Capital Projects Advisory Review Board
PROJECT REVIEW COMMITTEE
Northwest Carpenters Facility
First Floor Conference Room
25120 Pacific Highway South
Kent, Washington
July 28, 2016

Draft **Minutes – 2nd Floor**

MEMBERS PRESENT

John Palewicz, University of Washington – *Chair*
Rustin Hall, ALSC Architects, P.S. – *Vice Chair*
Ato Apiafi, Ato Apiafi Architects
Vicki Barron-Sumann, BarSum Consulting, LLC
David Beaudine, Heery International, Inc.
Kurt Boyd, Valley Electric
Jim Burt, King County
Steve Crawford, Issaquah School District
James Dugan, Parametrix
Neil Hartman, WA St BCTC (Telecon)
Howard Hillinger, Parametrix
Matt Lane, McGranahan Architects
James Lynch, Ahlers & Cressman
Mark Ottele, Granite Construction
Darron Pease, Pease & Sons, Inc.
Linneth Riley-Hall, Sound Transit (Telecon)
Yelena Semenova, Department of Enterprise Services
Mike Shinn, Shinn Mechanical
Rob Warnaca, Mortenson Construction
Janice Zahn, Port of Seattle

STAFF, GUESTS, PRESENTERS

Danelle Bessett, Department of Enterprise Services
Carl Brunner, Mount Vernon School District
Jim Evans, University of Washington
Brian Fitzgerald, TCF Architecture
Dave Flynn, Cornerstone General Contractor
Suzanne Gilbert, Mount Vernon School District
Phillip Goodman, Skanska General Contractor
Bryun Gormley, Cornerstone General Contractor
Tom Gow, Puget Sound Meeting Services
Valerie Gow, Puget Sound Meeting Services
Jeff Jurgensen, OAC Services
Debbie Massaro, Issaquah School District
Mick McDowell, Spokane Public Facilities District
Richard Moewe, Mount Vernon School District
David Mount, Mahlum Architects
Tom Mullins, Issaquah School District
Brian No, TCF Architecture
Royce Nourigat, Issaquah School District
Alan Nygaard, University of Washington
Robynne Parkinson, Thaxton Parkinson, PLLC
Forest Payne, Mahlum Architects
Jay Rowell, Central Valley School District
Ben Small, Central Valley School District
Larry Soehren, Spokane Public Facilities District
Steve Tatge, University of Washington
Kevin Twohig, Spokane Public Facilities District
Steve Walther, ALSC Architects

WELCOME, INTRODUCTIONS & RULE REVIEW

Chair John Palewicz called the CPARB Capital Projects Review Committee (PRC) meeting to order at 9:07 a.m.

Everyone present provided self-introduction.

Chair Palewicz reported another agency certification would likely be scheduled in September. For new members, the PRC typically coordinates some training/orientation. Because of the number of panels scheduled for this meeting, training might be offered during the September meeting for new members.

University of Washington – Recertification – GC/CM/Design-Build

Panel Chair Rustin Hall outlined the presentation format and timing to consider the certification application from the University of Washington for GC/CM/Design Build. Panel members present included Ato Apiafi, Vicki Barron-Sumann, David Beaudine, Kurt Boyd, Jim Burt, Steve Crawford, Jim Dugan, Rustin Hall, Neil Hartman *(telecon)*, Howard Hillinger, Matt Lane, James Lynch, Mark Ottele, Darron Pease, Linneth Riley-Hall, *(telecon)*, Yelena Semenova, Mike Shinn, Rob Warnaca, and Janice Zahn. A super majority affirmation vote is required to approve the application.

John Palewicz, Director, Strategic Programs, University of Washington, reported the application is for public body recertification for the University of Washington for GC/CM and Design-Build. The presentation will be combined for both delivery methods. Other team members providing self-introduction included Steve Tatge, Executive Director for Major Projects, Capital Planning & Development; Jim Evans, Assistant Director, Business Equity, Capital Planning & Development; and Alan Nygaard, Director, Business Services, Capital Planning & Development.

Mr. Tatge reported that Capital Planning & Development (CPD) is a new organization at the University of Washington (University). Previously, the Capital Projects Office (CPO) was the delivery arm for all University projects. CPD was established to improve management of a number of related units within the University, such as Real Estate, Office of the University Architect, Capital Planning, Budgeting, Business Services, Major Project Delivery, and Special Project Delivery for smaller projects. The CPO was comprised of three different groups delivering major projects based on specific criteria. Today, all groups have been integrated into one major projects group, which he leads. The new organization includes Mr. Palewicz, Jon Lebo, Director, Major Capital Projects, Troy Stahlacker, Assistant Director, and several experienced project managers and construction managers executing work on a daily basis.

Mr. Palewicz reported that over the last three years, the University either completed or initiated 22 GC/CM projects totaling $1.69 billion. The University has completed or initiated four Design-Build projects totaling $75 million in the last three years.

Mr. Nygaard said CPD strives to maintain a leadership role in terms of being a public owner in the design and construction industry. The University is a member of many associations and organizations and is active in participating in the industry. The University helps to strengthen the industry while the industry also helps to strengthen the University to ensure participation is mutually beneficial. It is important for the University to share its level of experience with other organizations by remaining engaged and participating with other organizations.

The University belongs to and actively participates in a number of large organizations across the country. Staff continually strives to share knowledge by sharing documents and information with other public owners and sponsoring training sessions. Mr. Palewicz conducts many of the training sessions. The University conducts an annual meeting for public owners on alternative delivery methods.

Mr. Palewicz added that University staff members have learned much from those experiences. Staff members have learned from mistakes during the vast number of projects and are very open in sharing that information. The University's methods are specific to the organization while other agencies may do things differently but within the RCW. It has always been a learning experience. Mr. Palewicz said he participates as a trainer in the GC/CM classes offered by AGC, and continually reviews the RCW and presentation information. Each class has generated different questions, which speaks to the ongoing learning environment.

Mr. Evans commented that similar execution of projects typically ended with the same results, which is why the University pursued a leadership role in business equity by taking some new approaches outside the norm. That included an overt and explicit commitment to business equity and inclusion of small, minority, and women-owned businesses. Today, there are approximately 280,000 minority and women-owned businesses in the state with 2,200 OMWBE certified. To be a leader, the University not only focused on certified firms, but uncertified minority and woman-owned businesses by proactively reaching out. In its 155-year history as an institution, the Board of Regents supported that effort by developing Policy #16. The University proactively tracks reporting and captures participation at the subcontractor level, as well as at the private contractor level. Using alternative public works has been helpful in terms of the University making a difference in business equity. During points within a project's lifecycle, the University is able to measure the success of participation by minority-owned businesses. The University's minority business utilization ranges from 2% to 22% in Design-Build and GC/CM projects. The University had previously been tracking consistently at 1% or less. By doing things differently, the University has been able to increase participation, as well as being more stringent and discriminating in the evaluation of bidders and proposers by looking at each company's historic participation levels of minority and women-owned firms, as well as the company's outreach plan and approach to generating more participation. Consequently, the University increased its 1% participation rate to 6% overall for projects delivered by alternative public works.

Mr. Palewicz referred to the panel's previous four questions. Because the questions were more of a discussion format, the team plans to address them individually.

1. *The Project Delivery Strategy matrix is a helpful tool. The matrix highlights some challenges with current RCW restrictions for DB and GC/CM. As one of the more experienced owners using these processes, does UW have any suggestions for revising any of the RCW 39.10 requirements to make the delivery method more suitable?*

   Mr. Tatge said CPD members are believers in leveraging expertise and knowledge of the contracting community and integrating that knowledge with the design team as early as possible. CPD has some specific tools available and is interested in adding specialty and trade contractors to the process as early as possible while maintaining a competitive basis. One idea is allowing "Design-Build" within certain bid packages within a GC/CM structure. That would entail releasing a level of documentation less than 100% CD (Construction Documents) but doable followed by a selection. The successful contractor would complete the design within its bid number. That scenario is a common practice within the industry and the CPD would like to emulate that to the degree possible. CPD is also interested in pursuing efforts to change dollar thresholds, as there is a limit in the dollar value for Design-Build that does not exist for GC/CM. The University is interested in pursuing similar dollar values for both methods, as it would provide flexibility both for business equity and in how design and construction are delivered.

2. *Please provide more information on the University's "management plan" (as noted in RCW 39.10.270) for alternative delivery projects following selection of the project delivery method.*

   Mr. Tatge reported in terms of how CPD manages the workload, the new organizational approach established a formal structural process for all projects moving forward to include major and smaller projects. Additionally, the Board of Regents render certain actions on major projects, such as approving the budget or approving the architect, etc. However, the bulk of the project is completed by CPD staff beginning with the Responsible Party. Typically, the Responsible Party is similar to a Provost who serves as the tie-breaker when the Project Team is unable to resolve an issue. Ideally, the University never exercises that option. The Executive Committee is comprised of key stakeholders of the project who meet monthly and receive updates on the progress and health *(budget, schedule, safety, business equity, etc.)* of the project. The committee's task is to steer the project. The committee also includes other representatives within the University. Most of the project work is completed by the Project Management Team with a Senior Management Team overseeing the project. The Senior Management Team includes the architect, contractor, representatives, and University staff who guide the work. The Senior Management Team includes a number of working teams, which can change dependent upon the project. Many of the teams have common members with their work guided by the Project Management Team.

3. *Does the University rely on outside contracted resources for the delivery of its capital program? If so, how does this reconcile with the RCW 39.10 requirement for "personnel with appropriate construction experience."*

   Mr. Tatge said the University occasionally relies on contracted staff to handle special needs or during workload peaks. More often, contracted assistance is required for technical expertise for a specific project. He cited an example of a project involving a renovation of a cleaning room. The University lacked the technical expertise amongst project and construction management staff. In that instance, the University hired a construction manager on a contract basis to manage the work.

   Mr. Nygaard added that beyond the construction and project management teams, the University has many other staff members who have the expertise in project delivery to include accounting, environmental, contracting, safety, business equity, and project controls team. A contractor who may not be familiar with the University is surrounded by staff members who are familiar with the University and the industry.

4. *I don't have any other than a suggestion to address lessons learned or significant issues that arose during past projects.*

Mr. Tatge commented that the University has completed several projects with many currently in progress. One lesson learned is the need to pay careful attention to adhering to an early established target budget for mechanical and electrical scopes. It is important to achieve the target value for the scope of work and the design must be at that cost. There might need to be some adjustments in scope as the project proceeds; however, the target budget should not change. The University has experienced a number of projects where the budget drifted as work advanced. Auditing the work is of importance to the University. The University sets up the audit structure early in the process and conducts a mid-point audit, as it has been helpful versus conducting the audit at the end of the project. Mid-point auditing enables the daylighting of any issues and course correct as necessary. The main lesson is ensuring the owner sets expectations for the culture of the project. If the goal is an integrated and high performing team, it is important to be very clear that it is the expectation with integration occurring at all levels.

Mr. Palewicz added that the University's Progressive Design-Build projects include one currently in progress and one completed. With so many shareholders involved with the University, the project team can be more involved differently than in a traditional or competitive design build by being involved in putting the project together and having the expertise of the designer, contractor, and the trades. The idea is having the experts help the University determine the scope of the project and budget. The most recent project completed began with a side study with the scope and budget presented to the Board of Regents to receive approval. After contracting with a Progressive Design-Build team, the team helped the University develop the project. In hindsight, staff should not have developed the project scope and budget for the Board of Regents until the Design-Build team had an opportunity to help staff develop the scope.

Pane Chair Hall invited questions from the committee.

Ato Apiafi remarked that the University's Design-Build and GC/CM record is obvious and he does not have any doubts whatsoever and is leaning for approval of the application. His question pertains to minorities as he represents minority companies. The University is one of the largest recipients of state and federal government funds and likely the largest and highest educational institution in the state, and in his opinion, one of the finest. However, he is disappointed as a member of the minority community that the University has been consistently below 1% in minority participation. Although, the University is making an effort to increase participation, he has been in the forefront of trying to open doors. He asked for documentation on the breakdown of the minority firms that constitutes 1% participation and any lessons learned on women and minority-owned business recruitment moving forward.

Mr. Nygaard affirmed he would be happy to share the information.

Mr. Evans added that the 1% participation is exclusively OMWBE certified firms. However, with the use of alternative public works, the University has discovered that participation by OMWBE certified firms has increased, as well as much greater participation overall by minority and women-owned firms. The University can provide more explicit information in terms of the names of the firms that are working on University projects.

Jim Dugan applauded the University's overt efforts for the inclusion plan. He asked for consideration of small local public agencies and K-12 agencies because as the market tightens and inflation increases, smaller entities are beginning to look at alternative delivery and seeking assistance in executing alternative delivery. Those are more opportunities for the University to teach and train even if only for early advice, as that would be helpful to the marketplace. The University is viewed as a leader having used the University's documents personally many times. Today, smaller groups are struggling to get started in addition to minority groups. He asked that the University consider that assistance when developing its inclusion plan.

Mr. Evans said the University has provided assistance to smaller entities. The University defines small business enterprises as being $7 million or less in annual revenue or 50 or fewer employees. They are part of the improved participation plan by the University.

Mr. Nygaard reported the University is sponsoring a training session on September 16 for public agencies. A notice of the training was mailed to all public agencies. The University conducts the low-cost training annually.

Panel Chair Hall commented that the industry is beginning to learn about integrated Lean project delivery. He asked for feedback on where the University believes the industry is headed.

Mr. Tatge replied that the head of the CPD is from Brown University and is a proponent of Integrated Project Delivery (IPD). The direction of CPD is to emulate those practices within the public works structure to the extent possible. One example is a new Design-Build contract that includes some IPD terms. Many of the features and behavioral or cultural aspects of that project delivery is a goal the University plans to incorporate within its practices.

Mike Shinn asked about the University's list of future projects for GC/CM and Design-Build. Mr. Tatge said many of the projects are not dependent upon state funding, which is a decreasing portion of the total cost of projects. The University submitted some predesigns to the state for a new Center for Advanced Materials and Clean Energy Technology. The University's Bothell campus completed an academic lab building several years ago. The University recently submitted to the state a pre-design for another lab building, as well as another pre-design for a Population Health Education facility. The University's Capital Plan is available on the website. The plan includes a reliance on some University debt and some fundraising/donors. The project replacing Kingsley Hall is included on the list.

Mr. Nygaard added that other projects include seismic retrofits on campus to improve the safety of some older buildings

Mr. Palewicz noted there are a number of University projects underway. The last four projects on the list are slated for GC/CM delivery. The University uses the best alternative public delivery method on projects. GC/CM is still a strong option for the University.

Linneth Riley-Hall *(telecon)* thanked University representatives for their leadership in alternative public works as all owners have benefitted. She asked how the University trains personnel internally as she is aware of the assistance afforded by the University externally including the AGC GC/CM training. She asked how the University mentors and train employees to prepare them for executing a GC/CM or Design-Build project.

Mr. Tatge said many staff members are fairly experienced, and in many cases, very experienced. It is important to ensure personnel are current on how the CPD executes projects. It is likely the University could do a better job in staff training, particularly with project management. A number of best practices groups were established. Staff members are doing good work but often not conversely. The intent is to identify the best methods and document those methods and train staff members to ensure uniform application, which has been somewhat of a struggle as some construction and project managers are doing things differently but not consistently. A contractor or an architect might have different experiences on two different projects. That is part of the training CPD is working to implement.

Mr. Palewicz said one example is with negotiated support services for GC/CM projects. Many times, construction managers (CM) become isolated and often reside in a trailer on the job site and many of the project managers (PM) are located in one building. Consequently, there are different ways of considering negotiated support services. A number of meetings have been held with CMs about what should be negotiated support services and to develop a consistent way of using negotiated support services.

Mr. Evans said that effort resulted in changing the CPD matrix about what is and is not included and how specific line items should be treated. Staff members also attend DBIA training to become DBIA certified. CPD has a training budget and employees are encouraged to attend training.

Mr. Palewicz said most of the PMs and CMs have attended the AGC class on GC/CM.

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

Panel Chair Hall invited members to deliberate and render a recommendation.

