District has completed 25 projects with four in construction, three projects in design, and the remaining projects to include the Boze Elementary School Replacement project. Tacoma Public Schools has delivered 26 large capital projects valued at nearly \$859 million to include augmenting and enhancing the department's team since 1998 with external consultant teams of Parametrix and Greene Gasaway, an architectural firm.

Tacoma Public Schools has developed a robust internal staff structure, control system, and a plan to execute capital projects.

Boze Elementary School is located in southeast Tacoma. The most recent schools developed in southeast Tacoma include Stewart Middle School and Mary Lyon Elementary School. The intent is to create equity within Tacoma Public Schools by constructing projects that meet the needs of each community. Tacoma Public Schools undertakes a design advisory process with the community. The project site is 15 acres in size. The project replaces an existing facility and potentially retains a smaller building to use as a preschool or early learning hub to achieve one of the goals of the Tacoma Public Schools for early learning. Each school project is examined to pursue inclusion of preschool, as well as early learning centers across the district. The project affords an opportunity to retain one of the buildings for conversion to an early learning center. The existing facility is a single story 56,625 square-foot building. The intent of site adaptation is to construct a smaller but more efficient space, such as incorporating multi-use spaces. The goal is to open the school a year early by using site adaptation and Design-Build versus Design-Bid-Build.

The school site is surrounded by residential neighborhoods. The site can be occupied with sufficient space to separate construction activities from students and staff. Several site development options were explored. One option includes an occupied site with the south portion of the property developed and reusing existing hardscape. A second would relocate students to a swing school with construction of a new facility following demolition of the existing facility with no development of the southern area of the property to reduce costs.

The project budget is \$32 million. However, Tacoma Public Schools believes the cost will be higher at \$37-\$38 million because of current market conditions. Mr. Sawatzky shared a copy of the approved project budget of \$32 million.

Mr. Dugan reviewed the project schedule. The schedule submitted in the application was designed around a Design-Bid-Build schedule using a price-based selection. Between the time of the submittal and now and after many meetings with Mr. Palewicz and others experienced in Design-Build, the team recommends a Progressive Design-Build approach for the

project with a qualification-based selection. Progressive Design-Build enables the Board a two-week period over a two-meeting scenario to discuss qualifications of the submittals.

Mr. Sawatzky reviewed the project organizational chart. The organization begins at the top with the Tacoma Public Schools Board of Directors followed by the Superintendent, Deputy Superintendent, Chief Financial Officer, and the Chief Operating Officer. Tacoma Public Schools is hiring a new Chief Operating Officer effective August 7, 2017. Mr. Story is serving in the interim and will assist the new Chief Operating Officer for the next year. As the Director of Planning and Construction, Mr. Wallace with Perkins Coie and Mr. Palewicz report to him. Ms. Anderson is the Project Manager and has Design-Build experience. Julius Pallotta has years of Design-Build experience as a technical advisor for the District. Mr. Dugan with Parametrix serves as the internal advisor as needed.

Tacoma Public Schools selected the Design-Build delivery method for a number of reasons. Today, the state is experiencing unprecedented cost increases in the bid market. Between the bond passage of 2011 and 2017, costs have increased nearly \$15 million. Costs per square footage are over \$500. Tacoma Public Schools needs to reduce its risk and improve cost control. Design-Build was selected as the best strategy and the most aggressive approach. Mr. Sawatzky said that as he begins to learn more about Design-Build and the District's process for design advisory, he believes Design-Build provides a greater opportunity to collaborate.

Cost certainty is a top priority. The District needs to identify the project cost as soon as possible. Design-Build affords that opportunity whereas GC/CM would not provide that certainty until later in the process. Having cost certainty for the Board will help directors make educated decisions moving forward. Escalation is continuing and the District believes occupation of the site earlier would help avoid escalation.

Mr. Sawatzky said the District believes it has satisfied the statute criteria in savings and design costs, bid market costs, escalation costs, and occupying the site one year earlier. The public benefits include cost savings, reduced risk, early occupancy, and accountability.

The application is the first Design-Build project for Tacoma Public Schools. Internal project managers have Design-Build experience of over 20 years (Anderson, Pallotta, and Dugan). The team is augmented with Design-Build professionals. Mr. Sawatzky referred to a summary included in the application of Design-Build experience for Kristine Anderson, Julius Pallotta, and Jim Dugan.

In summary, the project is funded with the appropriate budget, it meets RCW criteria, the project management plan is clear with logical lines of authority, the project team has the necessary experience, and the project team has the capacity and is prepared to move forward. The Design-Build delivery method affords the District with a much higher level of involvement with the design-builder. Alignment of a reasonable budget with program needs will result in a successful project.

Panel Chair Stowell invited questions from the panel.

Mr. Lebo asked how the team plans to reconcile the original budget of \$32 million with an anticipated \$37-\$38 million budget or whether the District plans to meet the original \$32 million budget. Mr. Sawatzky responded that staff is meeting with the Board on August 10, 2017 for a study session. His work has focused on known factors in today's market and attempting to predict the unknowns. Tacoma Public Schools added market condition contingencies in project budgets as a planning tool. Based on current conditions in the District and in the Puget Sound region, construction costs will continue to increase. The intent of Design-Build is to help mitigate those costs and achieve the \$32 million approved budget to the extent possible. However, it is also understood that some concessions might be likely for establishing an appropriate budget for the Design-Build team.

Mr. Gimmestad said the presentation mentioned cost certainty and the desire for the design-builder to provide that certainty. He asked how Tacoma Public Schools envisions cost certainty versus any other procurement model when there is such a reliance on the marketplace. Mr. Sawatzky said he delayed development of the documents until mini MACCs or a lump sum package has been estimated. For this project, Tacoma Public Schools has a design to present to the design-

build team. It is likely costs could be better defined in the fall. The Progressive model enables both the District and the design-builder to develop the budget based on current conditions.

Mr. Dugan added that the original plan did not include execution of a GMD for GC/CM until May 2019. If the district had expedited GC/CM, it would have been in May 2018. The Progressive model enables the District to identify the budget as early as the latter part of the fourth quarter of 2017.

Mr. Peters cited the response to the first pre-question describing the District's conventional design advisory committee. He asked Mr. Sawatzky to elaborate on how that conventional approach would be modified to work with the Progressive Design-Build model. Mr. Sawatzky said the past approach included staff, community members, and other stakeholders to review programming requirements over the course of five to six months. For this project and because the schedule has been tightened, one of the advantages for the committee is touring other schools in the Puget Sound region to learn how similar programming was addressed. It is likely those tours would occur in addition to a walk-through of the Arlington Elementary School to view the design as a way to help define specific programmatic and community needs with an understanding that there would be some limitations. The District does not want to reach the point of diminishing returns where too much is changed that the District does not take advantage of the Design-Build delivery method. The District is currently vetting that process under the Progressive Design-Build model. The process involves the same participants but in a compressed schedule to include a site visit to Arlington Elementary School to view its design to identify what works or might not work. Additionally, the team will develop a set of defined owner project requirements. The district has developed visioning documents for the elementary learning environment that speaks clearly on what the program should be. The Arlington Elementary School project started with that visioning program. At the beginning of each design advisory committee process, the individual school is contacted to discuss the vision across the district and attempt to merge that input with the school's respective program needs and desires.

Mr. Peters noted that it is very common before final design or even during the beginning of construction for key users of the facility to lack a full understanding of the design drawings. With a Design-Build process, the question is how user input occurs when the design-builder has already committed to particular design details. Ms. Anderson explained that the benefit of users viewing the Arlington Elementary School design provides them with a sense of the level of quality, different types of activities, and the longevity of spaces. The Arlington design affords flexibility and can accommodate a range of activities within different settings.

Mr. Sawatzky added that the Arlington school project represented a shift in school design principles of boxes of classrooms to a 550 square-foot core learning area that spills out to "porches" providing teachers with 3,500 hundred square feet of space. Within the opposite side, space is available for multiple groups. Teachers experienced in teaching in the traditional manner can continue do so at Arlington; however, if a teacher is seeking a way to help students discover and think creatively through an exchange of information; the design also affords that opportunity. The design is a good fit for Boze Elementary School because innovation is already underway and teachers are currently teaching in a school that lacks windows, has rigid furniture, and desks on blocks to afford students with a standing height position. The Arlington design accommodates today's teaching environment. The design fits based on what is known of faculty at Boze Elementary School. From a technical standpoint and an understanding of project requirements, the design-build team will be better informed as to what needs to be included in the project to meet the needs of teachers and students. The District's design advisory process does not typically begin until October. For the proposed project, the process would need to begin earlier.

Ms. Anderson emphasized that the Boze project has generated much anticipation, as well as much support from the principal for the 2013 bond. Students, even at the kindergarten level are interested in the design process and are ready to move forward.

Mr. Pallotta added that it is one reason, Tacoma Public Schools selected to use an existing design as that process used a design advisory committee, which will be used for the Boze Elementary School project to help inform the design for the new building and assist users in understanding what design components are possible or not possible. Utilizing an existing design advisory committee and the design of another school is a benefit for Tacoma Public Schools.

Mr. Lebo asked what the team perceives as the biggest risk for using Progressive Design-Build because Design-Build typically benefits when the design-builder begins with a clean slate to develop ideas at the beginning of the design process. It appears the design-builder would be asked to improve an existing design to increase efficiencies, which is typically not the type of value a design-builder brings to the process. He asked the team to identify the risks considered, as well as whether the team believes it is taking advantage of the Design-Build process. Mr. Sawatzky responded that he reviewed some DBIA publications, which speak to examples of some designs completed 90%-100% and still able to take advantage of a Progressive Design-Build method. That is part of the reason why Progressive Design-Build fits so well with the project because it affords an opportunity for more proprietary meetings and the ability to work with the design team for several months to ensure the District receives as much benefit from the alternative delivery method to the extent possible. In terms of risk, letting go of some control could be perceived as a risk, as the delivery method is new for Tacoma Public Schools, as well as relatively a new method for K-12 construction. The challenge is how comfortable the Board would be in letting go of some control of the project. He does not perceive any monetary risks other than too many changes.

Mr. Dugan noted the cultural change is important in terms of project development. During previous panel presentations, school leadership was emphasized as important to a project, as well as technical knowledge of the different departments interacting on a new delivery method.

Panel Chair Stowell said the Design-Build method offers the ability to obtain a price sooner, but it is still necessary to consider escalation. He asked whether the goal is to identify the project cost sooner, as the GC/CM process could provide more control. Mr. Sawatzky replied that based on a review of comments and questions by the School Board relative to change orders, he always considers errors and omissions. It is not possible to control the unforeseen or the authority of the jurisdiction. However, it is possible to control owner-driven changes, and to some extent, control errors and omissions with respect to change orders. The Design-Build delivery method offers an opportunity for cost savings for change orders, as well as recognizing the volatility of the market and the need to include escalation.

Mr. Cody said another factor for consideration with a prototypical design is that it can be modified slightly to work with the existing program and site. That process reduces the schedule by at least a year because the design-builder is beginning with an existing design to modify for the school program.

