

## City of Oak Harbor

### PRC Application

### Heavy Civil GC/CM

### PRC Questions with City of Oak Harbor Responses

1. Please explain why the Heavy Civil GC/CM contracting procedure is appropriate for this project.

**Response:** The recently passed HB 2208 defines Heavy Civil Construction Projects as: *a civil engineering project, the predominant features of which are infrastructure improvements.*

The Clean Water Facility is an infrastructure improvement for the conveyance and treatment of municipal wastewater for the City of Oak Harbor. The project would benefit greatly by the expanded authority and flexibility for negotiated self-performed work including excavation, complex shoring and dewatering, underground utilities, extensive concrete work, equipment installation and piping, depending on the capabilities of the selected GC/CM.

The City of Oak Harbor is seeking to take advantage of the GC/CM method to help plan the work, mitigate risk and take advantage of industry specialists in wastewater treatment.

2. Please provide a description of your organization's qualifications to use the heavy civil GC/CM contracting procedure.

**Response:** The project team represents a strong combination of skills and experience in wastewater treatment, large heavy civil projects and GC/CM execution. **Joe Stowell**, City Engineer has extensive heavy civil project experience including the \$100M Reno water improvement project. Joe and his direct report **John Piccone** both recently completed AGC GC/CM training.

**Brian Matson**, the design team Project Manager, specializes in wastewater treatment planning and construction projects. Over the past 10 years he has managed or overseen three separate GC/CM or CM/GC heavy civil wastewater projects in Washington and Oregon with a combined constructed value of \$175 million.

**Dan Chandler**, OAC Principal has managed or supervised 23 GC/CM projects valued at over \$1B since 2007 including projects with extensive heavy civil components including mass excavation and underground utilities. In addition, Dan has directly overseen many heavy civil projects on behalf of clients including bridges, mass excavation, large water lines, street improvements, paving and signals.

**Dick Prentke**, Perkins Coie Partner has developed contracts and advised public owners on dozens of GC/CM contracts including many projects with large civil components. Dick and his staff are thoroughly familiar with the new statutes and have advised the City on application to the Clean Water project.

3. Please provide a more complete project budget per the application form format. What is provided is insufficient to determine its appropriateness. Additionally, it is in 2011 dollars. It should be updated to what is available to execute the project in the timeframes projected in section 4 of the application.

**Response:** Additional budget breakdown is shown below.

	2011 <sup>(1)</sup>
Estimated Construction Cost (Treatment Plant & Outfall) <sup>(2)</sup>	\$38,000,000
Estimating/Owner Contingencies <sup>(3)</sup>	\$12,400,000
Washington State Sales Tax	\$3,300,000
<b>s/t (Treatment Plant and Outfall Construction)</b>	<b>\$53,700,000</b>
Offsite Costs	n/a
Other Project Costs (Land Acquisition)	\$2,000,000
Professional Services (AE, Legal, etc.); Owner Administration Costs	\$12,000,000
<b>Total approved budget</b>	<b>\$67,700,000</b>

- (1) Shown in 2011dollars per approved Facilities Plan.
- (2) Includes equipment and furnishings.
- (3) Minimum 5% Owner contingency retained at construction NTP

Escalation of the total project cost for the proposed schedule was developed during the facility planning stage and is currently estimated at \$78.9 million total project cost.

The City is also actively tracking project costs and predicted expenditures with a cash flow analysis that is regularly updated as the project progresses.

4. In section 4 of the application, under Project Milestones:
  - a. Please clarify if Preliminary Design is equal to completion of 30% drawings?

**Response:** Yes, Preliminary Design is intended to be equal to 30% completion of the construction documents.

- b. Where is 90% completion of CD's and 100% completion of CD's?

**Response:** The current schedule shows 90% documents complete in October, 2015 and 100% documents complete in December, 2015. (See attached schedule for more detail.)

5. Outside of OAC, please explain what GCCM experience or training any of the proposed team members have?

**Response:** Joe Stowell and John Piccone both completed AGC's GC/CM training in January 2014. Brian Matson is a veteran of two GC/CM projects in Washington and a third CM/GC project in Oregon. Dick Prentke at Perkins Coie has developed contracts and advised public owners on dozens of projects and many more GC/CM-like private contracts.

6. Schedule outlined allows approximately 2-1/2 weeks (March 28, 2014 to April 14, 2014) for preparation and submission of the GCCM's RFQ. This would seem quite short for a project of his magnitude. Please discuss

**Response:** Subject to PRC approval, the planned due date is now April 18, 2014, providing responders with 15 business days from first advertisement. The RFQ is intentionally straightforward requesting limited information including Relevant Experience, Proposed Team and Proposed Approach. The City is flexible with the due date for SOQ's and will extend the date if necessary to promote the broadest coverage possible from interested firms.

7. You have indicated that you intend to deliver the project as a Heavy Civil project as defined by HB 2208. Does your schedule appropriately reflect the timing of its enactment into law?

**Response:** Yes we have considered the impact of the new statutes on the schedule. HB 2208 was signed by the Governor on March 19 and will become effective on June 12, 2014. The current schedule reflects a plan to negotiate the first work package affected by the new statutes, site excavation, in early 2015 well after the effective date of the statute.

While not required to be considered elements for PRC application approval, for heavy civil these questions will need to be clarified at the RFQPA stage. Please give some thought and be prepared to discuss:

8. The minimum percentage of the cost of the work to construct the project that will constitute the negotiated self-perform portion of the project.

**Response:** Our plan is to list a small "minimum percentage of the cost of the work", perhaps 5%, as "negotiated, self-performed work". Stating a small percentage at the time of solicitation will provide the project with maximum flexibility to award the various portions of the work in the best interest of the project based on the capabilities of the GC/CM, potential subcontractors, and the specific risks and opportunities presented.

9. Whether the public body will allow the price to be paid for the negotiated self-perform portion of the project to be deemed a cost of the work to which the general contractor/construction manager's percent fee applies.

**Response:** Our current plan is apply the fee to the total cost of the work including negotiated self-performed work. We also plan to include specific incentives to allow the GC/CM to earn additional fee for performance. We plan on discussing our approach to fees and incentives with short-listed respondents and clarify in the Contract and Request for Fee Proposal (RFFP) issued to finalists.

10. The proposer's fee for the negotiated self-perform portion of the project?

**Response:** As stated above we plan to apply fee to the total cost of the work including negotiated self-performed work and provide specific performance-based incentives to support contractor fee enhancement based on value earned to the City. Our team's collective experience in the private sector application of self-performed work and incentives will be applied within the statutes.

11. When a public body has elected to procure as a heavy civil construction project under this chapter, at least thirty percent of the cost of the work to construct the project included in the negotiated maximum allowable construction cost must be procured through competitive sealed bidding in which bidding by the general contractor/construction manager or its subsidiaries is prohibited. Please provide insight on how the project team will manage the GC/CM procurement process to monitor, manage and ultimately insure this requirement is met.

**Response:** Our team will collectively determine the overall procurement plan including subcontract bid packages that the GC/CM intends to compete for directly. The overall procurement plan will be proposed by the GC/CM contractor early in the project cycle for review and approval by the rest of the project team.

Our current plan anticipates three, scope and price negotiations:

1. Site Preparation, including mass excavation, soil stabilization, shoring and dewatering systems, demolition of existing facilities, and other underground utilities and temporary facilities.
2. Treatment Plant Construction, including all systems to provide a functional treatment plant and conveyance
3. Site Restoration including landscaping and possible surrounding improvements