Ms. Riley-Hall said the University has helped a number of agencies to include Sound Transit. The University has openly helped agencies in different aspects of alternative delivery of GC/CM and Design-Build. She supports approval of recertification for the University of Washington and is hopeful staff continues to be generous with their knowledge and expertise.

Janice Zahn echoed similar comments as a fellow owner. The Port of Seattle has benefitted from the University sharing information when the Port initiated its first MCEM project. University staff graciously met with Port staff to share information on how the University completed a MCEC and shared documents to help the Port avoid stumbling. She has participated in a number of subcommittees with various members of the University. They share information freely. The Port is participating for the third year in the University's Design-Build forum. The forum provides a good opportunity for owners to have candid conversations. Alternative delivery is about owner readiness and ensuring owners behave as good owners. The University has a done a good job of advancing alternative delivery and training owners by sharing knowledge.

Mr. Apiafi said he supports recertification for the University for alternative delivery. He would like the University to include minorities in the program to provide opportunities to partake in alternative delivery methods of GC/CM and Design-Build. He is encouraged that the University has taken steps to improve minority participation.

Rob Warnaca commented that he was involved in six of the University's projects in the last three years, as well as being involved in alternative delivery since the mid to late 90s. He echoed comments about how well the University stays within the boundaries of RCW 39.10 but still leverages best practices from project delivery overall. He supports recertification. In terms of business equity and inclusion, the University sponsors forums on and off campus that are open to the public. Some of the recent contracting strategies have helped increase the historic 1% participation rate to 6%, especially for Design-Build contracts.

Howard Hillinger supported recertification for the University because of the terrific job in providing training as an owner and for participating in forums. He is hopeful the University continues to pursue improvements to the statute by proposing some changes, such as problems with low bids and business equity. Much is being done to continue to improve the system and he is hopeful the University continues to step up and participate in future changes.

Panel Chair Hall said he fully supports recertification. He finds it difficult to identify another public body that supports the industry as much as the University of Washington does. The certification is an investment for everyone in the industry. He was particularly impressed with Mr. Palewicz who traveled to eastern Washington to help with some litigation.

Rob Warnaca moved, seconded by Kurt Boyd, to approve the recertification application for the University of Washington for GC/CM. Motion carried unanimously.

By affirmation, members voted unanimously to approve the recertification application for the University of Washington for Design-Build.

The meeting was recessed from 10:08 a.m. to 10:20 a.m. for a break.

Issaquah School District – Pine Lake Middle School – GC/CM
Panel Chair Rustin Hall outlined the presentation format and timing to consider the GC/CM application from the Issaquah School District for the Pine Lake Middle School Replacement Project. Panel members Mark Ottele, Rob Warnaca, Darron Pease, David Beaudine, Vicki Barron-Sumann, James Lynch, Rustin Hall, and Yelena Semenova provided self-introduction.

Royce Nourigat, Project/Construction Coordinator, Issaquah School District, reported he has been with the Issaquah School District since 1989 and has worked on a number of large projects. Currently, the District is working on another GC/CM project for a high school and middle school. He has worked on a number of middle and elementary schools and has completed $75 million in modernization projects. He will serve as support to the project team.

Debbie Massaro, Construction Specialist, Issaquah School District, reported she has worked for the District since 1999 and handles all day-to-day operations of the Capital Projects Office and oversees furniture deliveries and installations.

Tom Mullins, Construction Coordinator, Issaquah School District, said he is the project manager for the Pine Lake Middle School Replacement project. He has been with the School District for 17 years. He graduated from Washington State University in 1987.

Steve Crawford, Director, Capital Projects, Issaquah School District, said he has been with the District for approximately 19 years. The School District has completed approximately $600 million in school projects.

Forest Payne, Project Architect, Mahlum Architects, reported he was the project architect on the Issaquah Middle School project, which is the prototype for this replacement project. He has led numerous other projects since joining Mahlum in 2002.

David Mount, Principal-in-Charge for the Pine Lake Middle School Replacement project, reported he is a partner at Mahlum Architects. He has worked on five GC/CM projects comprised mostly of K-12 and some higher education projects. He worked closely with the School District on the Issaquah High School project, as well as other projects currently under construction.

Mr. Crawford reported the project is a replacement school for the existing Pine Lake Middle School. The new building is scheduled to open in September 2018 during a phased process. The new 130,000 square-foot building will be built on an existing playfield area and will be based on the Issaquah Middle School model currently in progress and scheduled for occupation in September 2017. The existing building will be demolished shortly after the end of school in June 2018. The new Pine Lake Middle School will open in September 2018, one year earlier if the project had been delivered by Design-Bid-Build. Construction of the new entrance drive, parking, softball field, and practice field will begin following demolition, with critical work completed before September 1, 2018.

The project budget is $71 million with $52,250,000 allocated for construction. The School District is confident with the proposed budget as it is nearing completion of the prototype building. Escalation has been included to account for the timeframe and construction cost increases. The project is fully funded through the School District's 2016 Bond, which achieved a 72% approval from voters for a $535.5 million bond. The Issaquah School District has no audit findings.

The School District plans to release the Request for Qualifications pending approval of the project by the PRC. Mr. Crawford reviewed the GC/CM selection schedule, which is fairly aggressive. The School District will consider early bid packages. Once the GC/CM has been hired, the appropriateness of using ECCM and MCCM procedures as used on current projects would be evaluated.

The GC/CM contracting procedure is appropriate for the project because:

- Occupied site
- Complex scheduling coordination
- Critical phasing complexities make GC/CM the most appropriate process for this project.

The construction site is adjacent to areas occupied by students, staff, and the public. Safety is paramount. Utility services needs to be extended to the new building while maintaining all services to existing school buildings. Site logistics will be challenging and require close coordination with school operations and community uses of the gymnasiums, football field, and track. The schedule is tied to essential occupancy dates and the first day of school. Completion of the building and site facilities will be phased. Each phase will be linked to and dependent on the timely completion of prior phases of work. A well-planned and managed schedule, along with early bid packages are necessary to meet the tight, but achievable *(based on previous projects)* schedule. While the building plan will be a replication of the nearly completed Issaquah Middle School *(a successful GC/CM project)*, the GC/CM will have significant input during the design process to ensure all site work, utilities, site logistics, safety, and phasing are well integrated into the overall campus design.

Public benefits include effective planning and scheduling increasing the likelihood of completion by the occupancy and start of school dates. GC/CM provides the best opportunity to meet the tight schedule based on previously completed similar projects enabling the school to open a year earlier than if constructed under the traditional Design-Bid-Build process. An earlier opening reduces inflation and escalation costs.

Phasing bid packages and the flexibility to adjust bid packages enable effective cost management. The GC/CM delivery method allows more proactive mitigation of risk for both the GC/CM and owner, and provides transparent cost accounting. GC/CM assistance during site planning and design will help determine the most appropriate and cost effective site and utility design.

Mr. Crawford reviewed the organizational chart. Ron Thiele is the Superintendent of the Issaquah School District and Jake Kuper is the Chief of Finance and Operations. Mr. Kuper's time will be as-needed. Mahlum Architects is providing design services. Tom Mullins with the School District serves as the Construction Coordinator and will be assigned to the project beginning at design and continuing through occupancy. Ms. Massaro the District's Construction Specialist, is experienced in current GC/CM projects, and will provide assistance to the project. Royce Nourigat is currently working on another GC/CM project and will be available as a resource. Chris Hirst with Pacifica Law Group will assist with documentation and legal counsel throughout the course of the project.

Mr. Crawford referred to a list of public body construction history for the Issaquah School District of recent and past major projects totaling approximately $446 million. The School District's construction program has spanned 20 years and is fortunate to have consistent bond passages while maintaining staff for many years.

Recent projects include:

- *Issaquah High School* – completed using the Design-Bid-Build although authorized to use GC/CM; however, the bidding climate indicating D-B-B might be a better process, which proved to be the case.
- *Liberty High School Addition & Modernization* – the project overlapped two different bond funding cycles and involved three phases with three general contractors working on the same site. GC/CM afforded the ability to control the management of the project and adapt to changing school conditions.
- *Maywood Middle School Modernization* – project was recently completed.
- *Creekside Elementary School* – an example of a typical elementary school in the School District.

The Issaquah School District has three additional Construction Coordinators on staff who are experienced and very capable individuals.

Mr. Mounts reported Mahlum Architects is approaching the completion of 30 projects utilizing the GC/CM delivery method. Previous projects include:

- University of Washington
  - William H. Gates Law School
  - Suzzallo Library Renovation
  - Clark Hall Renovation
- Northshore School District
  - Northshore Junior High Modernization – one of the first GC/CM K-12 projects

Recent school projects were in the Edmonds School District and the Seattle School District using the GC/CM delivery method. Approximately two-thirds of the firm's work involve GC/CM projects with a major portion as K-12 projects.

The Northshore Junior High was an early GC/CM project. The site included 900 students on campus during construction. Cleveland High School was another early GC/CM project for Seattle Public Schools. Nathan Hale Performing Arts Center project included over 1,100 students on campus during the entire modernization of the facility. Another occupied site was the Miller Hall Renovation at Western Washington University of two phases of historic renovation and new construction. A number of projects using the GC/CM delivery method were located in the Medford School District in Oregon. The West Campus Housing project for the University of Washington is an example of a GC/CM process with two different contractors.

Current GC/CM projects under construction are new middle and elementary schools for Seattle Public Schools and Issaquah Middle School scheduled for completion in the fall. The school is adjacent to Clark Elementary School.

Mr. Mount spoke to the experience of the Mahlum team. The team represents continuity and experience. Nicole Walter has been involved in documentation and construction. Kurt Zenner has worked on over a dozen GC/CM projects and will be in charge of specifications. Dwayne Epp runs the quality review process and would be heavily involved. Most personnel have some degree of experience.

Mr. Crawford said the Issaquah School District GC/CM project is currently part of a three-part GC/CM project with the first and largest new Issaquah Middle School located on the playfield of the Clark Elementary School located to the west. The first part of the project was completion of the building area for the new middle school. In June, the School District closed Issaquah Middle School and moved all equipment and furniture to storage. The project includes demolition of five buildings with two buildings remaining as part of the new Clark Elementary School with significant remodeling and modernization. The third part of the three-part project is also on the same site adjacent to Clark Elementary School. The Tiger Mountain Community High School is an alternative high school for the District. The facility was originally scheduled to move into one of the two-story educational buildings on the original Issaquah Middle School campus. The program increased and will house up to 250 students and was renamed the Gibson Elk High School. The two-story L-shaped building is undergoing some remodeling/modernization work. The area of the "L" is a new commons area. The building is scheduled to open in September 2017. Demolition is underway for the Clark Elementary School. The new school will be a three-story building with some existing buildings retained around the perimeter. The three parts of the project are linked with critical scheduling because of the importance to complete Issaquah Middle School to move students from the existing school to the new school enabling construction to begin on the Clark Elementary School. Once the elementary school is completed, students will move from the existing elementary school followed by demolition of that site in June 2018. Tiger Mountain Community High School closed earlier in the year and the students moved to their respective home high schools. Students populating the new Gibson Elk High School will begin the new school year in September 2017.

The School District has nearly completed the major element of the Issaquah Middle School and initiated schematic design for the Pine Lake Middle School replacement, which will be modeled from the Issaquah Middle School that is nearing completion. At the start of schematic design, the team explored seven different options rather than the concept plan included in the application as part of the original bond committee package. That speaks to the need to have a GC/CM onboard and part of the team to examine options, refine the options, and offer suggestions. Some of the options consider different alternatives for storm water management, such as vaults, mini vaults, and some suggesting the retention of existing turf football fields while other options recommend moving the field because building a storm water vault would be more costly. Those issues speak to the reason why it would be beneficial to have a GC/CM as part of the project team.

The School District believes the project meets the qualification requirements, the School District has an experienced team, and GC/CM provides the best opportunity for project success.

Panel Chair Hall invited questions from panel members.

Vicki Barron-Sumann remarked that although Mr. Mullins has much construction experience, he has no GC/CM experience. Mr. Mullins affirmed he does not have GC/CM experience but has completed GC/CM training. Ms. Barron-Sumann said that based on the organizational chart, Mr. Mullins would have support from Mr. Nourigai and Mr. Crawford, both of which have GC/CM experience. Mr. Crawford added that the organizational chart was corrected to reflect 5% construction support by Mr. Nourigat and a portion of Ms. Massaro's time.

Mark Ottele asked about any lessons learned from recent GC/CM completed projects that could be applied to the project. Mr. Crawford pointed to a good comparison of a complex multi-phased project in a D-B-B environment for Liberty High School. Coordination was difficult and required extra effort. The GC/CM delivery method enables a smoother process with one entity coordinating the timing of the staging sequence to initiate work on subsequent phases for completion of the overall project. It is a smoother and easier process. The School District learned that the ECCM and MCCM processes have been beneficial, very enlightening, and helpful in the overall project.

Mr. Mount added that utilizing the GC/CM expertise early on for costing afforded completion of cost models for decision-making and then adhering to the cost models during the design process.

Mr. Crawford commented that the original program for the Issaquah Middle School was a two-story middle school; however, as growth in the School District continued to rise at 500 students each year, the School District determined that with the cost and scarcity of land it made sense to move the project to a three-story building and reduce the footprint enabling additional space for future additions if growth continues beyond the next bond program. It was helpful to have the GC/CM to make that transition from a two-story design to a three-story design while maintaining the original budget.

Mr. Nourigat said having the GC/CM involved helps the team with all logistics and constructability, especially during design when minor adjustments can help save on earthwork or help mitigate the costs by reusing earthworks. It also enables some activities concurrently in some areas. The GC/CM provides many benefits by offering input during the process mainly because of the availability of resources to the GC/CM.

Mr. Crawford noted that the ability to release early bid packages for foundation, concrete, and structural steel assists in advancing the schedule as well.

Rob Warnaca referred to the schedule and schematic design and questioned how design milestones would align with the GC/CM selection and MACC negotiations. Mr. Crawford replied that schematic design was initiated and some options were evaluated. Currently, the process is at a point where additional questions were generated, as well as additional site options requiring some additional survey work. The project is now at a point for a preliminary pre-app meeting with the City of Issaquah, the project's permitting agency. The project also has some wetland delineation work to update. Some work is necessary before moving too far into schematic design.

Mr. Mount said the proposed building is based on an existing design, which is helping the team with some decisions around the building's organization and educational planning. The schedule enables a GC/CM joining the team by early to mid-September at which point the schedule is halfway through schematic design. Although schematic design has begun, it is conceptual at this point because of the desire to receive GC/CM input.

Mr. Crawford noted the School District typically works with mini MACCs as the project progresses and would not consider setting a MACC until later in the spring when the team feels more comfortable about the costs of the building. Based on previous projects, the team would not start with a clean slate without an idea about costs. The team would be examining mini-MACCs as it moves forward.

David Beaudine asked why the $7 million in contingency, which does not include the construction contingency, is so high. Mr. Crawford replied that the amount is a starting point pending a lack of discussion with the City to determine what type of off-site improvements might be necessary on abutting streets. The amount is established on the high-end with the hope that the entire contingency is not used.

Mr. Payne noted the soils on the site are more difficult to work with and there likely would be more expense contributed for storm water control. It also appears that quite a bit of fill would be necessary for the foundation increasing foundation costs as well.

Panel Chair Hall commented that the PRC often considers the amount of experience by a public owner that has not completed many GC/CM projects. In many cases, the owner hires an owner representative, which the School District has not done because it is relying on internal experience. The middle school project, which is not completed, represents the District's GC/CM experience. Based on the application, only one person has that experience. He asked whether there is more GC/CM experience by district personnel than what was reflected in the application. Mr. Crawford responded that the School District is relying on existing staff to include him and Mr. Nourigat's experience on the project because the School District is scheduled to open the new middle school in September. The majority of the construction work is completed and the School District views the project as a completed project. Gibson Elk High School is currently underway and is nearing completion. The School District completed the early stages of the GC/CM process for the Clark Elementary School, which is now in the demolition stage. Overall, the School District has the necessary GC/CM experience to follow through. The internal team has been through the process and did have consultant assistance for the

Issaquah Middle School at the beginning of the process. The School District keeps abreast of other agencies, such as the University of Washington, which has much information available. Mr. Mullins completed GC/CM training and Ms. Massaro has provided contracting oversight on current projects. The team believes it is qualified for the GC/CM process as members are experienced in the general aspects of construction.