Mr. Lebo asked whether it is possible to gain buy-in by the teachers and administrators if the process is essentially beginning with a recommended design. Because if too many changes occur, it could impact any of the advantages of the Progressive Design-Build process. He asked about the level of support the District has received from teachers and administrators at Boze Elementary School. Mr. Sawatzky said Boze Elementary School officials were not aware of the PRC presentation. If the application is approved, the team plans to seek approval by the School Board to use the delivery method, as well as spending time with the principal and directors to discuss outreach to teachers. Typically, school principals are not aware of the District's process for school projects. During the design advisory committee process, teachers and principals are learning about the process, which begins engagement and conversations. The District is experienced in programming and clearly defining to the design advisory committee that their role is advisory and not as decision makers. The existing process can be adapted to create a new design advisory process involving the public and stakeholders.

Mr. Dugan said that within the last six months, all proponents of bid projects ranging between \$20 million and \$30 million are sharing that if the project was bid within today's market, the project would not be possible. It is likely that the District could apply for GC/CM approval, especially as the project is located on an occupied site; however, not knowing the future of the market or future District projects makes it imperative to pursue a method that provides the ability to initiate the project sooner.

Mr. Lebo asked whether the team perceives the approval by the Board of the Design-Build method as a concern because by nature, school boards tend to be conservative. Mr. Sawatzky affirmed that it is a fair question. However, in 2012, Governor Inslee declared Tacoma as a State Innovation Zone. Since then, innovation has occurred in Tacoma across educational practices, as well as innovation in the delivery of projects and innovation changes for furnishings and technology. The Tacoma Public Schools School Board is not afraid of taking risks that would be for the betterment of the

School District and for students. The District's slogan is, "Every student Every Day." If a school project can be completed a year earlier, students would benefit. One of the Board members shared information on her experience doing Design-Build on some projects with her father who was an architect. She is a proponent of Design-Build. The remaining four members are not involved in construction. The August 10, 2017 study session serves as a key moment for the project team to delineate the differences between GC/CM, Progressive Design-Build, and Design-Bid-Build to ensure the Board is clear about the differences and that the alternative delivery option provides transparency and the ability to collaborate that is not available for lump-sum bid projects.

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

Panel Chair Stowell invited deliberations by members and a recommendation.

Mr. Apiafi said the last time Tacoma Public Schools appeared before the PRC, he asked questions about the District's utilization history of minority and women-owned businesses. As an architect, he intentionally selects represented schools based on recent history for inclusion of women and ethnic minorities. He is happy to see Tacoma Public Schools has made some giant strides for inclusion and meeting the state's goal for participation. Apart from the WMBE issue in terms of qualification, meeting the criteria, and the reason to pursue Design-Build as opposed to GC/CM to save one year, he is pleased to support approval of the application.

Mr. Lebo said he believes that based on his line of questioning, the team has been thoughtful about what they are doing and understand the risks and the need to control program changes, as well as securing buy-in from the elementary school and the Board. The team has been thoughtful about the approach and Design-Build would offer the District many opportunities. He supports the application.

Mr. Beaudine said he applauds the innovation. This is the first K-12 school to consider Design-Build. Many schools have avoided Design-Build because of the loss of control. There will likely be many "eyes" on this project assuming the School Board approves the delivery method. Having a prototype-type like school is ideal for being able to move forward with this delivery method. Tacoma Public Schools has the right idea and the right path for the project. He supports approval of the application as well.

David Beaudine moved, seconded by Ato Apiafi, to approve the Design-Build application from Tacoma Public Schools for the Boze Elementary School Replacement project. Motion carried unanimously.

Panel Chair Stowell recessed the meeting at 3:10 p.m.

Auburn School District – 4 Elementary Schools Replacement – GC/CM

Panel Chair Jon Lebo reconvened the meeting at 3:28 p.m.

Panel Chair Lebo reviewed the presentation and timing format to consider the GC/CM application from Auburn School District for the Four Elementary Schools Replacement project. PRC panel members Ato Apiafi, David Beaudine, Bryan Eppler, Jon Lebo, San Obunike, Joe Stowell, Ed Peters, and Curt Gimmestad provided self-introduction. No member requested recusal from the panel. Members received a copy of answers to questions previously submitted by the panel.

Jeff Grose, Executive Director, Capital Projects, Auburn School District, thanked the panel for the opportunity to present the School District's Four Elementary School Replacement Program to use the GC/CM delivery method. He invited members of the team to provide self-introduction.

Jim Dugan, Parametrix, reported he is providing consultant support for the GC/CM delivery both in procurement and as an advisor.

Dan Cody, Parametrix, said he is providing GC/CM procurement assistance and will serve as the project manager/construction manager.

Steve Shriver, NAC Architecture, reported he is the Principal-in-Charge.

Guy Overman, NAC Architecture, said he would serve as the lead designer.

Mr. Grose said in addition to those team members, other key personnel include Karee Loghry, Project Manager, NAC Architecture; Heidi Deaver, Project Architect, NAC Architecture; and Graehm Wallace, Perkins Coie, will serve as the School District's GC/CM legal advisor.

Auburn School District is a medium-sized school district located in south King County. The district serves 16,000 students with 1,900 employees serving 14 elementary schools, four middle schools, and two high schools. The first school was built as a log cabin in 1869 by a group of families who pooled their money to build a cabin for a school with a mud fireplace, mud and twig chimney, and a floor of split cedar logs. The program is part of a \$456 million bond program approved by school district voters in 2016. Projects in the application are part of the second phase of the program. The first phase included the Olympic Middle School GC/CM project currently in the preconstruction phase.

The qualifications of Auburn School District include a long history of constructing projects on time and within budget to include projects of greater complexity and scope. The application represents the second opportunity to pursue a GC/CM project.

Mr. Grose reported he completed GC/CM training in January 2017. The School District hired Parametrix as the GC/CM consultant and will retain Mr. Wallace with Perkins Coie as the GC/CM legal counsel. Both firms have extensive GC/CM experience. NAC Architecture is the project architect. The NAC team has completed one GC/CM project; however, NAC Architecture has completed many GC/CM projects. The team has a history and reputation of working cooperatively with contractors and owners on Design-Bid-Build projects, which is important for supporting a GC/CM project.

Mr. Grose outlined the GC/CM and project experience of key members of the team. All team members have three decades of either design, construction, or project management experience. Parametrix personnel have extensive experience in GC/CM. Mr. Dugan has 39 years of experience.

Mr. Grose reviewed the project organizational chart. The School District has been fortunate by starting a GC/CM middle school project as it enabled the District to confirm the appropriate number of staff members to support the project through preconstruction. Wisdom learned from the middle school project would be applied to the proposed project to ensure adequate staffing and commitment for the project.

The program replaces four elementary schools. The four school project has been combined as one project to capitalize on the benefits of one design firm and one GC/CM contractor building four schools in sequence each year. Dick Scobee Elementary School is the first project. The school is named after Auburn resident and astronaut Dick Scobee who perished while commanding the Challenger space shuttle in 1986. The school is the first project because it is largest school in terms of enrollment. The school is located on a busy arterial creating a challenge to the contractor for site access and traffic control, which is why it is so important to hire a very qualified contractor.

Pioneer Elementary School is the second project. The school was named after Pioneer settlers who settled in Auburn Valley. The School District was able to acquire three additional acres of property adjacent to the existing school, which will be included in the new project. However, the City of Auburn's rezone process is an 18-month process. The School District has been able to accommodate that time within the schedule to ensure the rezone is completed.

Chinook Elementary School is the third project. Chinook is located on the Muckleshoot Indian Reservation. The school serves Native students and other Auburn students since 1963. The school is located on a state highway. The project requires improvements to the state highway to include a traffic light and street improvements to include traffic lanes. The work must be undertaken while the state highway remains in operation.

The fourth project is Terminal Park Elementary School. As Auburn is a long-time railroad town, it is home to two major railroad lines through the City. Terminal Park Elementary School was named for the terminal end of the railroad lines in

the neighborhood where railroad workers lived when the school was constructed in 1945. The unique feature of the school is the size of the site, which is the smallest of all sites within the School District.

Mr. Grose reviewed project budgets. Auburn School District has sold bonds to enable funding for design and construction of the Dick Scobee Elementary School. More bonds would be sold as needed for cash flow. The owner budget for the Dick Scobee Elementary School project is \$29 million based on 2017 costs. The second project for replacement of Pioneer Elementary School has a budget of \$30 million because the site is larger and would incur more site costs. The budget for the Chinook Elementary School project is \$31 million because of extensive right-of-way improvements. The last project budget is \$30 million.

The procurement schedule for the GC/CM process ensures the selection occurs prior to initiating design. Should the team receive approval by the panel, the RFP is scheduled for release within a week for a GC/CM contractor.

The project schedules are similar for each project and all have similar constraints. All projects are replacement schools and work is restricted to layout work and investigations while students occupy the sites. Students will be relocated off site to ensure the projects are successful. The former Olympic Middle School will serve as the swing school for each school project. During the first year, students at Dick Scobee Elementary School will attend the swing school followed by students from the second school the next year. The schedule requires completion of each project on time because of timing associated with occupying the swing school. The construction schedule allows 12 to 13 months for each school. Students will remain in class through the end of the school year. The District will have one week to remove all furniture and equipment from the school. On July 1, the school is turned over to the contractor to begin abatement and hazardous materials work with demolition scheduled in the next four to six weeks. The school project must be completed by the end of July of the following year. Some overlap of the GC/CM from summer to summer in wrapping up one school project and beginning the next school project. The School District contacted GC/CM contractors to confirm the overlap would not be problematic.

The GC/CM delivery method was selected because the program meets the intent of the legislation that speaks to the beneficial use of alternative public works for certain projects. The program meets the criteria in RCW 39.10 for GC/CM projects, and the School District believes GC/CM provides multiple benefits for the project.

Mr. Grose identified how the project meets three of the criteria. The project involves complex scheduling, phasing, and involvement of the GC/CM. The project involves construction at an occupied facility required to operate during construction. The involvement of the GC/CM during the design stage is critical to the success of the project. The project encompasses a complex or technical work environment. The project requires specialized work on a building that has historic significance. The project is, and the public body elects to procure the project as a heavy civil construction project.

Involvement of the GC/CM during the design phase provides benefits critical to the success of the four project program:

- Selection of a contractor based upon skill, experience, team members, and price
- Collaborative approach to the project
- Improved cost control
- Improved scheduling and phasing opportunities
- Improved market access to subcontractors and suppliers
- Reduction in risk

Other GC/CM factors for success include the potential for early bid packages, potential for early procurement of long-lead times, improved management of neighborhood access, egress, and traffic during construction, and improved management of complex off-site work in public right-of-ways.

The School District selected one GC/CM model for four projects because the GC/CM process for four school replacements provides a unique opportunity to execute four similar and sequential projects with a common team of highly qualified individuals to provide the following:

- Continuity of project leadership for all four projects

- Cost savings by having same design team on all four projects
- Potential for cost savings by GC/CM overhead reduction with four projects and one GC/CM
- Planning and design efficiencies
- Reduced learning curve
- On-going lessons learned
- Opportunity to establish a long-range plan for sequential four projects with input from and involvement with the same design team and GC/CM

Mr. Grose summarized why the project should be approved for GC/CM. The program is funded with the appropriate budget, the program meets criteria in RCW 39.10, the team has the necessary experience and will provide continuity for the four projects, the team has the capacity and is ready to proceed, utilization of the GC/CM delivery method provides multiple benefits for the School District and its citizens, and helps to ensure the success of the four school replacement program.

Panel Chair Lebo invited questions from the panel.

Mr. Beaudine asked about escalation for the Pioneer and Terminal Park projects. Mr. Grose said the budgets were developed in 2017. Separate funds were allocated for escalation. Mr. Beaudine asked whether Mr. Grose envisions each project having a separate contract with the GC/CM and individual MACCs versus one contract with mini-MACCs. Mr. Grose replied that the School District is flexible in how that might be addressed and would seek advice from the GC/CM consultant.

Mr. Dugan added that either scenario might apply but as a general rule, it entails separate contracts for each project that are separately tracked primarily because of state requirements through OSPI. Mr. Beaudine said his concern surrounds the possibility of encountering problems with the first project that ultimately impacts all subsequent projects. Mr. Dugan said that separating the contracts enables the GC/CM to complete and close-out each project before proceeding to the next project.

Mr. Stowell questioned how the process would distinguish the selection of a GC/CM when the program includes four separate contracts. Mr. Cody advised that for other packaged projects, the package includes a four-part RFP and each school has its own portion of the plan proposal with a final proposal prepared for each school that is combined to enable the contractor to consider how the fee might need to escalate in different years based on the market. The fee would be adjusted accordingly. The intent is to afford the contractor some flexibility and adjustability as the market trends.

Mr. Dugan added that the PRC's prior approval of several multiple GC/CM projects would entail the same framework the team plans to employ for the proposed program.

Mr. Apiafi asked for additional information on the School District's inclusion plan for minorities and women-owned businesses. Mr. Grose said the School District follows state and local regulations for MBE, WBE, and DBE businesses. As part of the GC/CM RFP, questions are included and bidders are scored on their respective inclusion program.

Sam Obunike inquired about the additional three acres and whether the district has investigated site conditions. Mr. Grose responded that the School District has owned the property for some time. An operating church sits on one parcel and two homes occupy the remaining two parcels. One of the homes is used for District purposes. The School District believes there is low risk for any discovery of potential problems.

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

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

Mr. Apiafi commented on how coordination and schedule control would be important factors. His comfort level was improved based on the presentation for schedule control to ensure the viability of subsequent projects.

Mr. Stowell said he is personally involved in a similar type of project. The project entails four different preconstruction efforts and four different MACCs. He understands efficiencies in the overlap of management and that it meets the RCW GC/CM requirements. However, combining the projects is somewhat strange for him even though the PRC has approved similar projects. He is somewhat at loss and is still considering the appropriate feedback.

Panel Chair Lebo said the University of Washington has undertaken similar projects and he has been involved in a \$140 million four-building project using the same GC/CM for all four buildings. The project also included four separate contracts for the same reasons Mr. Dugan mentioned. Those reasons included the timely release of retention and accountability for each project budget. For the four-building project, the University hired two GC/CMs because of competition created by hiring two contractors to complete two buildings concurrently. He also is overseeing a three-building project with three contracts for one GC/CM.

Mr. Apiafi asked for additional highlights or insights on those projects to help him increase his comfort level. Mr. Lebo said the projects were completed successfully primarily because of the advantage of using lessons learned from each project. After each project, lessons were applied to the next project. Moving forward, all lessons learned were applied from the first project to the next project. The challenge the University is experiencing currently is overextended staff because the team coordinating design management must start preconstruction activities for the next project, which can lead to issues of overlap. However, as long as the architect and GC/CM have sufficient staff, those shortfalls can be overcome while the owner might experience over extension of resources, which in this market should be avoided. The process however, does offer advantages and he understands why the School District wants to pursue the process. The University was able to open housing projects every autumn. Missing the autumn timeframe would be detrimental for the University. There is much motivation to meet schedules.

Mr. Stowell thanked Panel Chair Lebo for the feedback on the process because sometimes an owner breaks a project into separate parts to take advantage of a situation rather than combining four projects into one project with four separate contracts. It can appear to be too much to take on. However, as a whole, it makes sense but it is something he has never experienced before.

Mr. Gimmestad acknowledged that the School District will experience some challenges in phasing the projects, but the collaborative nature of the team and the GC/CM would help to resolve any issues. A collaborative team would work through any challenges and develop a resolution. He cannot imagine a better opportunity for a collaborative process using GC/CM to resolve challenges.

Mr. Stowell said the other positive is a commitment for four GC/CM projects enabling the assignment of different staff members who can benefit from the experience as well as receiving more RFP responses.

Mr. Beaudine added that he was relieved to learn about the escalation clause as his initial review of the application generated some major concerns. As presented, the model fits perfectly especially with phasing. As individual projects, it is likely the GC/CM model would not qualify; however, because of the nature of the grouping it provides an opportunity to use the GC/CM delivery method. This project as presented fits the delivery model and satisfies his concerns regarding the addition of an escalation factor.

Panel Chair Lebo said the University began its projects with the most difficult project, which is likely not the preferred method. Initiating the project with an easier school would be preferable and assists in establishing the process. As a team, the School District has the right individuals.

Mr. Eppler agreed that the project has some distinctive advantages. He had some reservations surrounding timing of trade bids but overall he agrees with the approach.

Panel Chair Lebo noted the schedule is very tight for the construction.

PRC MINUTES

2ND FLOOR BOARD ROOM (AM & PM Sessions)

July 27, 2017

Page 37 of 55

David Beaudine moved, seconded by Joe Stowell, to approve the GC/CM application from Auburn School District for the Four Elementary Schools Program. Motion carried unanimously.

Adjournment

With there being no further business, Chair Hall adjourned the meeting at 4:02 p.m.

Prepared by: Valerie Gow, Recording Secretary, Puget Sound Meeting Services

PROJECT REVIEW COMMITTEE
1st Floor Conference Room – PM Session
July 27, 2017
Minutes

The following minutes happened concurrently with the upstairs meeting to accommodate all the applicants in one day.

MEMBERS PRESENT

Janice Zahn, Port of Seattle (*Vice Chair*) & (*Panel Chair*)
Kurt Boyd, Valley Electric Company (*Panel Chair*)
David Brossard, King County
Jim Dugan, Parametrix
Howard Hillinger, Parametrix (*Panel Chair*)

Jason Nakamura, 1 Alliance Geometrics LLC
Mark Ottele, Granite Construction
Yelena Semenova, Department of Enterprise Services
David Talcott, Exeltech Consulting

STAFF, GUESTS, PRESENTERS

Talia Baker, Department of Enterprise Services
Cynthia Balzarini, OAC Services
Dan Chandler, OAC Services
David Cline, City of Tukwila
Nancy Deakins, Department of Enterprise Services
Bob Giberson, City of Tukwila
Steve Goldblatt, City of Tukwila
Tom Gow, Puget Sound Meeting Services
Andrew Greene, Perkins Coie
Carrie Holmes, Shiels Oblatz Johnsen, Inc.
Phil Iverson, Centralia School District

Justine Kim, Shiels Oblatz Johnsen, Inc.
David McBride, OAC Services
Emma Nowinski, Weinstein AU Architects
Rusty Pritchard, OAC Services
Rob Roettger, Cheney Public Schools
Todd Smith, OAC Services
Steve Walther, ALSC Architects
Ed Weinstein, Weinstein AU Architects
Kasey Wyatt, OAC Services
Stuart Young, BCRA Architects

Cheney Public Schools – Cheney High School – GC/CM

Panel Chair Kurt Boyd convened the 1st floor conference room afternoon meeting at 12:30 p.m.

Panel Chair Boyd reviewed the presentation and timing format to consider the GC/CM application from Cheney Public Schools for the Cheney High School Expansion and Modernization project.

Panel members present included Kurt Boyd, David Brossard, David Talcott, Howard Hillinger, James Dugan, Janice Zahn, Jason Nakamura, and Mark Ottele.

Rob Roettger, Superintendent, Cheney Public Schools, introduced Rusty Pritchard, OAC Services; Steve Walther, ALSC Architects; and Todd Smith, OAC Services.

Mr. Roettger reported he has been with Cheney Public Schools for the last two years and spent five years with the Lind and Ritzville School Districts as Superintendent. He thanked the panel for considering the District's GC/CM application.

Cheney Public Schools is a small district located in eastern Washington serving 4,500 students with one high school, two middle schools, and five elementary schools. In February 2019, District voters approved a \$52 million bond for improvements to four elementary schools and the high school. Since then, the School District has spent considerable time on different approaches for the projects and ways to deliver success to the community. Success for the District means projects on time, within budget, safety focused, and with minimal disruption to the community. After analyzing the projects, school personnel met with Central Valley School District staff members Ben Small, Jarrol Olson, and Jay Rowell. The district has completed several GC/CM projects. The meeting afforded an opportunity to learn about the district's experience with GC/CM and how it might assist Cheney Public Schools in its projects moving forward. Central Valley School District also presented information to the School Board on what the district learned from the projects and the GC/CM process. After careful consideration, the School Board agreed to move forward with the GC/CM delivery method for the high school project.

Mr. Roettger reviewed the presentation agenda and an organizational chart of the project team led by the School Board of Directors. Two Board members have prior capital project experience. In 2010, the School District passed a \$70 million

bond and constructed two middle schools and one elementary school. At that time, Board members were involved in the process of selecting OAC Services and ALSC Architects and were involved in the process of learning about GC/CM to determine if the method would meet the District's project needs. Mr. Roettger said he reports to the Board of Directors, which provides him with authority to oversee capital projects and day-to-day decisions. His previous capital project experience includes overseeing a small capital bond in Lind School District that included an energy efficiency grant. He was involved in the Ritzville School District bond proposal, which passed in February 2017. He was also involved in the development of the Cheney Public Schools bond proposal.

Jeff McClure is the Director of Maintenance and Operations and Safety. Mr. McClure reports to the Superintendent and will oversee the project. He has the authority to make day-to-day decisions on capital projects and serves as the District's main contact for capital projects. Mr. McClure has extensive experience and was involved in the 2010 projects leading the construction of the middle schools and the elementary school. He has been with the district for a number of years. Mr. McClure is extremely knowledgeable and strives to ensure projects are completed on time and within budget.

Andrew Greene with Perkins Coie serves as the District's legal counsel and is a core member of the project team.

Mr. Pritchard reported he is a Senior Project Manager for the Cheney High School project. He has nearly 40 years of federal, state, local, and private construction project experience as a Certified Construction Manager (CCM) (CMAA) and certified DBIA professional (Design Build Institute of America). He also served on the PRC for six years. Under OAC Services, he reports to Mr. Roettger and Mr. McClure. He will help guide them in managing the contracts for the GC/CM and the architect. He also has the authority to act on behalf of the owner to negotiate all contracts for subconsultants and the GC/CM. He will serve as the main point of contact from the start of the project to closeout. He is responsible for GMP negotiations and contract negotiations, as well as any change orders and project closeout. The team has a wealth of GC/CM experience, particularly in project controls, project administration, and document controls. OAC Services serves as the Project Manager, Construction Manager, and the Owner's Representative for the project. OAC also oversees other School District projects to include major additions to three elementary schools. Greg Brown and Jonathan Miller with OAC Services have a wealth of experience with Spokane Public Schools. The team is very strong. He introduced Todd Smith, Project Manager with OAC Services.