Mr. Warnaca asked how the schedule compares to other similar projects because it appears the order of steel in May/June 2018 with an opening scheduled 12 months later might be a little aggressive. He asked how the construction schedule for this project compares to other projects underway. Mr. Crawford said the schedule is similar but somewhat longer than for Pacific Cascade Middle School. The schedule is aggressive but one that has been achieved in the past. The School District believes it is an achievable option at this time.

Panel Chair Hall invited public comments.

Dave Flynn, President, Cornerstone Contractors, said the company has been fortunate to work alongside Issaquah School District and Mahlum Architects on several previous projects. Cornerstone Contractors is performing as a GC/CM on several projects that have been previously mentioned. The company's primary market is K-12 construction with half as GC/CM and half lump-sum bid. The amount of growth by school districts is incredible in terms of the responsiveness of the school districts to growth. Many of the projects are on a fast track delivery that requires an integrated project team able to complete iterative mini-MACCs and bid packaging to allow work to start before design is complete in many cases, and to correlate with the permitting process. He spoke favorably of his experience with the Issaquah School District in terms of the School District's effectiveness and sophistication level as being an owner in the GC/CM market. The company has completed GC/CM projects for the Seattle School District, Northshore, and Lake Washington. Issaquah is very sophisticated and understand the process very well even to the degree that the School District is using ECCM delivery. His experience with the School District has been exceptional. Issaquah School District in the marketplace is seen as a preferred owner. General Contractors and subcontractors pursue the work aggressively because the School District has a good reputation as an owner. They are effective managers, understand construction very well, and know how to execute projects professionally. He supports the application.

Panel Chair Hall closed public comments and invited the panel's deliberations for the next 15 minutes.

Darron Pease commented that after reviewing the School District and the team members, the School District has more than adequate experience to complete a GC/CM project.

Panel Chair Hall said that on his first review of the application he believed the School District was somewhat light on GC/CM experience. However, he also knows that the School District gave full consideration in terms of the need for the GC/CM delivery method and the benefits it provides. Although demonstration of experience is outside of GC/CM, he believes it is relevant recognizing the experience Mahlum Architects brings to the project. He was also pleased to hear from the public standpoint that the project is a preferred and high quality operation, which relieved some of his concerns. He is prepared to support the application.

Ms. Barron-Sumann agreed that the public comment added value and she also supports the application.

David Beaudine moved, seconded by James Lynch, to approve the GC/CM project application from the Issaquah School District for the Pine Lake Middle School project. Motion carried unanimously.

The meeting was recessed from 10:59 a.m. to 11:28 a.m. for a break.

Spokane Public Facilities District – Veteran's Memorial Arena Renovation - Design-Build
Panel Chair Darron Pease outlined the presentation format and timing to consider the Design-Build application from Spokane Public Facilities District (PFD) for the Veterans Memorial Arena Renovation project. Panel members Rob Warnaca, Darron Pease, David Beaudine, Vicki Barron-Sumann, Yelena Semenova, and Mark Ottele provided self-introduction.

John Palewicz and Rustin Hall provided self-introduction as observers of the presentation.

Larry Soehren, Board Chair, Spokane PFD, said he is also a member of the PFD's Project Committee. He introduced Mick McDowell, Chair of the Project Committee and long-term Board member; Kevin Twohig, Chief Executive Officer, Spokane PFD; Robynne Parkinson, Legal Counsel, Thaxton Parkinson PLLC; and Matt Walker, Project Manager, Hill International, who was unable to attend because of his son's wedding in Alabama.

The proposed project, although complex, is a smaller project for the PFD. The project team also completed the Spokane Convention Center Exhibit Hall GC/CM project in 2005 and the Spokane Convention Center Completion DB project in 2015.

The PFD was formed in 1989 originally to own and manage the Spokane Veterans Memorial Arena, a 12,000 seat arena. Over the years, voters approved management of the 2,700 seat INB Performing Arts Center and the 650,000 square foot Convention Center. The PFD is managed by a five-member board of political appointees and oversees an annual operating budget of $14 million.

The PFD Board takes pride in being on the leading edge of what it takes to make its facilities innovative and successful. For that reason, the 21-year old arena is often referred to as a new arena. Last year, the PFD presented an application for a DB project for the Spokane Sportsplex. However, voters did not support the project and the project was terminated. The PFD intends to move the project forward later in the year.

Kevin Twohig reviewed the project and scope. With the advent of changes in the arena industry, there is a need to update the arena. Originally, the motivation was because of safety and security concerns, especially with recent world events often occurring at similar venues. The PFD decided to follow the trend of other major facilities, such as the NBA and the NHL and install a metal detector system at the arena, which quickly escalated to both front and back doors to protect not only guests but also employees and others entering the building. Pending approval of the project application, the PFD intends to complete a fully secure arena. The PFD also considered updating the Performing Arts Center and since the criteria is similar in terms of the number of people in a confined space with similar safety concerns, the INB Performing Center would be updated for safety and security as part of this project. However, the focus of this DB project is on the arena. The project is expensive with equipment costing hundreds of thousands of dollars. Installation of the system requires changes in the electrical and data systems, as well as expanding the building to accommodate equipment. Because of the cost, the PFD is considering other ways to generate new revenue. The existing food court on the north side of the building is too small. The scope removes a concession stand and expands the food court, as well as adding a new suite. The improvements would provide guests with additional dining options and the PFD with new revenue opportunities. Historically, the arena has always leased its suites. The hockey team, Spokane Chiefs, is critical to the financial success at all levels. The scope includes expanding the team's office. Other building enhancements will update the 21-year old building if it is possible to include within the DB contract.

The PFD believes the project is appropriate for DB because the site is limited with work located between the main arena and the main parking area. There are many incentives for pursuing the project as DB. The last project experience was rewarding enabling the PFD to learn many things. Completing the project with a design builder is critical for a successful project.

The PFD Board supports the concerns surrounding safety and security as the PFD does not want to be the next news story. The PFD will do as much as possible to respond to potential threats. The Board recently adopted an upgraded Safety and Security Policy, worked with security contractors, and initiated retraining of staff on appropriate safety and security procedures. The industry has experienced incidents of people entering back doors as in a recent incident of an entertainer who was shot in Florida. Having a design builder with expertise in those areas will help the PFD determine how to make the project work.

The arena hosts approximately 140 events a year. The scope must seamlessly integrate the project components to avoid inconvenience to guests and to protect the safety of everyone. The PFD anticipates assistance will be required with construction methodologies.

Mr. Twohig shared information on events at the arena from January through March 2016. The 2016 data are the most current three-month period and reflects activities occurring in the building. Data only reflects ticketed events. Singer Carrie Underwood is scheduled to perform in September over the Labor Day weekend and will arrive earlier to practice in the arena. The arena hosts hockey games requiring the installation and removal of ice. The team has much experience working with construction activities in PFD buildings having recently completed an 18-month renovation of the convention center using the DB delivery method. During the project, the team worked closely with the design builder to ensure the schedule was maintained. It is important to have a close and collaborative relationship with the design builder to afford as much time as possible to the schedule.

Mr. Twohig displayed a project calendar and noted the dates are contingent on a design-builder helping the team define the schedule. Hiring of the design-builder is a critical timeline issue for the PFD.

Mr. Twohig reviewed the budget for the project reflecting a budget of over $4 million. Funding is available and the PFD is ready to move forward on the project.

Ms. Parkinson reported that when the PFD expressed interest in pursuing another project, PFD officials questioned how it could expand the food court, enhance security, and complete other upgrades that would require the PFD to work with individuals and schedules. The obvious answer was having one entity coordinate all the pieces within the schedule to achieve efficiencies and coordinate everyone affected by the project. Because of the issue of liability and coordination between the user groups and the specialty nature of the security system, the project lends itself to a design builder in addition to working with other contractors to ensure the work is completed within the schedule. The project is similar to the City of Richland's Fire Station successful project. That team was similar to this team as she and Mr. Walker worked with the City of Richland. The project was a fixed GMP flexible scope. The proposed project is similar as it includes an upper limit fixed GMP. The PFD knows the basics of what is needed, which are well within the $4 million budget; however, the PFD would also like some additional components. The intent is to outreach to the Design-Build community and pursue a similar course as the fire station project, such as fixing the general conditions costs and fixing the fee with a flexible scope for third-party costs and possible additional items. The intent is to achieve some efficiencies as a single entity coordinating all projects with expertise in design and construction working together, as well as innovation and ensuring constructability issues are as efficient and tight as possible. The project will be very similar type of contract, which is conducive for smaller contracts because of flexibilities associated with fixed general conditions, fixed fee, and collaboration of the parties to ensure everyone is on the same page with respect to the flexible scope and working towards the fixed upper budget.

The first step is the validation period, which will be commensurate with the GMP. The RFQ will be similar to previous projects and include a qualifications focus, selection, followed by the price factor. The fixed fee would be based on the fixed general conditions costs after the GMP and scope are developed. There is a possibility following implementation of the project to fix the general conditions earlier, but that decision has not been made. However, the fee would be fixed as part of the price factor.

Ms. Parkinson said the project meets the RCW. The delivery method is an efficient use of time and resources and the project will have a substantial fiscal benefit by combining resources and not utilizing numerous contractors working independently. Inefficiency and trade stacking are real things and cost money. The goal is to eliminate the stacking of separate contractors and trades resulting in a substantial fiscal benefit.

Mr. Twohig referred to an advance question from the PRC. The issue concerned a typographical error related to timing of September 2018. The correct date is September 2017 for the targeted termination date. The exact date would be determined once the design-builder is hired.

Mr. McDowell concluded the presentation and emphasized the continuity of the project committee through different projects after the existing exhibit was built. The PFD has completed a GC/CM project, a DB project, and received approval to pursue an aggressive DB project. The PFD Board is appreciative of each opportunity because as a project committee, there is commitment to knowledge and having in-house certified staff as members of the team. The Board is committed to pursuing cutting-edge knowledge and execution. The team has been together for the last 12 years, which

provides upmost confidence that the project would be completed successfully. He asked the PRC for approval of the project and thanked members for their consideration.

Panel Chair Pease invited deliberations by the panel.

Mr. Ottele asked about the process the PFD undertook to determine the delivery method for the project. Ms. Parkinson said the project is not eligible for GC/CM because of the project size. The PFD has a good track record of DB projects. Mr. Twohig added that based on previous project successes, DB was a better approach as the PFD likes the collaborative approach.

Ms. Semenova asked for an example of enhancements that are desired should the budget allow. Mr. Twohig said a list was drafted of enhancements anticipated for a 21-year old building. Some examples include reroofing a section of the building concurrently or replacing a section of the building's concrete exterior. Another example is the type of messaging system used at the main door and whether to continue the kiosk program currently in place, as it should either be replaced or updated. Wayfinding signage is another example, as there are wayfinding signs in the facility. Most people do not read signs and developing new ways to communicate with guests would be important.

Mr. Warnaca commented that the team very clearly communicated why DB is the desired method, especially why Progressive DB is the preferred method. Since the PFD is not seeking a design solution with the RFP, he asked about the type of evaluation that would be used for the design-builder to provide the value that the PFD is seeking. Ms. Parkinson advised that she has completed a number of Progressive DB projects that have not had any design criteria. Generally, the structure of the RFQ is for the experience. After being shortlisted, the RFP seeks information on the collaborative plan/management plan, how the contractor plans to develop the GMP, available tools, communication plans with the owner while developing the GMP and the design, and the plan for design management because design management is important in terms of how the design-builder works with the owner. Other factors include the collaborative plan and past collaborative experience. Collaborative experience can be derived from all kinds of integrated projects. Collaboration experience can also be a very good collaborative GC/CM project that could serve as the basis for a collaborative DB project. It is all about the people, the philosophy, and their respective past experience. Those types of procurements, when scored on a consensus basis, can be very successful to ensure the right folks are hired to the complete the project.

Ms. Barron-Sumann asked whether the PFD has any audit findings for previous projects. Ms. Parkinson advised that the PFD has had no previous audit findings.

Panel Chair Pease invited public comments.

Rustin Hall said he is from Spokane and knows the individuals very well. He expressed appreciation for ensuring the right project team was established. Mr. McDowell sought to complete DBIA training as a Board member on the PFD. That is impressive because it reflects how the PFD reaches out to solicit expertise. The PFD insists on doing it right and doing it well. No other organization in Spokane does it any better. The PFD know what they are doing and the project will end well. He encouraged the panel to support the project application.

Panel Chair Pease invited deliberations by the panel.

Mr. Ottele said the project appears to be appropriate for DB.

Panel Chair Pease agreed, as he is unsure of what other delivery method would be effective for the project.

Mr. Warnaca supported the project application for DB based on the owner's track record and expertise of the consultants with Ms. Parkinson authoring most of the legislation on the use of Progressive DB and pioneering many of the first Progressive DB projects in the state.

Mr. Beaudine expressed similar support as he is familiar with the venue in Spokane and is aware of the events held at the venue.

The meeting was recessed at 11:54 a.m. to 1:00 p.m. for lunch.

Mount Vernon School District – Madison Elementary & East Division Elementary – GC/CM
Panel Chair Rob Warnaca outlined the presentation format and timing to consider the GC/CM application from Mount Vernon School District for the Madison Elementary & East Division Elementary School project. Panel members Rob Warnaca, Rustin Hall, Darron Pease, David Beaudine, Vicki Barron-Sumann, and Mark Ottele provided self-introduction.

James Dugan, Parametrix, reported the request is to approve two applications for one GC/CM. The presentation should demonstrate the reason for seeking approval of the GC/CM delivery method. Mr. Dugan introduced members of the team beginning with Carl Brunner, Superintendent, Mount Vernon School District, Suzanne Gilbert, Director of Capital Projects, Mount Vernon School District, Richard Moewe, Project Manager, Mount Vernon School District; Brian Fitzgerald, Principal, TCF Architecture; Brian Ho, Project Manager/Designer, TCF Architecture; and Howard Hillinger, Parametrix. Mr. Dugan said he and Mr. Hillinger often trade roles to provide internal support to the GC/CM leadership. He was retained to serve as a GC/CM and program advisor. Other members not in attendance include Dan Cody, providing document support, Shannon Thompson who will provide project management support, as well as Doug Holen, GC/CM external advisor, and Graehm Wallace, Perkins Coie.

Geographically, Mount Vernon is located north of Seattle in Skagit County. The School District has approximately 6,400 students in 10 schools. The last capital bond passed by the School District was in 2001 until recently. Today, it is time to modernize, add, and repair. A bond passed in 2016 for five projects to include East Division Elementary School, Madison Elementary School, LaVenture Middle School, Mount Vernon High School, and Lincoln Elementary School. The first two projects are included in the proposed application with the other projects to be presented at a future date.

The East Division Elementary School (EDES) is located east of Division Street. Madison is located closer to the I-5 corridor and to the west. East Division Elementary School is located on wetlands and critical areas bordered by housing. The anticipated MACC is $28 million with a start date of May 2017 and occupancy in September 2018. While the East Division Elementary School project is close to satisfying the statutes for building within sensitive areas of wetlands and critical areas, the relationship between East Division Elementary School and Madison Elementary School is critical.

Madison Elementary School would be demolished and rebuilt. The site includes an occupied facility of the YMCA and a preschool function that would remain on site during the demolition and construction of Madison Elementary School. Madison Elementary School students would be relocated to East Division Elementary School for the 2018/19 school year. Critical phasing of the project involves students leaving at the end of the school year followed by the demolition of Madison Elementary School requiring East Division Elementary School to open by the following September to house Madison students. The relationship between East Division and Madison Elementary School is a critical path and a critical phased project, which speaks to the need for the same builder to demo, construct, transfer, and relocate both schools.

Budget contingencies for the projects are approximately 10%. The budgets contained in the applications have not changed with $39.8 million for the East Division Elementary School project. The schedule remains unchanged and is tied to October 21, 2016 for the Pre-Consultant Agreement. The schedule is somewhat later than desired for completion of schematic design and the hiring of the GC/CM reflecting several weeks into design development.