Mr. Smith said his role on the project is to assist Mr. Pritchard and the team. He has 16 years of professional experience, as well as being a third generation contractor involving a dozen GC/CM projects over the years. He will assist Mr. Pritchard through predesign, design, GC/CM procurement, value engineering, constructability reviews, GMP, and budget conciliation throughout construction. The team prepared the GC/CM RFP for release in the next week if the project is approved. The GC/CM should be hired by the end of September.

Mr. Walther, ALSC Architects, reported he serves as team leader for all projects with Cheney Public Schools and would be involved in the high school project. He has over 35 years of experience with most of his experience in K-12 education projects. In eastern Washington, that experience equates to many phased occupied projects, modernizations, and additions. The architect team has current GC/CM experience, particularly with Central Valley School District. Ken Murphy is the Managing Principal for ALSC Architects.

Mr. Roettger reported Cheney Public Schools encompasses 380 square miles. Cheney High School is the District's comprehensive high school located in the middle of the District. The Eastern Washington University campus is located near Cheney High School. In the fall, when school begins, access to Eastern Washington University is along 6th Street for students, parents, and for other students attending Betz Elementary School, which is also located on the same campus. During peak AM hours of 7:45 a.m. to 8:20 a.m., the main street is heavily traveled. In conjunction with the location, the complexity of the high school project led to considering the GC/CM delivery model to enable the contractor to address traffic issues, logistics of the site, life safety issues, and completing the project on an occupied site.

Cheney High School was originally built to house 900 students. This fall, the District expects an enrollment of 1,300 students. The expansion and renovation would accommodate 1,600 students. The high school currently includes one main building and eight portables. Currently, the project is at the programming phase and is completing specifications. The concept of the expansion and modernization may change, but the project would include the following:

- Addition of 14 new classrooms
- Addition of weight room, fitness, & wrestling areas
- Addition of an auxiliary gym
- Addition of a 500-seat auditorium
- Addition of another classroom (15th classroom)
- Renovations of occupied space as the high school has not been renovated or modernized for many years.
- Expansion of the Commons area (front of building)
- Kitchen renovation
- Relocation of office space to the front of the building to increase security
- Reuse of existing office space for the DECA (Distributive Education Clubs of America) Program and student store
- Reconfigure existing 320-seat auditorium to three science classrooms
- Site work includes expansion of bus loops, parent drop-off, and parking lots

The Cheney High School project is best suited for GC/CM because of the importance of completing all projects successfully to meet the needs of the growing District and to maximize dollars approved by voters. The project includes complex scheduling, phasing, and coordination to maintain the educational schedule of the school. The school will be occupied during construction. The involvement of the GC/CM is critical during design to afford a fiscal and public benefit.

Mr. Walther reviewed a conceptual phasing plan. Because the site is very constricted, some challenges include a shared parking lot and bus loop located between the high school and Betz Elementary School. Working closely with the GC/CM will be important. The preliminary phasing approach considers how to maintain flow within the building and minimize disruption, as well as creating some swing space as the construction advances and the portables are no longer available. The phasing plan calls for a four-phased approach. Phasing considerations include utility connections during construction. The project is comprised of one-third modernization and two-thirds of new addition. The project touches all sides of the building on a very constricted site.

Mr. Pritchard reviewed the project budget and GC/CM procurement schedule. The project budget is \$35.7 million. Approximately \$25 million is for the GC/CM to include all costs for the work, negotiated support services, specified general conditions, fee, and contingency. OAC Services has developed similar budgets for seven other GC/CM projects in eastern Washington. The budget has been aligned with previous history. The owner contingency is separate at approximately 7.7% for design and construction. For a modernization project, the budget is healthy.

Subject to PRC approval of the application, GC/CM procurement is scheduled to begin with the release of the RFP on Monday, July 31, 2017. For the overall \$50 million program, the District convened a contractor information session to generate interest in the projects. A minimum of five contractors have expressed interest in the high school project. GC/CM procurement will include the standard practice of three phases of qualification, interviews, and proposals with the GC/CM hired by mid-September during mid-schematic design. Negotiations of the GMP will occur in June 2018 with construction scheduled for completion by September 2020.

Mr. Pritchard referred to one advance question from the PRC pertaining to whether the project would have a Project Labor Agreement (PLA). Cheney Public Schools is not currently planning to use a PLA for the project. The District will insure all contractors strictly adhere to all statute requirements and best practices regarding all employment issues related to wages, benefits, apprenticeship utilization, and other issues.

Mr. Roettger concluded the presentation and indicated the District believes the Cheney High School Expansion & Modernization project is ideal for GC/CM. Cheney Public Schools with support from OAC Services and the ALSC project team is experienced and qualified. The project team has proven resources, management plans, and controls in place.

Panel Chair Boyd invited questions from the panel

Jim Dugan shared that he is currently involved in the North Thurston High School renovation and modernization project. The high school serves 1,500 students. The District elected not to pursue a GC/CM delivery model, which has been difficult. Based on the organizational chart for the high school project, he was pleased to see the number of team members involved in that particular type of project. He pointed out the budget does not include any funds for off-site improvements. He asked how the District was successful in not having to complete any off-site improvements. Mr. Pritchard responded that the project would include a traffic study. The team has met with the City of Lacey to review the project. Any costs for off-site improvements are included in the contingency. At this point, because of the number of unknowns, those costs were not allocated.

Mr. Dugan shared that he has worked with Eastern Washington University and is familiar with the street fronting the high school and Betz Elementary School and can attest to the amount of student traffic generated from the high school and the university.

Howard Hillinger asked Mr. Pritchard about his time commitment for other projects and availability for the Cheney High School project. Mr. Pritchard responded that his commitment is as a ½ FTE for the next three years during the project. He is also responsible for program management for the Betz, Windsor, Sunset, and other smaller school projects as the OAC Services team lead. He also serves as the GC/CM advisor for the City of Spokane for two projects. The GMP for both those projects is nearing completion and both projects are in construction. His time is on a monthly basis from this point forward to attend monthly meetings and to ensure there is appropriate use of the GC/CM contingencies, reimbursements, and payouts. He serves as an advisor for the City of Spokane. He spends approximately eight hours a month in that capacity for both City projects. Additionally, his time commitment to the Mead School District is as an advisor and support to Greg Brown. Todd Smith serves as his backup and is devoted 2% to the high school project, as well as full-time as the project manager on the other Design-Bid-Build school projects in the \$5 million to \$7 million range. Both he and Mr. Brown are embedded in the School District.

Janice Zahn asked whether the team explored utilizing MC/ECCM capabilities as the school was originally constructed in 1966 with two additions in later years. Although the team might be aware of existing conditions, having that capability could be helpful. Mr. Pritchard said the School District reviewed the statute and is familiar with the requirements. The team would make the determination if it meets the best interests of the project. Building systems have been well-maintained as several renovations of the school occurred in 1990 and 2004. The intent is to maintain district standards; however, the team intends to explore options and if the scope of works meets the dollar threshold, the District will then make a determination.

Mr. Hillinger asked about efforts by the School District to encourage competition by GC/CMs. Mr. Pritchard said the School District sponsored an information sharing session for the total program. The team is contacting general contractors and is actively pursuing contacts. Some strong GC/CM firms, particularly from the Tri-cities, have indicated interest in the Prosser School District as it recently passed a \$100 million bond. One such firm plans to remain local but the firm would like to enter into more markets. The District's \$5 million to \$7 million elementary school projects represent an opportunity for much competition from contractors in the Spokane market. Five experienced GC/CMs have contacted him and expressed interest in the project. Mr. Hillinger asked whether Mr. Pritchard believes other efforts are necessary to ensure the project is attractive to the market. Mr. Pritchard replied that eastern Washington contractors are experienced in the GC/CM delivery method. If the contract includes provisos for savings and sharing that would be part of the incentive. The project has been advertised to subcontractors through the AGC to encourage more competition in eastern Washington.

David Talcott asked about transportation improvements and whether the City of Cheney plans to fund those improvements. Mr. Pritchard said that although he has never worked with the City of Cheney, most municipalities in the state view school districts as a developer and often infra improvements can be negotiated with the municipality. Most of the transportation improvements would be the District's fiscal responsibility. The team is preparing for a pre-development review meeting with the City. Mr. Talcott pointed out that it appears there is no placeholder for transportation improvements in the budget. Mr. Pritchard replied that some funds are included in the contingency. At this time, no dollars were reallocated for off-site improvements other than for anticipating some costs, which is why the

contingency was established at 7.7% for design and construction. Some of the funds could be shifted to cover transportation improvements.

Mr. Talcott said that based on the presentation, the team appears to know the site well and that the only shortfall appears to be the lack of information pertaining to off-site improvements. Mr. Pritchard acknowledged the observation and noted that more information would be forthcoming as the project moves forward.

Panel Chair Boyd said the School District has surrounded the team with some strong members from OAC Services, Perkins Coie, and ALSC. What is lacking is GC/CM experience by Mr. Roettger and Mr. McClure. He asked what efforts they are planning to pursue to become familiar with the GC/CM process. Mr. Roettger replied that initially prior to the passage of the bond, staff met with Central Valley School District staff to learn more about the GC/CM process and whether it might be a method that would be a good fit for the District's upcoming projects. Staff spent time with Ben Small and his team discussing the GC/CM process. Mr. Small and his team were asked to present information to the School Board about the benefits of GC/CM. At the onset, Mr. McClure was somewhat hesitant about pursuing the option because of the success experienced by the School District with Design-Bid-Build. The last project completed in 2010 was a Design-Bid-Build project. That project was under budget and very successful. When Mr. McClure learned about the benefits of GC/CM and understood the changing market and how it would benefit the School District, he supported pursuing GC/CM for the Cheney High School project. Securing Mr. McClure's support was a major piece. He believes the School District did its homework, especially during the initial meetings with the Business Manager and Associate Superintendent to ascertain whether the GC/CM method was an avenue the School District should pursue. After the decision was rendered to pursue GC/CM, the selection process for ALSC and OAC factored their respective GC/CM experience, which was the rationale for hiring both firms.

Mr. Pritchard added that from his firm's perspective, it is about coaching and mentoring. As a corporate body and leadership team, weekly meetings are held on all projects. It is about coaching and identifying the next steps, issues, and becoming involved in contract negotiations with the School District to help the District become a practitioner.

Mr. Roettger noted that his foremost concern is not delivering the projects promised to the community. The \$52 million bond requires expansions and modernizations of the schools. He lives approximately three blocks from the high school and understands the complexities of the site and the surrounding traffic. Ensuring a successful project for the community is very important. The School District will continue to seek additional bonds as it continues to grow.

Ms. Zahn inquired as to whether there is a commitment by staff to participate in GC/CM training. Based on the prior project history, all projects were Design-Bid-Build and completed on schedule and at or below budget. Making the shift from a Design-Bid-Build philosophy to the GC/CM method where the GC/CM is a partner with the School District is important. It is also important for staff to be cognizant of how the owner establishes the culture and the stage. She is pleased to learn that there is a coaching philosophy. Ms. Zahn said that as a representative of a public owner it is very important for the owner to step forward and support the process versus the consultant driving the coaching process.

Mr. Roettger acknowledged that he is taking a leap to GC/CM and its unknowns especially when the School District has been so successful with Design-Bid-Build. Design-Bid-Build was successful because the projects involved new schools that were not occupied.

Mr. Pritchard noted that the market in 2009/2010 was different and the market conditions drove some of the decisions other than both projects were new schools. Ms. Zahn stressed the importance of the owner understanding the difference between the owner role versus the consultant role. No matter how much expertise is provided by consultants to support the project, the buck ultimately stops at the owner.

Mr. Hillinger inquired about the line of authority for approval of change orders.

Mr. Roettger said change orders are approved by the School Board.

Mr. Pritchard added that part of his role is ensuring change orders are forwarded in a timely manner. The risk contingency management protocol tracks issues that could potentially result in a change order. His role is to review costs and ensure the appropriate allocation of either the owner or the GC/CM contingency is presented to the Superintendent during leadership meetings for review and approval by the School Board.

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

Panel Chair Boyd invited deliberations by members and a recommendation.

Mr. Dugan said the project satisfies the statute to use the GC/CM delivery method because the school would be occupied. The School District has the staff at the appropriate skill level. He is also pleased to see that OAC Services and ALSC will be providing expertise. He supports the application as it satisfies the statute criteria and he is appreciative of the well-written application and thoroughly thought out approach for the project. Working at an occupied high school with students and staff is very difficult. The level of staffing for the project is appropriate for this particular project.

Mr. Hillinger said he believes the School District has the right expertise for the project and that the right process in deciding the delivery method was followed. He supports approval of the application.

Ms. Zahn expressed support of the application as it is the right project and the right team is in place. She suggested the School District should reconnect with Central Valley School as a companion school district with GC/CM experience because regardless of the consultant expertise, it is important for the owner to understand the nuances of the approval process for change orders and other issues. Understanding what is involved to ensure buy-in by the owner/organization, especially the electeds, might not be as simple as envisioned, especially if previous projects were delivered by Design-Bid-Build. That may be a hurdle the owner should consider because GC/CM is not a lump-sum process but actually involves a transparent process that often is in conflict with perceptions about what should be viewed. Working through that process can be challenging.

Panel Chair Boyd echoed similar comments conveyed by the panel, especially by Ms. Zahn, as it is a very difficult to transition from a Design-Bid-Build mentality to a very collaborative GC/CM process. He is hopeful the owner team attends the GC/CM training workshop and reaches out to Central Valley School District. The owner team has surrounded itself with a very strong team. There is no doubt that the School District will be successful as long as the School District keeps an open mind and protects all members of the team versus the old adversarial Design-Bid-Build contract process.

Janice Zahn moved, seconded by David Brossard, to approve the GC/CM application from Cheney Public Schools for the Cheney High School Expansion & Modernization project. Motion carried unanimously.

The meeting was recessed at 1:11 p.m. for a break.

City of Tukwila – 3 Fire Station Replacement Project - GC/CM

Panel Chair Howard Hillinger reconvened the meeting at 1:30 p.m.

Panel Chair Hillinger reviewed the presentation and timing format to consider the GC/CM application from the City of Tukwila for the 3 Fire Station Replacement project. Members received a copy of answers to questions previously submitted by the panel.

PRC panel members Howard Hillinger, Kurt Boyd, David Brossard, Yelena Semenova, Jason Nakamura, Mark Ottele, David Talcott, and Janice Zahn provided self-introduction.

David Cline, City Administrator, City of Tukwila, thanked the panel for considering the City's GC/CM application. The City of Tukwila has been working on the project for several years. With the community's approval in November 2016 with 60.5% voter approval, the City is moving fast. Shiels Oblatz Johnsen was hired as the Owner Representative. The project involves the construction of three fire stations to replace three of four existing fire stations.

Mr. Cline introduced members of the team: Justine Kim, Senior Project Manager, Shiels Obletz Johnsen; Bob Giberson, Public Works Director, City of Tukwila; Ed Weinstein, Architect & Principal, Weinstein AU Architects; Steve Goldblatt, Program Management Quality Assurance Consultant, Tukwila City Council; Carrie Holmes, Project Manager, Shiels Obletz Johnsen, Inc.; and Emma Nowinski, Associate, Weinstein AU Architects.

Mr. Cline reported the City of Tukwila was established over 100 years ago. Although the City has a limited population, the City has completed many projects in the realm of \$10 million to \$20 million within its capital projects program. The City is experienced with large projects; however, the 3 Fire Station Replacement project is a public facility project and it is the City's first new public facility in many years. The last public facility projects included the golf course and the community center over 10 years ago. The last fire station was constructed over 23 years ago. The City's Public Safety Program is the single largest capital project with a budget of over \$120 million for five major buildings and equipment over the next five to six years.

The Council and the Mayor have stressed the importance of ensuring the delivery of results that the public supported through its approval of the ballot measure. The project schedule is very aggressive with one fire station completed followed by two fire stations completed in succession using lessons learned from the first fire station.

Mr. Weinstein reported the primary reason for pursuing a GC/CM delivery is to apply lessons learned from the design/construction of the first fire station to capture efficiencies in design/construction in completing the other two fire stations. The first fire station, Fire Station 51, is 9,426 square feet with two bays housing one ladder truck and one aid car. The station would also provide storage for additional fleet vehicles, as well as the Self Contained Breathing Apparatus (SCBA) maintenance room. Fire Station 52 is 15,058 square feet and includes three bays to house one ladder truck, one aid car, and one Battalion Chief vehicle, as well as the headquarters space for the Fire Department. A training room would double as a back-up Emergency Operations Center for the City and for two community outreach programs - Ham Radio Club of Tukwila and the Fire Department Explorers Group. The third station, Fire Station 54, is a 9,287 square foot two bay fire station housing one engine and a spare bay for a future vehicle. Based on experience, the buildings are complex and require extensive equipment and other requirements that must be considered by the GC/CM in collaboration with the architects. The intent is to apply lessons from the first fire station to the second and third stations. The site of Fire Station 51 is located at the southern edge of South Center Parkway. The station includes two bays with a third added over time. The site is large with a public area in the front and parking for firefighters located behind the station. Future facilities include an equipment barn and a fire training tower. The City is beginning the site evaluation process for the remaining stations. The goal is to establish a team in collaboration with the GC/CM to apply over the next two years.

Ms. Kim outlined the project goals:

- Design and construction efficiency by hiring one architect for the three stations and coordinating the work with one GC/CM.
- Ensure delivery within budget and on schedule.
- Ensure consistency of the MEP systems between the fire stations to reflect a family of three fire stations that represent the identity of the City of Tukwila while providing mean and lean fire stations that are low maintenance and durable.
- Selection of the qualified contractor is based on qualifications and experience relevant to the specific challenges of the project.

The GC/CM delivery process is critical to success because of the following reasons:

- Multiple projects with overlapping schedule within a tight budget. The City is initiating work on one of the fire stations as the City owns the site and will pursue site selection process for the remaining two sites.
- One design and construction team for all three fire station projects to streamline the end user participation and project delivery process, and minimize change order exposure during construction and post occupancy. Within the current construction market, the City wants to work with qualified contractors to ensure the quality of construction and to minimize the risk that the Design-Bid-Build process would pose to the owner.
- Through pre-construction, the GC/CM would understand the work long before bids; participate in setting schedule and packaging the scope to fit the marketplace, and realistically set expectations before work is bought-out.

- GC/CM's constructability reviews early in the design process resulting in cost-effective and value-based solutions.
- Top tier contracts much more likely to compete for this project versus low bid delivery, ensuring high quality work.
- Contractor relationships with owner, CM, and architect are built on teamwork.
- The GC/CM acts as an advocate of the owner.

Mr. Cline reviewed the experience of the City of Tukwila team. Over 150,000 individuals arrive to the City each day creating the need for many infrastructure projects. The City has executed over 25 major capital projects since 1990 and completed over \$250 million in capital projects since 1990. Some of the projects included the Klickitat Exchange, BNSF Railroad Grade project, and design for a \$40 million Strander Boulevard underpass extension. The consultant project team has completed six GC/CM projects valued at \$390 million. The team has developed the GC/CM RFP, selection process, contract negotiation, and construction administration processes in addition to successfully completing prior projects.

Mr. Cline reported he has over 25 years experience in local government and is currently serving as the President for the State Association of City Administrators and Managers and has been a member of the association for the last 15 years, as well as a member of the international association. He has been with the City of Tukwila for six years, served as the City Manager for Lake Forest Park, and served five years with the City of Burien where he was a member of the project team for GC/CM for the Burien City Hall Library project. Previously, he was employed by King County as the Finance Director for District Court for six years in the 1990s.

Mr. Giberson said he has been with the City of Tukwila since 1989 and started with the City as an Associate Engineer, served as City Engineer, and is now the Public Works Director. He has a wealth of experience with the City of Tukwila working on capital projects. In addition to the projects listed in the application, he oversaw the BNSF South 180th Street Grade Separation project. He is a member of the American Public Works Association and has been a registered Professional Civil Engineer in the State of Washington for over 30 years. His project management skills include design, engineering, bidding, and construction.

Ms. Kim reported she is part owner of Shiels Oblatz Johnsen. The company has extensive experience managing GC/CM projects (listed in the application). She personally managed six of the 16 projects (included in the presentation). The latest project was the Pike Place MarketFront project. Ms. Kim said she is a registered and licensed architect in the State of Washington and has over 27 years of experience in design, project, and construction management. She began her career with NBBJ as a project architect and worked on several projects to include the Vulcan Headquarters Building. She has since managed projects from the owner's side and worked for the Seattle Public Library System and managed many neighborhood libraries, as well as part of the Central Library project. During her career with Shiels Oblatz Johnsen, she has worked on the following GC/CM projects:

- Cascadia Elementary School & Robert Eagle Staff Middle School as Project Manager – \$116 million
- Market Front at Pike Place Market as Project Manager – \$74 million
- Burien City Hall & Library as Project Manager – \$38 million
- King Street Station Renovation as Project Manager – \$55 million
- Seattle Fire Station 10 as Project Manager – \$55 million

Carrie Holmes reported she would serve as the day-to-day Project Manager on the three fire station projects. She has over 15 years of experience in design, project management, and development. She has worked on the owner side her entire career. She will be managing day-to-day activities with the architects, the contractors, and other consultants and will interface with City and fire staff. She has completed two GC/CM projects. The most recent project is the Market Front at Pike Place Market project serving in the same role and relationship that she will serve on this project.