The Madison Elementary School project is also tied to the same October 21, 2016 date of executing a pre-construction agreement.

Mr. Dugan displayed a graphic of where pre-construction services are needed. A summer package is anticipated for East Division Elementary School for the timber site, access, and egress to the site. Concurrently, pre-construction services would be underway for Madison Elementary School. Both schools are scheduled to be in construction concurrently, which speaks to the importance of having East Division open on time to house 600+ students after the demolition of Madison Elementary School.

Statutorily, the School District is required to comply with one of the five GC/CM criteria. Critical phasing of the Madison Elementary School occupied site is one reason for pursuing GC/CM. The schedule begins with the construction of East Division Elementary School followed by moving Madison Elementary School students in the summer of 2018 to East

Division Elementary School to enable the demolition of Madison Elementary School and construction of a new Madison Elementary School. East Division Elementary School would be vacated with students moved to the new Madison Elementary School followed by vacating students from Lincoln Elementary School and moving those students to East Division Elementary School. The next step is to be determined with respect to the status of Lincoln Elementary School.

Other factors include managing construction activities within the neighborhoods as the sites are bordered on three sides with one school surrounded by neighborhoods on four sides. The School District is contending with market inflation cost increases that are becoming more difficult to control. The goals for cost savings include compliance with wetlands and critical areas requirements and management of the communications program with neighborhoods and both schools.

Mr. Dugan cited an example of the Clover Park project as the reason for seeking one GC/CM for both projects. With approval by the PRC, the Clover Park project was completed for the McCarver and Stewart schools. That project did not have the benefit of the same architect, but it did benefit from one GC/CM. Nearly $1 million was saved on an $80 million project cost by reducing the company overhead rather than project overhead.

Since the Mount Vernon School District has not completed a GC/CM project, the District augmented its team and trained staff. The Director attended the AGC GC/CM training on June 13 and 14. Parametrix was hired to provide program management GC/CM experience and the GC/CM advisor role. Parametrix retained Doug Holen and Mr. Hillinger for their internal and external roles. Mount Vernon School District retained Mr. Wallace with Perkins Coie and TCF Architecture. Mount Vernon School District has a full-time project manager with GC/CM experience committed to both projects with no other duties.

The organizational charts for East Division and Madison are the same because both of the projects would be managed by the same team with one Project Manager, one Director, and one Superintendent. Other projects in the bond program are not planned to start at this time, but may start sooner versus later. If the projects are implemented sooner, Parametrix will augment the team with the appropriate GC/CM project or program experience as needed.

Mr. Dugan said most of his prior projects approved by the PRC have been completed or are nearing completion. All other assigned roles are minor or in a principal or advisory role. He has ample capacity to continue in an advisory role for Mount Vernon with additional capacity if needed.

Mr. Dugan outlined the roles of the consultant team members and his experience working with TCF Architecture on a GC/CM project.

The project satisfies at least one of the statutory requirements for an occupied site and a site with critical areas and wetlands, as well as critical phasing and the relationship between the two projects. The team has the appropriate experience for the level of work, as well as the capacity to complete the work. The budget has been established, the criteria have been satisfied, and the project management plan from the Board through the Superintendent to the Director to the team has clear lines of authority. If the project timeline is moved forward or there is a larger dollar approval value required by the Director, the District will ensure everything is put in place. The team has the capacity to complete both projects and is ready to move forward. The RFP is 98% complete and is ready for a scheduled release on Monday, August 1. The RFFP is in draft and the interview questions are being drafted.

Panel Chair Warnaca invited questions from the panel.

Panel Chair Warnaca asked whether the Mount Vernon School District would have a full-time Project Manager in addition to Mr. Moewe and Mr. Hillinger providing project management and support. Mr. Dugan replied that Parametrix is providing Mr. Moewe as the full-time Project Manager for the School District. Panel Chair Warnaca asked for an explanation of the vision for the division of responsibilities between the Mount Vernon School District project manager and Parametrix. Mr. Dugan responded that within the Mount Vernon Project Manager role, the support is 100% for Mount Vernon projects. Parametrix will serve in a program management advisory and a GC/CM advisory role and will augment the team and the architectural firm similar to other projects.

Ms. Barron-Sumann asked for clarification regarding the organizational charts reflecting Mr. Moewe's time as 50% for design and 75% for construction. Mr. Dugan said Mr. Moewe would be fully dedicated to both projects full-time from design through construction.

Mr. Hillinger added that some time is staggered during construction.

Ms. Barron-Sumann commented that the information reflects that the School District is considering providing two projects to issue one contract. It appears that it would be necessary to issue one contract. Mr. Dugan affirmed that the School District is committed to one GC/CM for both projects. At the time the application was drafted, the School District was determining whether it would be possible to combine the projects.

Mr. Pease commented that information reflects assignment of Mr. Moewe at the Summit Pacific Medical Center in Grays Harbor. He asked whether the project is complete or partially complete. Mr. Moewe said his role was to assist the owner with the PRC application process and the RFP.

Mr. Hillinger added that Mr. Moewe's role was completed. During the summer, he is continuing in his role.

Mr. Hall said the information appears to be written as two projects; however, his understanding is that the proposal is one project. There is a critical difference because if the projects are separate, the first project is a new school on a greenfield site, which does include complex phasing. Essentially, it is a brand new building on a greenfield site. However, if the projects are combined, complexity is added and linked with one contract and one proposal. From a formatting standpoint, it appears to be two projects but perhaps it could be one project.

Mr. Dugan responded that Mr. Palewicz required the submission of two separate project applications and allowed Mount Vernon School District to present a combined project. The presentation is for one project that includes two facilities because of critical phasing.

Panel Chair Warnaca asked whether the GC/CM would have one contract for both projects and one MACC. Mr. Dugan said that unless the rules have changed, which he does not believe they have, the bookkeeping must be completed on a per project basis with some bridging in percentages of time. Similar to Stewart and McCarver, statutes require two separate projects on the books while the School District is executing them as one entity under the School District. A certain finesse is required that has been learned over the last several attempts.

Mr. Hillinger said there would only be one selection of the GC/CM

Mr. Beaudine asked whether there would be a single fee that applies to both projects. Mr. Dugan said the fee would be distributed amongst the proposers.

Mr. Beaudine commented that the application reflects that the GC/CM would be hired as design development proceeds on the East Division project. He asked about the role of the GC/CM if design has already been initiated. Mr. Dugan said the lag is likely not critical although the hiring is not as early as he would prefer. Most of the concerns center on an inflating market and increase in costs, especially on a native site that appears to be simpler and easier. However, there are also unknowns and including the GC/CM during the cost estimating process and comparing that to TCF's work, as well as the interface between the two projects of critical phasing as it relates to design, are the first elements requiring the GC/CM. Those are the first pieces that are well in advance of Madison but later in schematic for East Division.

Mr. Beaudine asked whether the preconstruction services scope is devoted to schematic design and whether that is part of the RFP and how those elements would rollover since the GC/CM would not be as involved. Mr. Dugan said that in all of his GC/CM projects, GC/CM involvement through schematic or heavy design is not usual because it typically occurs during the last several weeks based on the schedule for completing the project. Involvement of the GC/CM at schematic design has been traditional or several weeks later.

Mr. Hall said the RCW clearly states 30%, which can be a subjective number. Typically, it is possible to complete schematic design and never achieve 30% design. He believes that is standard in the industry.

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

Panel Chair Warnaca invited deliberations by the panel.

Mr. Pease remarked that the applicant has presented two applications. Upon reviewing the applications against the RCW, one proposal would be difficult to justify GC/CM without combining both projects. Together as one project, critical phasing is present. However, he is struggling with the issue of approving the projects separately rather than as a combined project.

Ms. Bessett clarified that if the projects are presented as one project, they have to be considered as one project with one scoring sheet submitted. One of the scoring sheets will be retitled and the second sheet discarded. The applications were combined as one project.

Ms. Barron-Sumann said the process would be easier if the projects were actually married; however, she questioned whether the vote is contingent upon the projects being combined or separated.

Mr. Hall said members received two scoring sheets with one labeled as GC/CM for East Division and the second labeled GC/CM for Madison. He asked whether the panel would not use one of the sheets. Ms. Bessett said only one sheet would be necessary. Staff would change the name on the sheets to reflect both projects. Mr. Hall suggested using the East Division Elementary School scoring sheet and adding Madison Elementary School to avoid confusion.

Panel Chair Warnaca recommended members should turn in the Madison Elementary School score sheet. He suggested adding Madison Elementary School to the Division Elementary School score sheet and record under the notes that the PRC was asked to approve one project and that project approval is contingent upon both projects combined under one GC/CM selection and process.

Mr. Pease noted that a provision in the RCW prohibits the approval of any projects based on contingencies. He recommended documenting that the projects were approved as one project, if approved.

Mr. Hall said the modification clarifies that the process was one review.

Ms. Barron-Sumann inquired as to whether the PRC has the authority to combine and approve the projects as one project. Ms. Bessett said the projects were presented as one project. She offered to have Chair Palewicz provide additional clarification. Ms. Barron-Sumann commented on the importance of documenting the action.

Mr. Ottele said that performance would not be an issue because of the phasing. It appears the total project meets the RCW for GC/CM.

Panel Chair Warnaca said he supports the project for GC/CM given the complex phasing of the two projects that need to be tightly coordinated. As Chair Palewicz provided direction to the applicant to submit two project applications for review as one application, it is important to confirm his understanding that the project was submitted under one project application as one project to enable the panel to move forward with that understanding.

Mr. Pease recommended seeking confirmation from the School District that it wants the projects considered as one application. Panel Chair Warnaca affirmed the School District conveyed that message during the presentation.

Chair Palewicz affirmed that the project applications were submitted for one GC/CM project. Panel Chair Warnaca said it appears the panel received two application and two score cards. The panel has turned in one score card to staff and renamed the East Division Elementary School score card by adding Madison Elementary School. The PRC plans to evaluate the projects as one project application. Chair Palewicz said the project has one architect and one GC/CM and he believes it is one project application. Originally, when the project applications were submitted, he believed the proposals were two separate projects, which is why the separate score sheets were provided. The project includes two buildings with one architect and one contractor under one project.

Darron Pease moved, seconded by Vicki Barron-Sumann, to approve the Madison Elementary School/East Division Elementary School Project for GC/CM. Motion carried unanimously.

The meeting was recessed from 1:30 p.m. to 2:10 p.m. for a break.

Central Valley School District – North Pines Middle School – GC/CM
Panel Chair Rob Warnaca outlined the presentation format and timing to consider the GC/CM application from Central Valley School District for the North Pine Middle School project. Panel members Rob Warnaca, Darron Pease, David Beaudine, Vicki Barron-Sumann, Mark Ottele, and Howard Hillinger provided self-introduction.

Ben Small, Superintendent, Central Valley School District, reported he has been with the School District for nine years. The School District covers 83 square miles and is located adjacent to the Idaho State border, Spokane Public Schools to the west, and the Freeman School District to the south. The School District continues to grow with 13,500 students adding 200-300 students each year in all grade levels. He introduced team members and highlighted their respective GC/CM experience. Jay Rowell is the Deputy Superintendent. Mr. Rowell completed GC/CM training and is currently overseeing six GC/CM projects for the School District. Jeff Jurgensen from OAC and the OAC team have a wealth of GC/CM experience. Steve Walther from ALSC Architects is working with the School District on three GC/CM projects. ALSC Architects has a good record of successful GC/CM projects. Not in attendance are team members Mitch Romero, OAC. Mr. Romero will oversee most of the construction and the part of the design process. Jerrol Olson, Planning Principal, Central Valley School District, is serving as the opening principal for Liberty Creek Elementary School and will continue as Planning Principal for both projects. The School District has a solid team.

Mr. Rowell said the North Pines Middle School site is located at the corner of Pines Avenue (Highway 27). The intent is to build the school facing Broadway. While the new school is under construction, students will remain at the existing North Pines Middle School creating a tight construction site because of the need to preserve the existing school, athletic fields for sports, construction siting, and access. The phasing element of the project is very important and is why GC/CM would be extremely valuable as it will assist the School District in planning the phasing and security of the site to achieve site construction while ensuring students are safe and do not access the construction site. The presence of the contractor is helpful to the School District when experiencing the push and pull between the architect, owner, and the contractor. When the team works well together, excellent conversations help to build a school that is flexible and functional, as well as fiscally responsible. It is important to the School District for projects to be completed on time and on budget. Having the team in place helps the School District accomplish those goals and assists in identifying potential roadblocks and to work through issues early in the process.

Mr. Small said the timeline for the project includes over eight months in design. During the design period, the School District cannot make any mistakes and then release a bid that might result in a project over budget. Having a quality GC/CM on board makes the timeline much more doable. The goal is to minimize that risk. Additionally, the construction environment in Spokane is beginning to increase in costs. When the School District began initiating projects under the bond, some prices were below expectations. Currently, prices are nearing expectations and could possibly increase. Designing a project that is constructed within the budget is something that the School District has established as an expectation in the Central Valley School District. The GC/CM process helps the District minimize the risk. Minimizing the risk fiscally, minimizing the risk of design, and ensuring the School District has a facility that is delivered on time are vitally important, which speaks to the reason for pursuing the GC/CM delivery method.

Mr. Walther reported the project budget for the 84,600 square foot building focuses on the off-site costs and testing some different alternatives for placement of the building on the site. The project is doable even in today's market. Off-site costs are anticipated along the south side of the site versus along Broadway, which is fully developed.

Mr. Jurgensen added that the appropriate contingencies are included in the budget. Additionally, conversations with contractors currently involved in projects occurred when the budget was developed for two upcoming School District projects. North Pines Elementary School was a project that was not on the initial slate for the bond when it was passed by the Central Valley School District in 2015. This project is due to proper management by the owner and a grant received from the state of Washington from the Superintendent of Public Instruction enabling the School District to move forward

with several more projects that are outside of the bond. However, it is important to be fiscally responsible and timing is crucial with the two projects because of funding from the state.

Mr. Small commented that North Pines Middle School is centrally located within the school district. Many residents in the school district attended North Pines Middle School. The school was built in 1980. The building has outdated HVAC systems, fire alarms, and siting issues with three children hit in the crosswalk between Broadway and North Pines. North Pines is a state route that is located throughout the City of Spokane creating some dangerous situations for students. The School District must manufacture parts for the HVAC system similar to many other school districts. The project entails moving from a 105,000 square-foot building to an 84,600 square-foot building because classrooms in the existing school are often 1,200 to 1,500 square-feet and hallways are twice as large as they should be for allowable square footage in a school. The project right sizes the building and would serve the students better and more efficiently. Students will remain on site during construction. Middle school students are more curious and often enter prohibited areas, which speaks to the team being very cognizant about the site.

Mr. Rowell said the new school, planned at 84,600 square feet, actually right sizes the school with the capability of more students and less square footage because classrooms will be of the appropriate size.

Mr. Walther reported one important aspect of the site was the acquisition of the apartments and another property to the west. The current school exists along Pines/Highway 27. The site is very tight and even with the acquisition of the additional property, the site is deficit in terms as what the state views an adequate sized site. The property is less than 16 acres and should be closer to 20 acres. The tight site was one aspect considered as the team reviewed different layouts. Some considerations included ensuring proper safety between buses and cars and students walking to the site. Acquisition of the property was important to enable the project to move forward because access would be facing onto Broadway. Currently, buses and parents drop students off on Alki. Because North Pines Middle School is occupied, the drop off area off Alki will also become the area for construction access. Having a contractor coordinate that flow will be important. Another test of the site was considering the full district standard size of a middle school at approximately 105,000 square feet. However, the building would need to be a two-story school. No other middle school in the district is a two-story building. That led the team back to 84,600 square feet and how best to accommodate building needs, parking, bus & car drop off areas, and the athletic fields. Having a GC/CM contractor working with the team through the process on the different steps of the puzzle is important.

Mr. Jurgensen highlighted some steep grades on an aerial map of the site, which further limits site access and placement of buildings.

Mr. Small pointed to some existing businesses abutting the property. The site is located within a neighborhood commercial area with neighborhoods located to the west and south. To the north of the site are office buildings with a 30-foot drop in grade between the site and the office buildings.