Mr. Weinstein reported that he has been practicing in Seattle since 1971. His firm is celebrating its 40th anniversary this year. The company is a generalist firm that works on a variety of projects but focused on civic projects, such as city halls, libraries police stations, fire stations, and community centers, etc. The firm has had the good fortune of designing all City of Seattle large and important public safety facilities including Fire Station 10/Emergency Operations Center/Fire Alarm Center, a 69,497 square foot facility at a cost of 44.3 million. Other Seattle projects included the City of Seattle West

Police Precinct/911 Communications Center, a 53,000 square-foot facility completed for \$16 million, and the William K. Nakamura Federal Courthouse Renovation and Addition project, a 178,000 square-foot Ninth Circuit Court of Appeals building at a cost of \$74.3 million.

Steve Goldblatt said he is one of the first practitioners of RCW 39.10 and has refereed 64 GC/CM projects. He was retained by the Tukwila City Council separately from the project team to serve as professional staff advisor and work with the project team as an independent voice. The City Council is a seven-member Council.

Ms. Kim reviewed the project organization chart for the project outlining the team Shields Oblatz Johnsen will be managing of the GC/CM contractor and the architect team. She reports to the Public Safety Program Executive Team and to the City Council.

Schematic design is beginning for Fire Station 51. The programming and pre-design phase has been completed with the goal for owner move-in to occur in early 2020 with the remaining two fire stations in schematic design beginning in June 2018 following verification of programming. The remaining two fire stations are anticipated to be completed by the end of 2020 or early 2021.

Ms. Kim reviewed the project budget. Construction costs for the programming stages are budgeted at \$22.5 million with all soft costs totaling \$32.9 million for all three fire stations.

Ms. Nowinski reported she serves as the Project Manager for the architecture team and would manage the three fire stations. She served as the project architect for the City of Seattle Fire Station 32 project, which was recently completed. The GC/CM project provided some lessons learned involving the GC/CM, which eventually resulting in the termination of the contractor. The project was rebid for construction. Her previous experience has been on the general contracting side.

Mr. Cline thanked the panel for considering the project application. He is seeking the panel's approval of the GC/CM application, as the project will be significant for the City of Tukwila representing the single largest capital project of the City's major public facilities. Two thirds of City staff will be housed in earthquakes safe facilities within the next five years. The projects are strong candidates and the City believes it meets the criteria. The City has a strong history of building successful capital projects and has assembled a team with great GC/CM experience. Mr. Cline asked the panel to approve the application and invited questions.

Panel Chair Hillinger invited questions from the panel.

Ms. Zahn said she is trying to understand why GC/CM/CM would be appropriate, as the project is comprised of three fire stations that would be built on greenfields. She is trying to identify the complexity of the general contractor piece versus the complexity of design for all the systems in the fire stations. It is possible to have a complex design but it does not necessarily always lead to a GC/CM as the right delivery method. She is also struck by the response on the lessons learned from the Seattle Fire Station project whereby a GC/CM/ was selected based on robust subcontractor coverage. A GC/CM by its nature is a low bid for those components unless MC/ECCM is pursued. She does not understand how the GC/CM delivery method fits the project and why Design-Bid-Build fails to meet the City's needs.

Ms. Kim responded that she believes for the City of Tukwila the five projects within the program are the most ambitious in its history and the City would like to ensure quality of construction and quality management of public dollars to the extent possible. The City considered grouping the three fire stations together so that it meets the criteria for GC/CM by having one contractor managing a \$22.5 million project. Additionally, the City's situation with one site owned enables design work to begin on the first fire station while design is delayed on the remaining two stations to enable the City to take the characteristics learned from the first design and apply it to the design of the remaining fire stations. It is inherently built into the GC CM partnership nature of the delivery system. The City is seeking approval of using the GC CM delivery method for this project.

Ms. Zahn questioned how the GC/CM would fix the fee when the scope is evolving. Her concern is combining the stations to satisfy the GC/CM criteria within the RCW. Rather, there should be a right fit rather than a forced fit. She wants to understand the specific risk the City is trying to satisfy by pursuing the GC/CM delivery method for the project.

Mr. Weinstein advised that the intent is starting on the first fire station and collaborating with the GC/CM to work through an analysis of all systems for not only costing and constructability. Although the projects are small, the stations are very sophisticated. The architect team has experience in working with a GC/CM through the selection details. The team would be able to calibrate its ambitions as architects to satisfy the program against the realities of the marketplace by working hand-in-hand with the GC/CM. It is not a process that is possible through traditional Design-Bid-Build. The intent is establishing the architect's ambitions within the performance requirements and working with the general contractor to tune those ambitions to the right outcome to meet the budget, and applying that knowledge to the remaining fire stations as opposed to beginning the process anew for each station. The team could apply lessons learned from the first fire station through Design-Bid-Build, but it would be too late in the process, as those lessons would need to be identified earlier and prior to the design process for the remaining stations. He believes his team is comprised of very capable architects who are supported by very good consultants but at the same time the team does not know all the answers or how the construction market might consider the assemblies of the stations at any one time. For the greatest assurance that ambitions are calibrated to the marketplace, the team would like to receive market input continuously throughout the design process, similar to private sector projects. Because of the essential overlap in the schedule, the team does not have the luxury of waiting for the outcome of the first station before starting the second station project. He is hopeful that the explanation is an adequate response. The other aspect that he has found over time is that when municipalities have certain ambitions, they need to be able to assure citizens that the outcome will be achieved of three completed fire stations at the promised price. Obtaining early cost and constructability input is the only way he knows the City would be able to assure citizens that it would be possible. The intent is to avoid a bid bust and then having to re-calibrate the scale and ambitions of the remaining two fire stations.

Ms. Zahn replied that the GC/CM delivery method does not provide a guaranteed no bid bust because outside of the MC/CM and GC/CM everything else is low bid. Mr. Weinstein explained that the team is not seeking guarantees but rather subcontractor input recognizing that there would be competition between the subcontractors. Often, a key essential subcontractor has been identified by their proposal or willingness to work with the general contractor. The team needs to have the right people at the table working with the team to give the team advice about the outcome.

Ms. Kim added that part of the pressure is coming from the current Seattle local bid market where real-time subcontractor feedback is very valuable and enables approaching the owner to adjust the budget and/or scope as the process is moving through the design phase, which is not possible through the Design-Bid-Build process. The City Council elected to apply for the GC/CM process when the benefits of the GC/CM method were presented to the City Council.

Ms. Semenova remarked that she is also very confused as to why the City is applying for the GC/CM because cost savings is not a criterion for GC/CM. Learning from the first experience to apply to the remaining stations is not part of the criteria. She asked the team to identify the criteria the project meets.

Ms. Kim replied that the team believes the fire station projects are complex projects that need much coordination with the end users, contractors, and architects to identify streamlined systems for the buildings. Ms. Semenova pointed out that many fire stations have been constructed using Design-Bid-Build that were as complex as the proposed fire station projects. Ms. Kim agreed, but noted that the City of Tukwila wants to ensure the three fire stations have very evaluated systems and easy to maintain with minimal effort as the City does not own many buildings in the City and consequently maintenance staff is limited. The City wants to participate in the design process and learn from it to apply lessons to the remaining stations to produce three stations that are ideal for operating with minimal staff.

Ms. Semenova questioned why the first station could not be pursued as a GC/CM project and then complete the second and third stations by Design-Bid-Build. She is having some difficulty in how the City would be able to price the first station when the City has not identified sites for the remaining stations. Ms. Kim said in terms of pricing, the team would not be negotiating pricing for the three stations at the same time, but would negotiate the price for the first station in one phase and complete the remaining stations in the second phase.

Ms. Zahn said it does not satisfy the RCW, as a fixed GC is required for all three stations. Ms. Kim replied that the fee and the GC will be bid based on the program estimate that has already been established for all three projects. However, the specific MACC and the TCC would be amended after all bid packages have been bid out to 90% construction documents. The bid will be opened for the fees and the GCs based on all three construction projects because the team has already vetted the three programs and established an estimator's number for the MACC, which could be bid on by the proposers.

Ms. Semenova asked whether the sites have been selected. Mr. Cline advised that three sites have been identified for the remaining two stations. The Council is scheduled to make a decision on the sites within several weeks. By September, the Council will provide direction on the specific sites to move forward. An aggressive schedule has been established to select the two sites. Fire Station 51 is located on site over three acres in size.

Ms. Semenova asked the team to identify how the project meets the criteria. Ms. Kim reported the construction cost is more than \$30 million.

Panel Chair Hillinger asked the applicant to review the section in the application that speaks to how the project meets one of the criteria in the RCW for GC/CM, specifically how the project involves complex scheduling, phasing, or coordination, what are the complexities, and why the involvement of the GC/CM is critical. Panel Chair Hillinger said the presentation has covered system staggering, budget phasing, and lessons learned. However, the applicant should explain what is critical about having a GC/CM onboard.

Ms. Kim replied that having the GC/CM onboard is critical for the three staggered and phased projects to reflect the real-time subcontractor pricing to meet the budget and schedule to deliver the three projects. In terms of the technical side, fire station systems are complex and the City of Tukwila has limited resources for maintaining the facilities. The City would like to be involved in the design and construction of the fire station projects. It is a very intrinsic process to deliver the fire station projects together as one family of stations. It would be a better fit utilizing a GC/CM delivery method rather than having three different contractors that are staggered in phasing time.

Panel Chair Hillinger asked for an example of a system that would be critical. Mr. Weinstein explained that the fire stations would all be a steel-framed, one-story building. There is nothing inherently difficult with respect to the structural system. However, the mechanical systems are important in terms of energy efficiency for radiant slabs, air conditioning, coordination of ventilation systems for apparatus exhaust, and washing of fire vehicles inside the apparatus bays requiring some special slabs, which speaks to the importance of having immediate feedback from the general contractor to insure all planned systems are efficient to the degree possible. It would be possible to vet two or three alternative strategies for the systems. After selection of the primary system, the team is confident it would be the best value for the owner and the best one for lifetime maintenance. It would also be necessary to initiate schematic design on Fire Stations 52 and 54 during design development or contract documents for Fire Station 51. It would be important to apply lessons in real time from Station 51 to Stations 52 and 54. A traditional Design-Bid-Build would require completion of Fire Station 51 before there was certainty on Fire Stations 52 and 54. He appreciates the position of the panel and although the project is not a hospital or another complicated building, the project is technically challenging. There are unique aspects of the building that are comparable and after completing a fire station using Design-Bid-Build, he has found that quite often there have been real challenges in providing the appropriate cultural of the low bid general contractor to the technical finesse required for the buildings. He cannot say with uniformity that he has not experienced great success with low public bids, but in fact, has had much better luck with the GC/CM process where there was an ability to have an understanding of what the needs would be early and the ability to work together. He is unsure whether the explanation fits the criteria exactly but that the best outcome he has experienced for complicated buildings has been through the collaboration that goes from the beginning to the end. He believes that because of the implementation strategy, it would be very effective for the general contractor who is the collaborator on first to be able to work with the team on the second and third stations even to the point of assisting in the evaluation of the technical challenges on certain sites. The team needs the input from the general contractor to assure the owner that it is receiving the best value.

Mr. Boyd inquired as to whether Stations 52 and 54 are located on vacant property. Mr. Cline replied that the three major sites under consideration are located within a built-out community. Some of sites would require removal of existing structures and one of the sites is undeveloped. Mr. Boyd inquired about the site for Fire Station 51.

Ms. Kim replied that Fire Station 51 would be constructed on a vacant lot.

Mr. Boyd asked whether the team, in the process of packaging the three projects, considered seeking buy-out opportunities to help the three stations maintain or meet the budget. Mr. Cline and Ms. Kim replied in the affirmative. Mr. Boyd asked whether the applicant considered EC/CM or MCCM for the mechanical systems and the electrical systems. Electrical systems can be complicated in terms of telecommunications and technology that are inherent in fire stations. Ms. Kim affirmed that the team considered both processes but that selection of the GC/CM would be required to consider those options. The team is seeking all opportunities to streamline the three fire station projects with consistent systems and bid package advantages to respond to the bid market in real time.

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

Panel Chair Hillinger invited deliberations by members and a recommendation.

Mr. Boyd expressed concerns about the application for GC/CM based on the six criteria required for approval. The panel is tasked to approve the application based on the six criteria. Another issue is whether the team has the ability to manage the project with current staff. He firmly believes the team is experienced based on the experience of Mr. Weinstein's previous GC/CM work and the positioning of Mr. Goldblatt with the City Council to ensure issues are addressed to ensure the GC/CM and teams are rewarded. The architect is also experienced with prior GC/CM projects. His concern surrounds how the project meets the criteria in the RCW. He also wanted to ask how the team would benefit from any lessons learned during construction because there is limited construction overlap between the buildings creating a limited opportunity of gaining lessons learned applied only during the design process.

Ms. Semenova said she is having difficulty in determining how the project meets the criteria. She is also concerned about phase 2, as the owner has not secured the sites at this point. She questioned what might result if the purchase of land failed. There are some issues in how the projects are combined just to qualify for GC/CM.

Mr. Brossard added that during the presentation, information was shared on the inability to set the MACC with the GC/CM for another recent fire station project. The presentation did not cover any response to the question of how the GC/CM delivery method would solve that problem or address the problem other than going to the "next bidder." It speaks to what the architect conveyed about working with GC/CMs and trying to find the most efficient solution. His response was very good and he appreciated the explanation; however, for a project that is 10,000 square feet in size, he is having some difficulty in terms of understanding how the project meets the criteria in the RCW. He would need for information.

Ms. Zahn said she also struggling somewhat with the different roles of team members and how everything works. The application reflected that Mr. Goldblatt would work as the owner's representative but during the presentation, Mr. Goldblatt was reflected at the top of the organizational chart reporting through the Public Works Director and the City of Tukwila City Council. Ms. Kim noted the organizational chart in the presentation was in error. Ms. Zahn said it appears that Mr. Goldblatt has shifted his role and is not tied so much to the project team, which is concerning. Secondly, there was no information on how City staff would pursue GC/CM training and how coaching would function. The conversations and questions about the MC/CM and the EC/CM did not provide her with confidence that the consultant understood what the panel was asking. She has concerns about that as the consultants are providing the City with subject matter expertise. The panel has reviewed many GC/CM applications where the owner understood the GC/CM process. The City does not appear to understand the GC/CM process.

Mr. Boyd agreed with the Ms. Zahn's assessment of the latter statement.

Mr. Talcott said the message he received from the presentation was that the team wants to capitalize on the benefits of having a contractor throughout the design process. That may not actually fit with one of the criterion.

Panel Chair Hillinger said he found the application difficult to understand, which is why he asked the questions. The answer provided about the different systems began to clarify that the systems do not need to be as critical in terms of meeting project objectives to reduce system maintenance. It took some explanation to convey that intent. The discussions on whether the project involves a greenfield site or a developed site is not one of the criterion needed for project approval. Ultimately, the issue is whether the project meets the criteria, as the team is qualified with the consultants having much experience. This application is a tough decision because of the difficulty of following the application.

Mr. Boyd referred to Ms. Semenova's comments specific to lessons learned from the second and third sites. Perhaps after receiving approval, the schedule might better define the phasing aspects and the complexity of how to design and benefit all three projects as one project, which might be a more plausible solution.

Mr. Ottele said that for him, building one new station might not be super complex. However, the desire to use real-time lessons from the first one and apply it to the remaining fire stations is what probably makes it more challenging because there are some systems that figure into the complexity. He understands the desire for one GC/CM to determine the best solution. He really does not view the project as meeting the criteria for a complex project.

Mr. Brossard said the presenters consistently stressed the importance of the involvement of the general contractor/construction manager during the design stage as critical to the success of the projects.

Panel Chair Hillinger suggested the panel should consider the panel's evaluation checklist. His major issue is project criteria and although the questions and answers took some time, he believes there are critical components the GC/CM could apply at least in terms of achieving project success. In terms of the systems, he believes there is complexity and supports the application. However, it has taken him some time to reach that conclusion.

Mr. Broussard said he considered the public benefit and whether the City would be better off bidding the project as Design-Bid-Build or pursuing GC/CM. Based on his perspective from the contracting world, he would support the application but agrees with Mr. Hillinger that it took some time to reach that conclusion. It is the only application he's reviewed all day that has generated so many questions. It took a long time to get there but after reviewing the RCW and considering what was conveyed during the presentation, he believes the City has technically met the criteria and he could support it.

Ms. Zahn said she understands the comments about the appropriateness of the project but she would prefer that the City of Tukwila consider outreaching to Central Valley School District to seek more knowledge from another experienced owner. She is struggling, as she is not as comfortable with the skill sets for the project.

Ms. Semenova agreed as she has concerns that the public body does not have the GC/CM experience.

Mr. Boyd said the applicant is seeking GC/CM procurement by September 2017. The PRC is meeting in August. The City could reapply and still meet its project schedule. Additionally, the City might have more information on the land acquisition at that time.

Ms. Zahn said it might be possible for the City, pending approval, to make some modifications to the application.

Mr. Boyd cited a "what if" scenario of the City unable to acquire land in a timely manner after the panel has approved a \$32 million project for one fire station of 9,500 square feet. He suggested supporting a vote recommending the City reapply, adjust the presentation, and address the questions about how the project would benefit from GC/CM.

Ms. Semenova supported the suggestion because should the City acquire the second site, it would change the presentation. Other owners have successfully completed fire stations using Design-Build. She would like to know whether the owner considered using Design-Build instead of GC/CM or whether the City considered all three delivery methods and why the City believes GC/CM is the best option.

Panel Chair Hillinger cautioned the panel that approval is based on whether the application meets the criteria as presented. Rendering a future decision on unknown factors is not the job of the panel. The panel has a limited role and it is not based on whether it is a good application. The decision is based on whether the applicant has presented sufficient information to enable the panel to render a decision and verify through the checklist whether the project meets one of the six criteria and has the staff or consultant expertise to execute the project successfully.

Mr. Nakamura commented that one of the answers by the applicant indicated the City is currently in discussions with the City of Seattle to learn more about its GC/CM experience.

David Talcott moved, seconded by Mark Ottele, to approve the GC/CM application from the City of Tukwila for the 3 Fire Station Replacement project. Motion failed (4/4).

Panel Chair Hillinger recessed the meeting at 2:31 p.m.

Centralia School District – Fords Prairie & Jefferson Lincoln Elementary Schools – GC/CM

Panel Chair Janice Zahn reconvened the meeting at 2:35 p.m.

Panel Chair Zahn reviewed the presentation and timing format to consider the GC/CM application from Centralia School District for the Fords Prairie & Jefferson Lincoln Elementary Schools project. PRC panel members Janice Zahn, Kurt Boyd, David Brossard, Yelena Semenova, Howard Hillinger, Jason Nakamura, Mark Ottele, and David Talcott provided self-introduction.

Dan Chandler, Principal, OAC Services, said he is serving as program management consultant for the Centralia School District. Mark Davalos, Superintendent, Centralia School District, was unable to attend the presentation because he is recovering from surgery. Mr. Chandler assured the panel that the School Board and the Superintendent are very engaged in the process. Centralia School District is a small school district with the Board directly involved in all decision-making to include designating the delivery method for projects.

Mr. Chandler reviewed the presentation agenda and thanked the panel for its time.

Kasey Wyatt, OAC Services, said she serves as the Program Manager for the Centralia School District. She reviewed the staffing plan and the project team. She shared information on the combined expertise of OAC Services, the School District, and the design team. The School Board has high level decision-making authority and serves as the entity approving all contracts. Superintendent Davalos will lead the effort for the school projects and will present recommendations to the School Board as he reports directly to the School Board. Mr. Davalos has substantial capital project experience. When he served as Principal at Sprague High School in the Salem School District, he led programming for the district's modernization project. Following that assignment, Mr. Davalos served as the Deputy Superintendent for Portland Public Schools where he oversaw all capital projects.

Phil Iverson is the Director, Facilities & Maintenance, Centralia School District. Ms. Wyatt said she reports to Mr. Iverson. Mr. Iverson has experience with alternative delivery and was a project manager at Montana State University responsible for two large GC/CM projects comprised of the Student Union Building and a Fitness Center. He is a 20-year veteran of the construction industry.

Andrew Greene, Legal Counsel, Perkins Coie, is responsible for developing all contracts for A&E and GC/CM, as well as advising the School District when needed.

Ms. Wyatt reported that as the Program Manager, she would be involved in the entire program to include a high school project and two elementary schools. She is a graduate of Fords Prairie Elementary School and Centralia High School and brings much passion to the projects. The projects are personally important to her and she believes GC/CM is the right delivery method for the projects.

David McBride, Project Manager, OAC Services, participated in training through the AGC GC/CM training session in June 2016. He also has participated in three of Tahoma School District's GC/CM projects. Mr. McBride also worked with Clover Park School District on the Evergreen Elementary School GC/CM project.

Cynthia Balzarini, Project Engineer, OAC Services, previously worked at Clover Park District in the Facilities Department and was involved in the programming of six elementary schools for the district.

Stuart Young, Principal-in-Charge, BCRA, has completed five GC/CM projects. Four of the projects were Joint Base Lewis-McChord elementary schools. The fifth project is the Point Defiance Zoo and Aquarium project currently under construction.

Ms. Wyatt reviewed the depth and years of combined experience of the project team. The majority of her experience is in education projects. Mr. Young has over 31 years of experience with extensive GC/CM experience. Mr. McBride has 12 years of industry experience. Heather Hocklander, Architect Project Manager, BCRA, is an experienced GC/CM practitioner and is involved with the Joint Base Lewis-McChord schools and Point Defiance Zoo project. She has worked for the Tahoma School District on its GC/CM renovations project.