Mr. Jurgensen said the advertisement for the GC/CM has been released; however, it was with a qualification of receiving PRC approval. Because of the tight timeline, it was imperative to initiate the process. ALSC was selected as the design firm. Interviews were held on July 8 with the GC/CM advertisement issued. A pre-proposal conference was held and the team is ready to move forward pending approval of the GC/CM application. The School District recognizes the tight design schedule, but ALSC is fully committed. The School District is seeking the third member of the team – the GC/CM contractor. The scheduled move-in date is August 2018.

Mr. Small said the North Pines Middle School is ideal for the GC/CM delivery method. The team has demonstrated that during the presentation. The School District has a very qualified team and with the addition and selection of ALSC Architects, the team is stronger. The team has demonstrated success through current projects underway. Being fiscally responsible and having controls in place to ensure projects are delivered under budget or within budget is something the School District should be proud of.

Panel Chair Warnaca invited questions from the panel.

Mr. Hillinger asked about the number of prior GC/CM projects completed by the School District. Mr. Rowell said the project would be the School District's sixth GC/CM project. Mr. Hillinger asked for additional information on lessons learned and what has been effective and worked, as well as controls by the management plan. Mr. Small said the best outcomes occur when the teams are willing to challenge each other through a healthy tension format. That success has been experienced differently across some of the projects. A GC/CM who is not afraid to offer alternative suggestions and the architect responding that it was considered but deemed not to be the best solution are an example. The owner makes the final decision based on adherence to the budget. The push and pull represents the most success for the School District, which has occurred on all previous projects to varying degrees. There have been times when the School District met with the contractor and encouraged the contractor to step up and assert a voice at the table when an overly complex element was being proposed for addition to the project. The School District needs feedback from the contractor. The School District seeks practical and functional buildings that are attractive to the community. Sometimes architect partners can lead a project to a place the owner is not willing to travel, which speaks to the importance of having a general contractor to help the control process. The School District has learned that there will be expectations of the GC/CM involvement sooner in the process. The goal is to avoid any adversarial teams.

Mr. Rowell added that the open, honest, and crucial conversations at the design table lead to a good process during the construction phase. Having the GC/CM onboard is important. He cited an example of the Evergreen Middle School project. Having the GC/CM team at all design meetings with all other team members helped identify elements of the design that would be difficult. The combined team was able to develop alternatives. As the owner, it was important to attend those meetings and understand the process and conversations because it created a level of comfort.

Mr. Small noted that the budget tracking and the budget support received from OAC has been critical. Having both School District staff and OAC examining the budget and controls and understanding the expenditures throughout the process has been critical. Having two sets of eyes on the budget provides much more transparency for the community.

Mr. Jurgensen added that the School District is the most active owner he has ever worked with. Mr. Rowell attends all meetings and is not afraid to make decisions. Another lesson learned is the need to meet regularly. The team meets every Monday morning to review the status of all projects, issues, budgets, and schedules to enable Mr. Small to have the information to update the School Board on a regular basis.

Ms. Barron-Sumann asked about the number of projects currently in progress. Mr. Rowe advised that three projects are underway. Currently in construction are the Evergreen Middle School, Chester Elementary School, and Green Acres Elementary School projects. Sunrise, a GC/CM project, has just started and the Opportunity school project will begin August 1. None of the projects are completed at this time. Ms. Barron-Sumann asked about the confidence level of the School District's budget forecast for projects in progress. Mr. Small said he is very confident in the numbers to date. The earlier projects have been bid and two were under budget by $1.3 million and $700,000. Every project has achieved the guaranteed maximum on price. The School District is very confident. The budget also includes a 5% contingency as required by the RCW. He feels confident that the contingency coupled with other contingencies within the GC/CM's contingency places the School District in a solid position to complete the projects. Ms. Barron-Sumann asked whether the contingencies remain intact. Mr. Small said one project included the expenditure of $50,000 from the contingency because of a shallow water main requiring replacement.

Mr. Pease noted that Mr. Jurgensen has a large role in the team. He asked about the contingency if Mr. Jurgensen is unavailable. Mr. Jurgensen advised that the contingency includes Mitch Romero, Greg Brown, and Rusty Pritchard. OAC has numerous personnel who are qualified to assume his position if required.

Mr. Hillinger inquired about the primary contact with the contractor as Mr. Jurgensen's time reflects 100% through the GMP negotiation; however, Mr. Jurgensen has multiple projects. He asked for an explanation of the continuity with the GC/CM. Mr. Jurgensen responded that he is working with the School District in the selection of the GC/CM through the design phase, during the GMP negotiation, and throughout the project. Mr. Romero is assigned to the Opportunity and the Sunrise projects and will be involved during the construction phase of this project. He will also be involved, to the extent possible, during earlier phases to provide continuity. OAC will have everyone involved as the office has numerous personnel who provide mutual assistance on all projects. OAC personnel are well versed on all School District projects

because of the regular meetings with the School District on Monday's as well as two meetings between OAC staff each week.

Mr. Small added that the School District wants to ensure consistency on all the projects. When Ponderosa Elementary School is moved within the schedule, the School District has asked OAC to provide a member that has previously worked with the School District. Keeping the team familiar with the projects and how the School District conduct business is important. The School District would resist any dedication of another OAC project manager. However, if the School District believed the situation was not being handled well, the District would seek additional assistance. When the North Pines project was moved into the bond, the team discussed the ability to handle the projects and whether extra personnel would be required. The School District is comfortable with the team as assigned, but if necessary would add support.

Panel Chair Warnaca asked for an expanded explanation of the last question as the response spoke to how Mr. Rowell and Mr. Jurgensen would split up decision-making levels of authority. He asked about the lead for decisions on value analysis or value engineering (VE) items that include some important items that could be incorporated within the design. Mr. Lovell replied that in addition to mutually attending design and construction meetings, he has been very active in value engineering. At this point, value engineering for this project is led by OAC for the School District. However, when decision points are necessary on some VE ideas, OAC and he would meet and discuss options and then meet with the VE team to receive more information. Following that process, he would make the decision whether to move forward with the recommendation(s). The process provides the time to have the conversations. Additionally, Mr. Small would also be involved. When decisions are rendered, they would have been vetted.

Mr. Jurgensen reiterated that he has never worked with an owner that is as involved as the School District, to include staff members of the School District. Decisions are not rendered until reviewed with Mr. Rowell. Although together they make the final decision, Mr. Rowell makes the final decision.

Mr. Small added that Mr. Rowell as the Deputy Superintendent devotes 100% of his time on the projects. The School District hired staff members to free Mr. Rowell's time to oversee the projects.

Mr. Hillinger referred to previous comments concerning early packages and whether the team is seeking GC/CM for mechanical systems. Mr. Walther advised that the earlier packages would be early utility work, as well as the steep grades along Broadway to address some issues and install some retaining walls to provide access on that side of the campus. Completing some of the early utility elements would enable the team to take advantage of the overall construction schedule. It is important any in-ground work be completed before late October and November.

Mr. Small said the School District used the ECCM package on the Chester Green Acres bundled elementary school package. The School District must also examine the benefits of ECCM on the two projects. The School District experienced the limited availability mechanical contractors and anticipated more competition than what occurred for the Chester Green Acres bundled elementary school project. The School District is unsure at this time if the process secured the best price and product. The School District will be examining the process, as there are many other school districts in the region using ECCM. The School District plans to contact other districts prior to making a final decision on whether to use ECCM on this project.

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

Panel Chair Warnaca invited deliberations by the panel.

Mr. Hillinger said the School District is one of the most experienced owners. He supports the application even though he had some concerns about the division of responsibilities, which were addressed by the team. The School District has adequate resources and the project meets the criteria for an occupied site.

Panel Chair Warnaca agreed while noting that he believes the team is highly qualified to deliver a successful GC/CM project. He senses strong collaboration and active participation by Mr. Small and Mr. Rowe, which is important at that leadership level. Mr. Rowe's GC/CM training speaks to his commitment as well. He has no reservations about the team. The project scope in general, is somewhat borderline, given that the GC/CM delivery method would overcome some of

the challenges. He agreed the site with middle school students nearby on an existing school site is not entirely an independent greenfield site. He supports approving the application.

Mr. Pease agreed the site with the slope adds some complexity. He knows some people from the area and the usage or loss of the fields would be problematic. The community will monitor how their dollars are spent. The project is a good use of the GC/CM delivery method.

Mr. Beaudine said he spent some time at the site. There are site constraints especially for ongoing play on the fields and commercial activities to the north. It is not an easy site to work on. Properly securing the site will be a challenge. The School District has a team with proven success. He supports approval of the application.

Ms. Barron-Sumann said she is convinced about the team and the project. Her only minor reservation was the number of projects underway and that the limits of technical capacity might be threatened. However, it appears the School District has resources available if additional capacity is required. She supports the application.

Mr. Ottele commented that it is enlightening to witness the culture and how the School District has embraced the partnership and partnering throughout the entire organization.

David Beaudine moved, seconded by Howard Hillinger, to approve the GC/CM application from Central Valley School District for the North Pines Middle School Replacement project. Motion carried unanimously.

ADJOURNMENT
With there being no further business, Panel Chair Warnaca adjourned the meeting at 2:50 p.m.

Capital Projects Advisory Review Board
PROJECT REVIEW COMMITTEE
Northwest Carpenters Facility
First Floor Conference Room
25120 Pacific Highway South
Kent, Washington
July 28, 2016

Draft **Minutes – 1st Floor**

PANEL MEMBERS PRESENT

Ato Apiafi, Ato Apiafi Architects
Kurt Boyd, Valley Electric
Jim Burt, King County
Steve Crawford, Issaquah School District
Jim Dugan, Parametrix
Howard Hillinger, Parametrix
Matt Lane, McGranahan Architects
Yelena Semenova, Department of Enterprise Services
Mike Shinn, Shinn Mechanical
Janice Zahn, Port of Seattle

STAFF, GUESTS, PRESENTERS

Dave Armstrong, Spokane International Airport
Linda Beckman, Western Washington University
Rick Benner, Western Washington University
Danelle Bessett, Department of Enterprise Services
Richard Best, Seattle School District
Matt Breen, Spokane International Airport
Greg Brown, OAC Services
Ken Brown, City of Spokane
Dan Buller, City of Spokane
Mark Cork, Mahlum Architects
Tom Gow, Puget Sound Meeting Services
Leonard Jones, Western Washington University
Justine Kim, Shiels Obletz Johnsen
Cindy Kinzer, City of Spokane
Brad Miller, Miller Hayashi Architects
John Palewicz, University of Washington
Rusty Pritchard, OAC Services
Ed Simpson, Western Washington University
Kyle Twohig, City of Spokane

Welcome, Introductions & Rule Review
Panel Chair Jim Burt called the CPARB Capital Projects Review Committee Panel to order at 10:20 a.m.

City of Spokane – CSO 24 Control Facility – GC/CM
Panel Chair Burt reviewed the timing and the presentation format to consider the GC/CM project application from the City of Spokane for the 1st & Adams CSO 24 Control Facility. Panel members Mike Shinn, Jim Dugan, Howard Hillinger, Kurt Boyd, Janice Zahn, Matthew Lane, Ato Apiafi, and Jim Burt provided self-introduction. A super majority is required for approval of the application.

Kyle Twohig, Engineering Operations Manager, City of Spokane, reported the project is the City of Spokane's third project for Heavy Civil GC/CM delivery. The project is a large Combined Sewer Overflow (CSO) facility located in the downtown core of Spokane. The project is similar to the previously approved CSO 26 facility project. That project's collaboration with the contractor has benefitted the project. The proposed project is another appropriate project for the GC/CM delivery method.

Mr. Twohig introduced Ken Brown, Construction Project Manager, Cindy Kinzer, Engineering Design Lead, Dan Buller, Principal Design Engineer, Rusty Pritchard and Greg Brown, GC/CM Consultants with OAC Services. Mr. Twohig advised that only some questions were received by the team prior to the presentation. The presentation will elaborate on answers to those questions, as well as additional questions the team just received.

The team is well qualified to deliver the project successfully. Three team members attended the GC/CM training workshop hosted by AGC in Seattle last month.

Mr. Twohig said he is the principal in charge of the project responsible for all aspects of the project including the GC/CM contractor relationship. He has much experience in both private and public sector projects for municipalities located along the West Coast to include Air Force bases, apartment complexes, the City of Spokane's CSO program, and other road and utility projects.

The legal team is represented by Hunt Whaley with the City of Spokane and Graehm Wallace with Perkins Coie. Mr. Whaley and Mr. Wallace are drafting contracts for the project.

Mr. Buller said he attended the GC/CM training in Seattle. He is currently involved in the CSO 26 GC/CM project for design support and permitting. His involvement on the proposed project is design oversight, troubleshooting, and coordination with other utilities.

Ms. Kinzer said that as the Design Lead, she manages the team responsible for CSO projects for the City. The team has worked on numerous CSO projects to include different disciplines involving structural, mechanical, and electrical elements. While primarily responsible for the civil design, she also coordinates all other designs to ensure alignment.

Mr. Brown reported his engineering experience encompasses both design and construction. He currently serves as the Construction Project Manager for the City of Spokane. He is the project manager for both CSO 26 and CSO 24 projects.

Mr. Pritchard said he serves as the GC/CM consultant for the project. The scope of support includes procurement and project management support until completion of the project. He was also a former PRC member. His company, OAC Services, brings a combined GC/CM experience of 40 years. OAC is assisting in the management of the budget, documenting the process, supporting needs, as well as taking lessons learned from previous Heavy Civil GC/CM approved projects and applying those lessons to the proposed project.

Mr. Brown reported he was formerly with Spokane Public Schools as the Capital Projects Director for 12 years. The district was the first school district in the state to receive agency certification for GC/CM. His role is to assist the team in an advisory role and support Mr. Pritchard in a back-up capacity.

Mr. Twohig reported the project meets five of the six criteria in RCW 39.10. The project involves complex scheduling, phasing, and coordination at an operating occupied site. The involvement of the GC/CM during the design phase is critical. The project is complex and located within a technical work environment. The project meets statute requirements for Heavy Civil GC/CM delivery, as the project work is primarily infrastructure.

Mr. Pritchard advised that the overview of the project budget would also address several questions submitted by the panel. The total project budget is $25 million with estimated project construction costs of $19 million.

Mr. Twohig addressed why the budget includes no offsite costs. As a municipality owner, the City of Spokane owns water, wastewater, and storm water utilities with no differentiation between onsite and offsite costs. The entire City right-of-way represents nearly 40% of the City of Spokane and is where most City projects are located. The City treats City-owned property as an extension of right-of-way. The facility expands beyond the property lines on three sides with a significant amount of piping, a diversion vault, shoring, and additional work in the street. The City typically does not differentiate those costs; however, the $19 million construction budget includes those elements.

Mr. Pritchard described the breakdown of the $19 million construction budget. Approximately 84% of $16 million is allocated for the facility with the remaining $3 million allocated to various project components. The MACC fee is 4%. The GC/CM fee, special general conditions, and the negotiated support services are allocated as budget figures. For the five prior GC/CM projects under current management, as well as for the CSO 26 project, the proposed budget is well within the range of those projects' estimated costs. The budget estimate is an appropriate amount. The owner's contingency is 10% of the estimated cost of construction representing a healthy budget to handle either scope or design changes.

Mr. Buller described a combined project overflow (CSO) facility. In previous years, sanitary sewer and storm water were collected through a large, single pipe sufficiently sized to handle combined sanitary waste and storm water. Large storm water events were intentionally overflowed to the river through a combined sewer overflow facility. At that time, the process was considered as a solution to pollution. Today, that process is no longer acceptable. The City has engaged in a multi-year effort to reduce the number of combined sewer overflows cost effectively by building large CSO tanks to store combined sewer surge during storm events, temporarily. After the event passes, water is slowly metered into the same

system normally handling the water. Finding new locations for CSO tanks has been challenging. Most are located near sewer lines. The location of CSO 24 meets the location criteria. Over the last 10 years, 14 tanks have been completed or are in progress. Most of the tanks have been designed by the same project design team. Two of the most challenging tanks – CSO 26 and CSO 24 are the two largest tanks. Today, the program has been achieving the combined goal of preventing combined sewer from discharging to the river.