Mr. McBride reviewed how the project is suited for GC/CM and how it meets the criteria in RCW 39.10. The project meets the GC/CM criteria for three reasons:

- Complex phasing and scheduling
- Occupied site
- Involvement of the GC/CM is critical

Both sites are small. Fords Prairie Elementary School is located on a site that is less than seven acres and Jefferson Lincoln Elementary School is on a site that is less than four acres. Both sites will include the addition of larger schools with configuration changes with the construction consuming a large portion of the sites. At both sites, construction will encroach on occupied sections. Another critical element is demolition, completing construction, and moving students into the new buildings during the last summer of the construction schedule. Both projects have similar budgets but both budgets are constrained. Because of current market conditions, having the GC/CM early will benefit the design process and ensure the project remains on budget. The scope of the project for both schools includes larger buildings constructed on occupied sites.

Mr. Iverson reported Fords Prairie Elementary School was built in the 1950s with several additions over the years. All School District facilities are aging with the average age of buildings at 69 years. Most of the building components in Fords Prairie Elementary School are due for replacement. The mechanical systems include the Mannix System with most systems obsolete. The electrical systems are outdated and under capacity. The need is substantial to renovate all schools. The scope of the project was enlarged because the community does not want the use of portable classrooms. Portables at Fords Prairie Elementary School are at the point where they would need to be replaced if the use continued.

Mr. Young reviewed the site plan for Fords Prairie Elementary School. He outlined the location of the new school, bus areas, and drop off areas. The School District is considering a three-story structure and having the GC/CM will help the District make decisions. He outlined the laydown areas and how the site might be staged. The site is very constricted and would benefit from having the participation of the GC/CM to help develop strategies for phasing.

Mr. Iverson said Jefferson Lincoln Elementary School is another older facility with multiple problems. As the School District considered the projects and the best way to proceed, the School District undertook a selection process and selected OAC Services. OAC Services is invested in the community with several of the team members as alumni of the Centralia School District. OAC Services has a strong track record of successfully completing projects under budget and on schedule.

Mr. Young reviewed the preliminary site plan for Jefferson Lincoln Elementary School. The site is also constrained. Although both sites are constricted, the new schools were easily placed. Some occupied space will need to be considered

in the interim during new construction. However, for the most part, the main body of the existing school will remain intact during construction.

Mr. Chandler added that OAC Services has experienced much success in bundling elementary schools to the greatest extent possible because of similar systems, same types of schools, and similar exteriors and mechanical systems. The projects are staggered on the schedule to enable good workflow and maximize economy of scale and efficiency for subcontracting. OAC Services has managed three pairs of projects for Clover Park School District and has experienced much success.

Ms. Wyatt spoke to how the GC/CM is critical to the design. As previously mentioned both sites are constrained and having the opportunity to have a contractor as a partner to develop logistic plans for delivering education during the construction process will be important when the sites have so many constraints. Having the involvement of the GC/CM will provide the depth of expertise on staging and phasing to keep students and staff safe while minimizing impacts and disruptions to teaching and learning.

Mr. McBride said the schedule covers a two-year period for both elementary schools with construction slightly staggered. If the project is approved for GC/CM, the School District will issue the RFP next week with a goal to hire the GC/CM by mid-September 2017. At that point, the School District would be partly completed on specifications and schematic design with design development scheduled during the winter and construction documents and permitting through spring 2018. Construction is scheduled during summer 2018 with fall 2019 occupancy of both schools.

The budgets for both schools are similar with differences based on demolition costs for both buildings. The services and contingencies are established at 5% and based on a percentage of the construction cost. Both projects are more than \$27 million. Both budgets are sufficient but it will be important to have the GC/CM involved to ensure the design fits within the budget.

Mr. McBride said he is hopeful the presentation has demonstrated that not only does the project meet multiple criteria, the School District has demonstrated it has an experienced and dedicated team.

Panel Chair Zahn invited questions from the panel.

Mr. Hillinger asked about the authority/decision-making for change orders and the chain of command. Ms. Wyatt said that as the Program Manager, she would serve as the person negotiating the GMP and would work directly with Mr. Iverson. Mr. Davalos has a signing authority of \$600,000. Mr. Iverson's signing authority is \$150,000. Any amount above those authorities would be approved by the School Board. After the GMP is executed, the project manager would have the authority to negotiate the use of the risk contingency or review and approve the use of the risk contingency at the contractor's request. She would discuss any owner changes with Mr. McBride and Mr. Iverson and the team would make a recommendation to the Superintendent. Mr. McBride reports to her and she reports to Mr. Iverson.

Mr. Talcott asked about the status of schematic design. Ms. Wyatt responded that the design is at the conceptual stage with preplanning and programming beginning with the School District with schematic design scheduled in August. Mr. Talcott asked whether the conceptual plan has revealed that both sites would work for both schools. Ms. Wyatt said that for efficiency of scale, the School District considered vertical construction because the sites are constrained. The intent is to take advantage of the opportunity to have the same details on both projects. Mr. Young added that some time was spent on the site plans to ensure the projects would fit because of site constriction concerns. He is confident that the prototype will work for both sites.

Mr. Chandler added that both sites are relatively flat with no grade changes. The City of Centralia's relationship with the School District is very good.

Ms. Wyatt said Kim Ashmore was a past president of the School Board and is the current director for the City of Centralia's stormwater division. He has much capital project knowledge. He is also the liaison to the School Board for the City's capital projects team. Bob Fuller, another Boardmember, has been a member of the School Board since she

was in high school. He also serves as another liaison and has participated in a number of selection committees for project management and the A&E teams. He will also serve on the selection committee for the GC/CM.

Mr. Hillinger asked for feedback on the biggest risks facing the School District for both projects. Ms. Wyatt replied that the main risk is the market, market saturation, pricing and ensuring the District has adequate contingencies in place, and ensuring solicitations to subcontractors by the GC/CM to have some cost predictability in the estimates as the process proceeds.

Mr. Boyd acknowledged that the District has surrounded itself with good consultant experience. He asked whether the School District has considered GC/CM certification or has a willingness to learn more about the process. Mr. Iverson replied that during his time at Montana State University he learned the trade and became involved. He aspires to continue his education throughout the process of selecting the project manager. He anticipates applying in the fall.

Mr. Boyd said the City of Centralia, although centrally located in the state, is remote from the construction industry. He asked about the status of any outreach to contractors. Ms. Wyatt said the team contacted several K-12 GC/CM contractors. Those outreach efforts will continue. Though the City of Centralia is located off Interstate 5, it is not located in the area where there are many general contractors. There are a number of general contractors in the Olympia area and one major general contractor in the Centralia area. All of the general contractors contacted have expressed interest because they would rather travel south rather than north.

Mr. Chandler added that Centralia College has recently completed some significant projects. There are several significant commercial construction projects underway in Centralia that hopefully has attracted some good subcontractors.

Ms. Semenova asked whether the School District has bonding in place for the project. Mr. Iverson reported the School District sold its bonds. Ms. Wyatt added that the School District sold \$74 million in bonds in June 2017 and there is an additional \$30 million in school construction assistance that the School District anticipates receiving. Ms. Semenova asked whether those funds are included in the capital budget. Ms. Wyatt said those funds have not been included in the capital budget this year.

Mr. Boyd asked whether the team plans to pursue a PLA for the project. Ms. Wyatt said the option has not been ruled out; however, it is not an item under discussion at this point based on the tightness of the budget. It was also not considered during the budgeting of the bond.

Mr. Greene said the issue was a good question and warrants some additional discussion especially based on the current market. Mr. Boyd said the option also affords the ability to have a gateway fund for a contractor who wants to break into the GC/CM market.

Ms. Zahn asked about the extent of leadership buy-in for the GC/CM delivery method versus Design-Bid-Build or small works as there are some cultural differences in terms of the level of collaboration with the GC/CM. She asked about the level of the discussion and whether there has been any education of the School Board on the GC/CM delivery method. Mr. Iverson responded that there has much discussion and collaboration between staff and the School Board. The School Board received a presentation on the GC/CM delivery method. As a School District, leadership believes GC/CM is the right move and it is the best avenue to deliver what the community wants.

Ms. Zahn emphasized that when she considers Design-Bid-Build and the owner receives lump sum bid, there is much less transparency for the School Board versus the GC/CM method where often owners and policy leaders can experience some shell shock because of the level of transparency in terms of costs and activities. It is important to ensure the leadership and the School Board understands the GC/CM process because an open book and collaborative process can be somewhat surprising.

Mr. Chandler commented that he had wished Mr. Davalos could have attended the presentation as he is an experienced capital projects practitioner and has other capital project experience in Portland and with the Sprague School District. He asked many questions about the delivery method; however, he has been involved in many capital projects. He has

engaged in conversations with his peers about what is occurring in the educational environment with the broad expansion of GC/CM in K-12 to include many agencies becoming certified. There has been much cross talk and collaboration between superintendents and board members about the GC/CM delivery method. The School District is very active and the governance structure of the district enables engaged and active participation from the Board to the Superintendent to the project team. He has participated in presentations and discussions about the delivery method. When OAC Services was first hired, there was a major discussion about the cultural differences, expectations, and current market conditions. The decision to release two GC/CM projects of a high school and the elementary school concurrently was a strategic process. Bundling two schools was not an OAC suggestion. The strategy was thoroughly vetted for the pros and cons by Mr. Davalos, Mr. Iverson, Ms. Wyatt, and others.

Ms. Wyatt said the Washington State School Directors Association is an association of school board members. The School District has participated in many sessions on alternative delivery presentations at the association's conferences. School District Board members have asked many questions about the delivery method. Members have received education about the alternative and want a collaborative process as opposed to the Design-Bid-Build process.

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

Panel Chair Zahn invited deliberations by members and a recommendation.

Ms. Semenova said she believes the School District is qualified to pursue the GC/CM delivery method for the project and supports approval of the application.

Mr. Hillinger said the project meets the RCW criteria, the School District has spent time considering the delivery method, and it has established a qualified team. He believes the project represents a good application for GC/CM delivery.

Mr. Talcott said it appears the School District has discussed the GC/CM process and has a good idea of what the District will be pursuing. Although the School District might not fully comprehend the method, leadership has been exposed to the process.

Mr. Brossard said the application was well developed and based on his experience in building many elementary schools and other projects and considering the site diagrams, he would not want to see the project pursued under any other delivery method. He supports approval of the application.

Mr. Nakamura agreed with the comments.

Ms. Semenova noted the schedule, as presented, is very reasonable. She expressed appreciation that the team afforded adequate time within the schedule.

Mr. Brossard said that having personally been through a similar situation of a school district expanding from 10,000 students to 27,000 students, one thing that was lacking and he would strongly suggest the School District consider is developing a way to manage the input from the teaching side especially in an environment where costs are skyrocketing and the district will face challenges in meeting its budget. The School District will receive a tremendous amount of input from teachers who will have new facilities. It would be in the best interests of the School District to manage that input.

Mr. Boyd said the presentation was very concise and the School District has surrounded itself with qualified consultants. He supports approval of the application.

Kurt Boyd moved, seconded by David Brossard, to approve the GC/CM application from Centralia School District for the Fords Prairie & Jefferson Lincoln Elementary Schools project. Motion carried unanimously.

Adjournment

With there being no further business, Vice Chair Zahn adjourned the meeting at 3:10 p.m.

Prepared by: Valerie Gow, Recording Secretary, Puget Sound Meeting Services