On December 7, 2015, the City experienced a large rain event generating over 1-1/4" of rain producing 4.2 million gallons of combined sewage successfully diverted from the river and retained in tanks. Unfortunately, approximately 10 million gallons of combined sewer was discharged to the river. The CSO 24 tank, if built, would have held most of the 10 million gallons of combined water demonstrating the important need for the project.

Mr. Buller described the challenges of the project site. The project is located on City-owned property but faces significant challenges with active businesses surrounding the site. Two major arterials house an assortment of other utilities required to maintain operations. An adjacent building is located on a slab at grade. A residential development is proposed immediately to north of the tank site and is planned for construction concurrent with the proposed project. Additionally, the project site depth is 40 feet. The site is adjacent to the slab on-grade building. Both the site and the design are complicated. The project would benefit from having a contractor involved early during the design.

Ms. Kinzer displayed a photograph of the existing site. Construction activities will impact the City's adjacent vacant lot, as well as three surrounding streets. Construction is next to a television station, a multi-family apartment complex, and a building constructed in 1915. An aerial photograph of the site oriented panel members to the placement of the project in relationship to surrounding uses. The tank is a two-million gallon structure buried in the ground equal to burying a football stadium 40 feet deep. The tanks are sophisticated self-cleaning systems with automatic flow monitoring and over control units. The GC/CM would provide the design team with the ability to tailor components to provide early bidding packages.

Mr. Brown described the extent of piping involved in the project. The large diameter pipe is also buried deep and impacts streets during construction. Some of the complexities are preserving an older existing building and working in streets during street closures.

Mr. Brown displayed photographs of the project site location and other CSO tank projects under construction. He described diversion of the traffic during the project and some of the impacts to downtown Spokane. He stressed the importance of identifying all impacts, which speaks to the importance of the GC/CM's early involvement to help with shoring work, construction access, and communicating information early to the public and those affected by the project.

Mr. Pritchard addressed questions and reviewed a project design schedule. He recently met city team members following the submittal of the application to focus on the schedule in anticipation of questions. The goal is contracting with the GC/CM prior to the end of schematic design estimated to be at the end of October. The City Council is anticipated to award the GC/CM contract by October 10th affording for the integration of the GC/CM and design team early in the process.

Mr. Pritchard addressed questions about the timing of procurement. The Request for Qualifications (RFQ) is scheduled for release on August 24th with 25 days for proposers to respond. After interviews, selection, and notification of final interviews, applicants have 12 days to prepare. The notification to move to final proposal entails another nine days of preparation with a 12-day span between the intent to award to actual award. The schedule meets the requirements for notification as required by RCW 39.10.

Mr. Twohig addressed questions on resource capacity. Two of the primary principals on the project are Ken Brown and Cindy Kinzer. Ms. Kinzer is completing work on another CSO design and is scheduled to work entirely on the design of the project. Mr. Brown is ending his responsibilities as construction manager for the City and is dedicated principally as the project manager throughout construction of the project as well as the CSO 26 project. Mr. Twohig advised that his time devoted to the project would be approximately 20%. The City has established training opportunities internally and externally. The City plans to send Ms. Kinzer and other team members to the next GC/CM workshop. Members who

completed the training have shared lessons learned from the workshop. Teams working on other projects often meet and share lessons learned for all phases of a project. Knowledge is shared internally.

Mr. Twohig reported the CSO 24 project meets the requirements of RCW 39.10 in terms of the complexities of scheduling, phasing, and coordination with adjacent businesses. A new station is located adjacent to the project site in addition to a new condominium development, as well as an automotive shop located in the slab at grade building adjacent to the site. The site is occupied with two principal arterials in the downtown that must function intermittently for access to other facilities, as well as the utilities that must continue to operate throughout the project. The involvement of the GC/CM is critical for successful design and construction. The team has learned many lessons from the CSO 26 project. After selection of the contractor, the GC/CM helped to relocate and orient the tank by shifting placement 180° allowing more access for excavation and enabling a safe distance from adjacent facilities. The GC/CM assisted in developing an early-out package instrumental in completing excavation earlier rather than later when bypass flows occur during wet weather months. The package affords an opportunity to construct the bypass during low flows.

The City and OAC Services team have worked on four alternative delivery projects. The OAC team has demonstrated its GC/CM successes on other projects that the City expects would be transferred to the proposed project. The City has the resources and controls in place to deliver a successful outcome. The public will receive the benefit of the delivery mechanism. GC/CM will also increase financial predictability and offset some risks, and bring a teammate to the project to achieve a successful outcome for the public.

Panel Chair Burt invited questions from the panel.

Mr. Apiafi remarked that it is comforting to know OAC Services is assisting because the company has a wealth of experience as a GC/CM. He has confidence in Rusty Pritchard and Greg Brown's support. He asked whether Ken Brown who is serving as the Construction Project Manager has any GC/CM project experience. Mr. Brown responded that he is currently working on the CSO 26 project, which is his first GC/CM project. He is in charge of the procurement team and is involved in weekly discussions with the contractor.

Mr. Apiafi asked about Ms. Kinzer's GC/CM project experience. Ms. Kinzer replied that she has not attended GC/CM training at this time. However, she has spent time with Mr. Pritchard and has reviewed material from the GC/CM workshop. Mr. Pritchard is serving as her GC/CM coach and is assisting in the design.

Mr. Pritchard added that when the team reviewed and developed the schedule, members discussed early site packages and contractor buyout scheduling to afford time for discussions to match efforts with design.

Ms. Kinzer noted that Mr. Pritchard is a good tutor. The design team has designed five tank projects this year, and that aspect of the work is well-understood. However, Mr. Pritchard was able to demonstrate how the GC/CM benefits the process because the project requires more than a year to construct. Because the project is located in the downtown core, disruption to the area will extend by nearly two years because of the large size of the tank and the extent of necessary excavation. If it were possible to have early-out packages while design is in process for shoring and excavation, it would benefit the schedule and assist in phasing different elements of the project. For example, the installation of new sewer lines could be timed to lessen traffic impacts.

Ken Brown commented that Mr. Pritchard is currently involved in the CSO 26 project. Mr. Brown would not be serving as the construction manager until the end of the year as Mr. Pritchard is serving in that role. He is learning as the transition occurs.

Mr. Lane asked for more information pertaining to the schedule reflecting early bid packages, such as shoring and excavation in February 2017. Mr. Pritchard responded that the requirements of a subcontracting plan typically identify the bid packages for execution and the budget amount. Budget numbers would be determined by the GC/CM for excavation and shoring packages and continually updated as design moves forward. Under the RCW and under negotiated self-perform work, the budget amount cannot be exceeded. The regular bid job includes a stated amount that is reviewed to ensure the amount meets the scope and goals of the work, which is then applied to the budget Guaranteed

Maximum Price (GMP). The process is how pluses and minuses are included. However, the process initially kicks off with a subcontracting plan with the budgeted numbers to match what was advertised for the GMP.

Ms. Zahn asked whether team members have a sense for what portion of the project may be self-performed based on experience from the CSO 26 project because Heavy Civil GC/CM provides for a range of negotiated self-performance packages. Mr. Twohig replied that in terms of self-performance, an early-out bypass package was released in September during the construction season when there were fewer contractors available. It made sense to use their resources on the self-performance contracts. Larger firms attracted to these types of projects are typically interested in self-performing excavation, concrete and rebar work, as well as excavation. The City does not anticipate those companies handling the shoring or hauling work.

Ms. Zahn asked for clarification of the procurement schedule that speaks to three phases of an RFQ - shortlist, interviews, and notification of final pricing. Mr. Pritchard affirmed the schedule is three steps involving the RFQ, shortlist for interviews, and then issuance of the RFP for pricing. Drafts of those documents are in process to enable a review by contractors. Ms. Zahn asked whether the RFP would also enable contractors to submit additional information within the RFP other than pricing. Mr. Pritchard explained that submission of the RFQ includes a preliminary project management approach with further refinement in the RFP as a technical component.

Mr. Hillinger asked about the delineation of roles and responsibilities between Mr. Pritchard and Ken Brown. Mr. Twohig responded that Mr. Brown is currently serving in the role of the Construction Project Manager until the end of the year prior to assuming responsibilities for the CSO 24 project. Mr. Pritchard is serving as the project manager with Mr. Brown serving as a procurement team member and attending all weekly meetings. Primary project management duties would be assumed by Mr. Pritchard until the end of the year. At the beginning of the year, those responsibilities transition to Mr. Brown with Mr. Pritchard assuming a supporting role. Mr. Hillinger asked about the extent of support offered to Mr. Brown once he transitions to project manager. Mr. Hillinger said his role diminishes for advising and assisting Mr. Brown. The team completed some processes and procedures during the ***Riverside Park Water Reclamation Facility Next Level of Treatment (NLT)*** project. The process entails shaping a competent construction firm and team and adjusting processes for handling the project within the process of the GC/CM procurement method. His role would shift to a support role to help implement those procedures as defined during the CSO 26 and NLT projects.

Mr. Dugan said he supports the application and has no questions in terms of staff augmentation for the skills in place by OAC Services. Based on the schedule, he asked about the timing of the permit component. Mr. Buller said the City is nearing completion of permit submissions for CSO 26. He plans to begin permitting work on the CSO 24 project in the next several weeks following a week of vacation. Mr. Dugan asked whether the three-month window included in the schedule is sufficient to meet the City's permitting process. Greg Brown said he spent 20 years of his career in Pierce County and then moved to Spokane in 2003. He was surprised to learn that it only took four to six weeks to secure a building permit inside the city limits of Spokane.

Mr. Boyd remarked that the project is fraught with issues from a project perspective. He asked for additional input on lessons learned by the City for the CSO 26 project. He reviewed the budgets and noted the service center was over budget by $2 million. He expressed concerns about the budget because although it is possible to price components above ground, pricing components below ground often encounter too many uncertainties. Mr. Twohig replied that the City has designed and constructed many CSO tanks. CSO 24 is the fifteenth tank for the City. Pricing the structure has been well defined internally. The City received good pricing in the Spokane market. Although unforeseen problems have been an issue, the proposed site is flat affording early geotechnical borings and digging, which was not possible to complete at other sites. The team feels confident the conditions can be accurately characterized to some extent because there are expectations of other unknowns, which have been included in the budget. Unknowns have occurred on other projects and the cost implications have been within the contingencies of the project. The team is confident with the proposed budget. The CSO 26 project was an incredible lesson for the City because the early involvement by the contractor helped the City work through design and define better site ingress and egress. The physical nature of ingress and egress in a confined space is challenging. The CSO 26 project involves construction of a tower crane within the center of the tank built from the center outward and potentially integrated into the foundation. The GC/CM discovered ways to micro shift the tank to afford sufficient space for shoring and creating a work zone around the facility.

Mr. Boyd asked about the responsible entity for establishing the CSO 24 project budget. Mr. Twohig said the City's design team, which has the experience, developed the budget. The budget was also reviewed by a design consultant. Ms. Linzer added that she works with the City's integrated capital management group. Budget development for the project was based on historical factors because of special shoring required for the 40-foot depth. The City hired a consultant early, as well as a geotechnician, to assist in estimating some shoring and other costs. Remaining costs were based on familiarity with other similar projects.

Ken Brown shared information on the changes necessitated for the CSO 26 project to include moving the placement of the tank by 180° because of connection issues.

Mr. Shinn spoke to the mechanical aspects of the project. He asked whether dewatering is a factor because of the project's proximity to the river. Mr. Kinzer responded that the City completed some geotechnical studies on the site, as well as drilling bore holes to ensure no groundwater was present. Although close to the river, the property is located on a ravine with no groundwater present. During the boring operation, the Department of Ecology was onsite to evaluate soils.

Panel Chair Burt closed the panel discussion and invited public comment.

There were no public comments.

Panel Chair Burt invited deliberations and a recommendation by the panel.

Mr. Apiafi said the lack of a GC/CM at this point is somewhat of a concern. He is hopeful that the lessons learned from the CSO 26 project would be transferred to the CSO 24 project. It appears they are both good projects for the GC/CM delivery method. He agreed OAC Services provides a wealth of experience in GC/CM project delivery. Not having an experienced GC/CM contractor identified is somewhat concerning.

Mr. Hillinger pointed out that the City is unable to hire the GC/CM until the PRC approves the project application. The GC/CM is to be determined. It might be possible for the GC/CM of the CSO 26 project to apply for the project. He believes the application was well crafted but had some concerns in terms of clarity on the lines of responsibilities, which were clarified. It is a good project for Heavy Civil GC/CM procurement. He suggested the City should document some of the benefits, as it would be beneficial to share that information with the PRC.

Ms. Zahn agreed the project is appropriate for the Heavy Civil GC/CM procurement method. She also supports the City's actions to consider the Oak Harbor Clean Water project to leverage experience by other owners in terms of contracting terms. She is hopeful lessons learned are shared with the industry because public owners do not always know which contract terms work or do not work until negotiations are underway. She also could not ascertain whether the CSO 26 project has completed negotiating most of the self-performance packages because it is an area that is often challenging for owners. She recommended sharing information after completion of that process with the broader public owner community.

Mr. Dugan said the discussions have centered on loss and concerns; however, the GC/CM contingency, design contingency, and the owner's contingency equal approximately 14% of the construction contract, which is significant. Additionally, having completed many projects near older and historic buildings, the owners of those buildings often complain how the environment has changed after the completion of a project. He encouraged the City to consider generating as-built drawings of the other building's exterior adjacent to the excavation site to map current conditions prior to commencement of evacuation work.

Panel Chair Burt said he was intrigued that the City had a different design team and group working on the CSO 24 project versus CSO 26 project. However, the presentation indicates that some of the knowledge would be transferred, as well as Mr. Pritchard serving as a coach and mentor to Ms. Linzer. Since the process has been initiated, he is encouraged by that transfer of knowledge. The CSO 26 project is providing a learning tool that would be transferred to the proposed project. He believes the project is appropriate for GC/CM.

Kurt Boyd moved, seconded by Mike Shinn, to approve the City of Spokane's GC/CM application for the CSO 24 Facility project. Motion carried unanimously.

Chair Panel Burt recessed the meeting at 11:10 a.m.

Spokane International Airport – GC/CM – Security Upgrades Project
Panel Chair Howard Hillinger reconvened the meeting at 11:30 a.m.

Panel Chair Hillinger reviewed the presentation and timing format to consider the GC/CM application from Spokane International Airport for Security Upgrades. Panel members Howard Hillinger, Jim Burt, Steve Crawford, Janice Zahn, Kurt Boyd, Mike Shinn, Jim Dugan, and Ato Apiafi provided self-introduction. Six affirmative votes are necessary to approve the application.

Rusty Pritchard, OAC Services, said the company was selected as the GC/CM consultant for the project assisting Matt Breen, Director, Planning and Engineering with Spokane International Airport.

Greg Brown, OAC Services, reported he would be assisting Mr. Pritchard as a GC/CM advisor and with project management. His role in the project is more in-depth than his assignment to Spokane's CSO 24 project.

Matt Breen reported he has been with Spokane International Airport since 1994 and has delivered public works projects since 1992. He worked on many large Air Force projects, as well as delivered projects using the alternative project delivery method of Design-Build.

Mr. Preen outlined the presentation agenda. The Spokane Airport Board was created as part of an interlocal agreement between the City of Spokane and Spokane County for a jointly-owned municipal corporation. The interlocal agreement requires the airport to follow the procurement rules of the City of Spokane. Larry Krauler is the Chief Executive Officer.

Mr. Preen introduced Dave Armstrong, Director of Finance. Mr. Armstrong is involved in the project because the project is funded by Passenger Facility Charges (PFCs). Delivery of projects often involves many funding sources with different rules for invoicing, audit, and support. Close-out begins prior to scoping a project in terms of considering schedules and funding sources and whether special rules might apply, whether PFCs apply, or the project is partly funded by unrestricted cash sources. Finance is an important element of the project when the funding source includes PFCs.

Brian Werst, Workland-Witherspoon, PLLC, serves as legal counsel for the airport. He has some experience with GC/CM. Contracted legal counsel is Andrew Greene with Perkins Coie, who has extensive experience with GC/CM. He has been instrumental in tailoring documents specific to the project. The plan is to use AIA documents. Other members of the team include Mr. Pritchard and Mr. Brown.

The project involves complex scheduling, coordination, and phasing. The site will be occupied during construction and must continue to operate safely and securely. The early involvement of the contractor has a public and fiscal benefit. The project benefits from having a combined design and construction team as early as possible to ensure no surprises during the delivery of the project. There is compelling public interest to ensure no surprises occur in airfield perimeter security or site airport security. Having a guaranteed maximum price and a high degree of cost certainty for a project that includes a remodel is beneficial especially when there are substantial changes to existing infrastructure. Having a high degree of cost certainty is a benefit.

The overall project budget is $11 million.

The scope of the project includes:
- Enhancing airfield security and installing terminal access control devices at strategic areas
- Upgrading existing CCTV systems
- Enhancing and expanding access control points and systems (internal and external)

- Installing Airport-wide LAN system to support:
  - Flight Information Display Systems (FIDS)
  - Baggage Information Display Systems (BIDS)
  - Upgrade gate information display systems
- Installing additional card readers and peripherals

Mr. Breen displayed an aerial photo of the runway extension project completed several years ago. The airport was a former defense alert site. He reviewed a conceptual site plan of airfield security enhancements and perimeter fencing with a series of gates around the perimeter with card access. Project elements include enhancing perimeter access control and CCTV systems.

As the airport site configuration evolved, parked aircraft eventually were placed too close to public areas. The intent is to reinforce the perimeter with a precast or steel structure. The project includes replacement of FIDS/BIDS and gate information display systems throughout the terminal. Airport areas lacking current access control are the boarding bridges. Card access will be added to each boarding bridge.

Mr. Pritchard reviewed the project schedule. The schedule was revised since the application was submitted extending the timeline by approximately three weeks to enable time to review the scope to help articulate the requirements for AE and GC/CM contracting. The schedule is built around the decision-making model of the Board. Mr. Pritchard outlined the schedule for AE, GC/CM, design completion, CDs, permits, negotiation of the MACC, early site package, negotiation of the GMP, and commencement of construction. A three-month closeout is included in the project with final project completion by June 2018. Critical elements of the project are internal and require extensive electrical and mechanical work.

Mr. Pritchard addressed questions submitted by the panel. One question spoke to the active Spokane market and GC/CM's management of that risk. Currently, the Spokane market has approximately three quarters of a billion dollars of construction on the books today. The project would attract large contractors; however, the local market is tapped. Many GC/CMs in the area also have key trusted partners who have successfully delivered complex GC/CM projects. The team believes the industry will help align the scope, design, and budget. The team will discuss whether to pursue alternative contracting for electrical and mechanical contractors. Managing the risk of bid packages is part of preconstruction services, which will be heavily engaged in examining and opening panels to locate existing interior and exterior conduit. The team plans to align that knowledge in the buy-out plan. Early site packages will be focused on the airport perimeter, as well as for gate enhancements. Another question was whether the team was prequalifying. It is an assumption, as the discussion will be necessary because as an owner, a public hearing is required followed by a determination. After reviewing the procurement plan and engaging in conversations, the owner would determine whether to prequalify contractors.

Another question was the sufficiency of the owner's contingency. The proposal sets the owner's contingency at 9% ($1 million) for owner, design, and scope changes. Some of the preconstruction services will help reduce risks, as well as having knowledge of site conditions. The contingency is at a good level in addition to utilizing AE documents that include a contingency.

Mr. Pritchard addressed questions about his and Greg Brown's commitments to other projects. The role of OAC is to utilize most of the airport's existing forms and align them with the GC/CM process. His role is to assist in project management and the GC/CM process throughout the projects. Approximately 80% of his time would be spent on design and 90% or less during construction. His role as an advisor to a project is based on the client's knowledge of their particular processes with advice from him, involvement in the GMP negotiations, change orders, and contract alignment. His role is a project advisor rather than a project CM.

Mr. Breen concluded the presentation and conveyed that the team believes it has the tools, talent, and the controls in place to execute the project properly.

Panel Chair Hillinger invited questions from the panel.

Mr. Apiafi commended the City for taking steps to address airport security in view of recent threats and incidents occurring at other airports. He asked whether the airport has the appropriate security consultants to mitigate security risks. Mr. Breen replied that the airport has numerous proprietary access systems in place. Security professionals will be involved in developing elements of the project for access control with connections to the terminal. The airport has hired trusted providers of professional system integrators that are familiar with the airport's situation that likely would be involved in providing site-specific knowledge during design.

Mr. Pritchard added that two subconsultants in airport planning are assisting OAC, as well as technical expertise from an individual from Washington State Patrol.

Mr. Burt referred to organizational controls and the potential of the Board to be involved in the change order process. He asked whether there is a project management plan identifying how that involvement might pose a potential risk of slowing the project. Mr. Breen replied staff level expenditure approval is available for changes up to $50,000. The engineering committee meets monthly to assess potential changes. When changes have occurred on other projects, the Board is polled by phone or email for approval to authorize the work for those changes that are substantial.

Mr. Burt asked about the point of contact between the architects, engineers, and the GC/CM. Mr. Breen advised that he is the responsible individual and serves as the initial point of contract between the design team and the construction team. Mr. Burt asked Mr. Breen about his level of project management experience. Mr. Breen said he has served as project manager for most of his career at the airport and has been responsible for many large projects to include the Ground Transportation Center, terminal and concourse enhancements, runway extension, heavy civil vertical C Concourse, and a Design-Build parking garage. In terms of project delivery methodology, he has over 22 years of experience at the airport delivering numerous projects.

Mr. Burt asked about project costs and the typical delivery method. Mr. Breen said most of the projects have been Design-Bid-Build. The airport, as a municipal corporation, lacks some of the flexibility that is afforded to schools. The runway extension project was $30 million, the C Concourse expansion was $25 million, the Terminal Concourse Enhancements project was $18 million, and the Ground Transportation Center in the late 90s was approximately $8 million.

Mr. Burt asked Mr. Breen whether he anticipates needing any additional training to support the role provided by Mr. Pritchard in learning about the GC/CM delivery methodology. Mr. Breen said the airport continually explores new ways to deliver projects that are geared toward qualification-based rather than low cost. Not all low cost processes offer good value. His research on the different options helped him gain a better understanding of the process, as well as seeking guidance from the City of Spokane and the state. He's attended seminars and workshops over the last several years on alternative project delivery to help him understand the changes and the collaborative/partnership relationship of the parties.

Mr. Prichard noted that Mr. Breen is an accomplished project manager. Similar types of training and discussions will be ongoing during procurement. That may involve using the airport's documents, processes, and refining them to the GC/CM environment.

Mr. Brown said Mr. Breen lacks a large support team, with most of the projects managed by only him. He definitely has the experience and is well-qualified to handle any type of public works project.

Ms. Zahn asked for additional information about the complexity of the project that qualifies for the GC/CM delivery method. She questioned whether the project cost would meet the required threshold to qualify for GC/CM. Mr. Breen said the complexity of the project pertains to the number of existing systems in each building. Each concourse and airline has particular IT infrastructure that does not automatically connect. The project requires a complex understanding of building IT infrastructure and how it interconnects with access control, BIDS FIDS, and gate information display systems, which must be integrated, coordinated, and installed. Under a hard bid scenario, substantial changes and different site condition issues often require the early involvement of the contractor to help the team phase and sequence the project while the airport remains fully operational. The project requires intense scheduling, coordination, phasing, and communication to ensure against any lapses in security or safety.

Ms. Zahn agreed with the explanation; however, GC/CM is not a panacea as the work is still low bid. At the end of the day, different site conditions are not necessarily resolved because the delivery method is GC/CM, which is why she asked the questions. Mr. Breen replied that there are many projects suited for Design-Bid-Build, which the airport will continue to pursue. However, other projects are well-suited for a qualification-based selection. When the airport initiated its first Design-Build project, the team learned there was a dark side and when difficulties were encountered, many personnel began falling into their old roles, which was a learning experience. He agreed GC/CM is not a silver bullet or a magic solution because there will always be challenges. However, he believes the project is well-suited for GC/CM delivery.

Greg Brown cited his experience in the Spokane market for completing GC/CM projects. Even though major issues occur, it is important to work through those issues together. There will be bumps along the way. Although, the GC/CM delivery method transfers the risk from the owner to the contractor, it also lowers the risk for all parties, which is why it is such an attractive procurement method for this project as the risk inherited will be lower by having a GC/CM partner early in the process.

Mr. Boyd commented that the schedule calls for the award of the GC/CM contract on November 18, 2016 with design development beginning in December 2016 and ending in March 2017. Buyouts are not scheduled until July 6. It appears the project would require an electrical contractor during the first phase of design development to lower the risk.

Mr. Breen acknowledged the comment and said the team would incorporate the suggestion into the procurement schedule.

Mr. Prichard added that the schedule is not fixed and affords some flexibility. Once the scope is defined, the thresholds for using ECCM or MCCM will be clearer. Mr. Boyd is right, as it would entail taking the time to meet the RCW requirements.

Mr. Apiafi commented that other than for OAC Services, the remaining team has no GC/CM experience. Mr. Breen advised that airport counsel has GC/CM experience. He also has some alternative project experience through Design-Build and in qualification-based selections for the energy services contracting method.

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

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

Mr. Burt said only one of the criterion in the statute must be satisfied to qualify for the GC/CM delivery method. The airport environment is intense, is occupied 24/7, and could not be more difficult in terms of security. The project satisfies the requirements of the statute; however, there also must be the appropriate experience on the team. With OAC augmenting staff, the experience criteria have been satisfied. While he's supportive of approving the application, he cautioned that the percentage of time allocated to the project by Mr. Breen compared with the time of Mr. Prichard and Mr. Brown is somewhat unique from a GC/CM perspective, as it represents 50% to 55% of a fulltime employee responsible for the project. While doable, he encouraged the team to prepare for the flexibility of augmenting more hours of Mr. Pritchard or Mr. Brown's time because within the realm of Mr. Breen's responsibility, airport situations could eliminate Mr. Breen's time. In the GC/CM world, there may be decision points required. There is an expectation that one or both of the OAC representatives would step in and fill that role.

Ms. Zahn agreed with Mr. Burt because the project is appropriate for the GC/CM delivery method in terms of phasing. However, from the standpoint of the internal organization, it appears the owner is reaching out to leverage the delivery method. Some of the comments cause her some concerns in terms that the GC/CM would handle some issues that might not be appropriate for the delivery method to deliver. With the budget amount of $11 million as a firm figure and the potential of unforeseen field conditions and the inability of using an ECCM because of the dollar value, the project would likely qualify only for hard bidding. The ability to describe the work has been challenging. Although the application enables the listing of the last six years of projects, the presentation covered other projects that did not include the description, dollar value, duration, or whether there were budget overruns. She does not necessarily have enough information to understand experience on alternative delivery both for airport counsel and staff members. She is somewhat uncomfortable with that portion of the presentation. She acknowledged the assistance of the consultant community, but is

uncomfortable in terms of the internal experience with GC/CM and the reliance on consultants. She is conflicted. She is supportive of the owner securing the A/E at the same time as the GC/CM. The idea of the team partnering together is beneficial, but because the GC/CM delivery method is different, she is still unsure.

Mr. Apiafi shared similar concerns. He believes that the project should be a Design-Bid-Build rather than a GC/CM project. While the work is essential for airport security, he is aware of the type of work as he received a proposal for a similar project. However, based on the presentation and while the owner has hired OAC to provide the GC/CM experience, the PRC has considered other project teams that lacked GC/CM experience and denied the application with a recommendation to return when the team was prepared. Although he has confidence in OAC, the answer to his last question does not make him feel confident.

Panel Chair Hillinger reminded the panel of the evaluation criteria in the statute. Comments that the project might be more appropriate as a Design-Bid-Build are outside the role of the panel. The panel's role is to determine if the project meets the criteria in the RCW, meets qualification criteria, and whether the owner has the necessary management in place. Although the discussions are helpful for the applicant, the panel's role is somewhat more limited to criteria.

Mr. Crawford said he believes the project is complex involving many different activities occurring in an operational airport that is a complex and difficult work environment. Those reasons qualify the project for GC/CM delivery. The owner is extremely light in terms of GC/CM experience and would rely on the consultant. OAC Services has the experience and the ability to deliver and help make the project successful. OAC is working on a number of projects and it was helpful that the owner identified the specific individuals assigned to the project with time commitments. The project appears to include many consultants and subcontractors.

Mr. Shinn said that as a representative of specialty contractors, the project appears to be heavy-electrical and achieving the dollar threshold for electrical work is not an issue because of the extensive electrical work involved. He questioned why the owner would want the GC/CM involved earlier while not considering an ECCM to assist in establishing the budget and schedule, as an ECCM could share much information.

Mr. Boyd pointed out that without knowing the details of the budget estimate, the hardscape issues, security, and electrical components would likely compromise a majority of the $11 million budget. His concern is ensuring the benefit of the electrical contractor is at the table prior to design development. He agreed with the assessment of other panel members that the owner would need to increase OAC support. Additionally, the schedule should be revised to ensure ECCM procurement is integrated into the design development process because it would maximize the GC/CM process.

Mr. Crawford referred to a recommendation from the University of Washington that the ECCM/MCCM dollar threshold should be lowered because of the critical importance to many projects.

Mr. Burt echoed similar concerns about the owner's team experience. However, the presentation revealed that Mr. Breen has the public works experience on larger projects and that experience would be augmented by OAC Services. The panel should consider that combined experience as a team and whether there is sufficient knowledge of the GC/CM delivery method. Many agencies have smaller budgets, lack capacity, and often augment experience. Mr. Breen has a significant number of years of public works experience. The owner may find that OAC might need to be more involved, but would likely learn more as the procurement process proceeds. He believes the project is appropriate for GC/CM delivery.

Panel Chair Hillinger said his main concern was ensuring the team had adequate reserves if Mr. Breen should become unavailable. The application also included other resources in addition to OAC. The project meets the criteria and is an appropriate project for GC/CM delivery.

Ms. Zahn agreed the project is appropriate for GC/CM delivery. Her main concern was ensuring adequate resources are available to support the project. The culture and environment of GC/CM is different and not necessarily conveyed through consultants because it is embedded within the culture of the public owner. If the culture is present, the project benefits.

Mr. Burt said he is familiar with the airport completing some collaborative projects and believes the airport has gained some of that experience.

Panel Chair Hillinger agreed that partnering, collaboration, and sharing of knowledge between owners is important.

Mike Shinn moved, seconded by Jim Burt, to approve the Spokane International Airport GC/CM application. Motion carried unanimously.

Panel Chair Hillinger recessed the meeting at 12:29 p.m.

Western Washington University – GC/CM – New Student Housing
Panel Chair Kurt Boyd reconvened the meeting at 1:00 p.m.

Panel Chair Boyd reviewed the presentation and timing format to consider the GC/CM application from Western Washington University (WWU) for new student housing. Panel members Steve Crawford, Janice Zahn, Kurt Boyd, Mike Shinn, Ato Apiafi, Jim Burt, and Yelena Semenova provided self-introduction. Five affirmative votes are necessary to approve the application.

PRC Chair Palewicz attended the presentation.

Rick Benner, Director, Facilities Development and Capital Budget, Western Washington University; Ed Simpson, Assistant Director, Facilities Development and Capital Budget, Western Washington University; Mark Cork, Partner, Mahlum Architects; Linda Beckman, Director, Budget/Admin/Enrollment & Student Services, Western Washington University; and Leonard Jones, Director, University Residences, Western Washington University, provided self-introduction.

Mr. Benner reviewed the presentation agenda. The proposed project is WWU's third GC/CM project. Several years ago, WWU received approval for the Miller Hall Renovation project for GC/CM delivery. The second GC/CM project is the Carver Academic Facility Renovation and Addition currently under construction and nearly 50% complete.

Recently, the WWU experienced a change in the project manager as originally submitted. John Treston submitted his resignation after the submittal of the PRC application to move to the Southwest to join his family. The role of project manager was reassigned to Sherry Montgomery, who serves as the Project Manager on the Carver Academic Facility Renovation project.

The project is a 200-bed student apartment building of 100,000 gross square feet. The building is one story of concrete construction and four to five stories of wood frame construction. The total project budget is approximately $35 million. The project is anticipated for completion and occupancy by fall 2018.

Mr. Simpson pointed out that the GC/CM management plan submitted in the application is essentially the same plan for the last two GC/CM projects. Mahlum Architects was involved in WWU's first GC/CM project for the Miller Hall Renovation. The University has an agreement with Mahlum for mentoring and support services as needed. Jon Lebo, Project Manager, University of Washington is a member of the selection panel for the GC/CM.

Mr. Simpson reported that after submitting the application to the PRC, Mr. Treston advised him of his plan to relocate to another area for family reasons. After reviewing the organizational structure for the project, the decision was to shift some of Ms. Montgomery's time to the project. The University is recruiting for replacement of Mr. Treston's position. As part of that recruitment process, WWU has emphasized the importance of any candidate to have public works experience in the State of Washington. The position announcement closes in approximately two weeks.

Mr. Simpson reviewed the questions submitted by the panel. The first question concerned his overall role for the Carver Hall project and the design of the student housing project. The Carver project consumes approximately 10% of his time. He meets weekly with the project manager and monitors the status of the project. He also participates in the WWU Project Steering Committee and monthly project overview meetings with principals of the design and GC/CM team. He

attends quarterly Mortenson safety meetings and plans to spend more of his time on the student housing project until a project manager is hired and familiarized with the project. He also is managing the GC/CM selection process and preconstruction contract development, as well as participating in GC/CM and design team meetings, and will participate in MACC negotiations. At least 30% of his current time is spent on capital development through September with 40% of his time spent on other administrative duties.

Mr. Simpson affirmed that he would be supporting the project managers. During the construction document phase, on-site representatives will participate in review meetings. On-site representatives and the team will become familiar with design and GC/CM team. The project manager will be assigned 100% to the site. Dale Krause is WWU's on-site representative. His role is to provide day-to-day oversight of the construction activities. Mr. Krause is supported by the project manager and other on-site staff. WWU regularly has Facilities Management Craft Works participate in quality assurance walk-throughs with Mr. Krause. WWU also contracts with a commissioning agent to assist with that role. Mr. Krause has experience in GC/CM delivery and participated several years ago in AGC's GC/CM training class and serves as an on-site representative for WWU's Miller Hall Renovation and Carver Academic Facility Renovation projects. The Carver project is scheduled for substantial completion by April 2017, allowing Mr. Krause to transition to the New Student Housing project.

Mr. Simpson referred to the question on whether the project is complex and would benefit from a GC/CM delivery method. The project is complex and benefits by having early GC/CM involvement during design and construction. Some of the site and schedule complexity issues include infrastructure and building skin issues not typical for a housing project. WWU is committed to achieving a minimum LEED Gold certification. Anticipated design features supporting that goal include:

- Hydronic heating system with energy recovery ventilation in lieu of electric baseboard heat
- Wastewater heat recovery for pre-heating of domestic hot water
- Occupancy sensors and daylight controls for lighting systems
- Outlet occupancy sensors to control plug loads
- Emergency generator system for emergency backup for egress lighting, elevator, telecommunications, access control, and alarm systems
- Enhanced systems monitoring tied into WWU's campus energy management system

The University would like the GC/CM heavily involved in the design of the exterior rain-screen system by providing input and constructability reviews to assure long-term performance of the system to protect wood structural systems and interior environments.

Mr. Cork addressed project challenges:

- Construction Schedule
- Phased Bidding/Construction
- Site Access During Construction
- Pedestrian Safety
- Topography
- Geotechnical Considerations
- Wood-Frame Construction – Technical Considerations
- Envelope Integrity
- High Performance/Sustainable Systems

The project site is located north of Buchanan Towers and is considered as an expansion of Buchanan Towers. Road access is available on one side with no access from the east. The construction laydown area might be of concern other than for a parking lot that could be used. The main pedestrian routes from Buchanan Towers to the main campus are along the pedestrian trail on the ridge to the east or the sidewalk to the west. The structure will be built into an existing hillside with a 20'-25' grade change from one end to the other. Geotechnical considerations include the presence of bedrock at varying depths. Having the ability for the GC/CM to coordinate with the geotechnical and structural engineers during design of structural systems is important to ensure an efficient design and construction process.

Mr. Cork displayed photographs of a project completed for the University of Washington for its west campus Phase 1 housing project consisting of four buildings completed by the GC/CM delivery method. Wood frame construction is included to the limits of what is allowed by code. A five-story wood frame building includes many significant issues. It is important to have a contractor who understands those issues. Each plate on each floor shrinks by approximately 1/8" from the time of framing to occupancy. For one floor, that represents 3/8" and while that might be inconsequential, it is over 2" for five floors. It is important the contractor understands those issues in terms of how the building is loaded and construction is sequenced. The Pacific Northwest has many qualified contractors and ensuring prequalification to enable WWU to take advantage of that experience is important. The team works closely with its GC/CMs to design the envelope to include full day detailing charrettes during design to ensure good envelope integrity. Mock-ups are designed together as contractors understand the value of the mock-up as a tool.

The benefits of a coordinated envelope design include:

- Shared goals for the mock-up with owner, design team, and contractor
- Identifying conditions to explore and allowing identification of conditions that were not fully understand to be critical or challenging
- Serves as a test to ensure all subcontractors understand the sequence of phasing and the importance of their component in the overall envelope integrity.
- Saves project time and money

Panel Chair Boyd invited questions from the panel.

Mr. Apiafi asked whether the GC/CM consultant firm has sufficient GC/CM experience. Mr. Simpson said the proposal is similar to previous projects. The University utilized the service of Doug Holman, a former University of Washington employee, who is now a consultant. At that time, Mr. Holman had just left the University. WWU had contracted with the University of Washington for entrance services. After Mr. Holman's departure, WWU contracted with Mr. Holman and utilized his services for the last two projects. As projects proceeded, more knowledge has been gained internally with less need for external assistance.

Mr. Burt remarked that he is unsure as to the complexity of the project. The LEED certification goal is typical of most buildings today. Additionally, there does not appear to be any complex systems or difficult terrain. He would like to understand the true benefits of the GC/CM delivery method versus a traditional or Design-Build delivery method.

Ms. Semenova added that the RCW criteria speak to the project providing substantial fiscal benefit or that traditional delivery methods are not practical. While the project is greatly qualified, the project itself is pretty straightforward and there is no reason why the project could not be pursued as a Design-Bid-Build and include responsibility criteria for specific contractors. She asked the applicant to address why GC/CM would be appropriate.

Mr. Benner said the owner does not favor traditional delivery because of the goal of establishing the cost model within the financing model funded from students through housing/dining rates. Any impact to that cost model has a significant impact on the rate structure for students. Additionally, the current construction environment speaks to the importance of managing cost changes to keep project costs under control. A traditional delivery method imposes some risk in the delay of receiving a hard bid near the end of the project that could entail a redesign situation, which would impact the timeframe. When WWU completed the addition to Buchanan Towers several years ago, the project was not as successful requiring the owner to secure another contractor to complete the project. The Design-Build method does not align with the WWU's culture of delivery, as the projects are student participatory. Pursuing a Design-Build delivery, which is more of a hands-off scenario, could result in many more change orders, which impacts the budget. The team considered Design-Build delivery for the project early in the process but determined it would not be effective because of the culture of how WWU is involved in design. WWU is exploring Design-Build for other future projects; however, for this particular housing project, Design-Build would not be effective.

Ms. Zahn asked whether the owner believes the GC/CM method would provide cost certainty sooner and that value engineering efforts with the GC/CM during design would help achieve a lower-cost design while still meeting the needs of WWU rather than utilizing traditional design and bidding the project and receiving bids higher than anticipated requiring an adjustment in design. Mr. Benner affirmed GC/CM is a much better cost model control delivery than

traditional delivery methods. As the owner has a fixed budget, the goal is pursuing cost effectiveness to maximize the number of beds for the minimum amount of dollars because it impacts student housing and dining rates.

Ms. Zahn remarked that the price is still not established until the MACC. Mr. Crawford said the owner would work with the GC/CM in the interim to model the costs of the material to establish estimates or targets. Mr. Shinn noted that the University of Washington completed four similar projects and pursued the same delivery model. The University used the MCCM, as well as the ECCM approach to help define costs. It would not be appropriate to let one school pursue a delivery method and not let another school pursue the same method.

Ms. Semenova noted it is a different situation as RCW 39.10 includes six criteria. The project does not meet any of the criteria. She has a problem with determining that the project is qualified.

Panel Chair Boyd acknowledged that he understands the issues surrounding a wood frame building and ensuring the building is watertight. He asked how the team plans to utilize the services of Ted Ritter with Ritter Construction. Mr. Simpson reported that the role of Mr. Ritter includes participation in the selection process of the GC/CM. Mr. Ritter's expertise is in scheduling and project management. He is assisting WWU in assessing schedules. Mr. Ritter has assisted WWU in other projects when the contractor encountered schedule issues. Mr. Ritter has trained and worked with contractor schedulers to help them determine different options and scheduling programs. He serves as an additional resource to support the team.

Mr. Crawford said one of the issues revolves around wood construction. It appears almost premature to determine the type of construction if seeking involvement of a GC/CM to provide input. He asked how the determination was made that the building would be four stories of wood frame over concrete. Mr. Simpson said it speaks to economics. Additionally, other private developers are building structures for students in the community. The intent is to maintain a rate structure that matches private development. When the addition to Buchanan Towers was completed, economics called for one level of concrete with four stories of wood frame.

Chair Panel Boyd asked whether the owner has reviewed analysis of hybrid construction and is at the level of schematic design where wood is the preferred direction. Mr. Simpson said WWU completed a feasibility study last year for the project. The analysis recommended wood frame construction.

Mr. Burt asked whether the applicant believes the early involvement of the GC/CM during the design stage helps to control financing to lower cost to students is a critical component to the success of the project. Mr. Simpson affirmed that is the intent.

Ms. Beckman added that from the owner's perspective, housing is limited at WWU with few apartment options with single rooms. The project is a new type of facility for WWU with involvement by the students offering their opinions and ensuring sustainability of the building. Affordability from the students' perspective is important because many students choose to live on campus. Several large apartment complexes have been built in Bellingham competing directly with the campus, which is why cost is so important.

Mr. Benner said it also entails the ability of WWU to consider adding more beds should the delivery method gain some savings in the type of construction. The number of beds is determined during the design phase.

Panel Chair Boyd invited public comments. There was no public comment.

Panel Chair Boyd invited deliberation by the panel and a recommendation.

Mr. Apiafi commented that as he listened to the presentation and the questions from the panel, his sense is that the concerns center on whether the project is appropriate for GC/CM delivery because it appears to be a straightforward housing project. However, he also understands the limitations of wood construction, which is a good reason why the project qualifies for the GC/CM delivery method. The team has GC/CM experience and would be using the University of Washington as a resource. His inclination is to support the application.

Ms. Semenova commented that her concern is that the selection of the GC/CM contractor also entails considering the level of GC/CM experience while other qualified contractors with no GC/CM experience would be unable to compete for the project. The project does not warrant the GC/CM delivery method because it is a straightforward project.

Mr. Crawford said he believes the schedule is a critical issue not only in terms of the rate but also in terms of housing enrolling students. The timeline is short in terms of permitting. However, he believes the GC/CM process enables the owner to release some early packages, which might initiate some concrete work. The GC/CM delivery method provides some level of cost certainty earlier versus bidding the project conventionally. The cost and schedule benefits qualify the project for GC/CM.

Mr. Burt agreed the team is qualified with the experience to complete the project. He struggled with the complexity piece and does not believe the project warrants GC/CM delivery based on complexity. However, the project meets the criteria for early involvement in the design stage for project success. The cost model requires that to be successful. In his opinion, the project qualifies under the criteria.

Mr. Shinn said from an electrical and mechanical perspective, he is aware of similar projects that pursued low bid. He spoke to the importance of stacking studs for perfect drill down. Low-bid framers often do not have the ability, which negatively impacts other subtrades. Sustainability is another factor in terms of heating and electricity affording opportunities for mechanical contractors. He supports the project for GC/CM delivery.

Ms. Zahn said she reviewed RCW 39.10. It would have been helpful for the applicant to have described some of the issues surrounding wood construction because it is one of the elements of why early contractor involvement would be important. That information was lacking in the application. Wood includes different construction elements to ensure the structure is watertight and to avoid future settlement issues. For that reason, she supports the project for GC/CM delivery. She stressed the importance of clarifying within the write-ups that the additional information was provided during the presentation, as the application does not reflect that information. The team has the experience based on prior GC/CM projects. The challenge may entail finding a replacement for Mr. Treston within the current climate, as other qualified individuals are busy working in the market. She is hopeful the owner is able to find a qualified candidate. She understands that the owner has other external resources that can augment, as well as the availability of other public owners, such as the University of Washington.

Panel Chair Boyd echoed similar comments. The three elements that make the project applicable to the GC/CM delivery method were not addressed adequately in the application. The project is located on an occupied campus with students, which speaks to the importance of safety. The second element pertains to complex scheduling. Having pursued prior higher education and sports facilities, it tends to be an arms race amongst colleges and universities. Being able to plan is important for business operations, which also includes construction, which is where the GC/CM delivery method benefits the owner. Another issue not addressed is steep slope considerations. He favors approval of the application as well.

Mr. Apiafi asked Panel Chair Boyd, as a contractor, whether the applicant has secured adequate funding for the project. Panel Chair Boyd said he believes the funding is adequate.

Mr. Crawford agreed that low-bid wood framing often is not the best quality. Other factors should be considered in terms of difference in scheduling wood framing, metal, and other subtrades. Historically, there have been scheduling difficulties between wood and metal framing dependent upon the availability of trades and labor.

Ms. Semenova said it sounds like contractor shopping, which should be discouraged. It is possible to include responsibility criteria to ensure framers are experienced for different types of construction. A low bid project does not necessarily mean a bad contractor.

Ms. Zahn noted that the early contractor involvement might help with detailing the means and methods for wood construction resulting in a better product.

Mike Shinn moved, seconded by Steve Crawford, to approve the GC/CM application for Western Washington University's Student Housing project. Motion carried. Yelena Semenova opposed.

Panel Chair Boyd recessed the meeting at 1:50 p.m.

Seattle School District – GC/CM – Elementary School
Panel Chair Mike Shinn reconvened the meeting at 2:10 p.m.

Panel Chair Shinn reviewed the presentation and timing format to consider the GC/CM application from Seattle School District for an elementary school project. Panel members Steve Crawford, Janice Zahn, Kurt Boyd, Mike Shinn, Jim Dugan, Ato Apiafi, and Yelena Semenova provided self-introduction. Five affirmative votes are necessary to approve the application.

Richard Best, Director of Capital Projects and Planning, Seattle School District, introduced Justine Kim, Senior Project Manager, Shiels Obletz Johnsen, and Brad Miller, Principal-in-Charge, Miller Hayashi Architects.

Mr. Best reported the application is for GC/CM procurement for construction of the Daniel Bagley Elementary School because the significance of the project entails modernization of an historic structure originally designed in 1927 and built in 1929/1930. The school was opened in the fall of 1930 with only minor system improvements or major additions or modernizations since it originally opened. The project includes construction of a gymnasium and a ten classroom addition commencing spring 2019 with completion scheduled by fall 2020. The project includes major system and seismic improvements to the structure. Because of the complexity of an historic structure and the art deco style design, the district would like to reduce its risk and is requesting authorization to use the GC/CM procurement for the project.

Mr. Best said he has presented other project proposals to the PRC. A century ago, Seattle Public Schools designed its own facilities by iconic architects Edgar Blair, James Stevens, and Floyd Naramore. The art deco building is the only art deco building in Seattle Public Schools inventory of 100 schools designed by Floyd Naramore. The building is special to Seattle Public Schools and to the surrounding community.

Mr. Miller displayed an aerial photograph of the school site. The 3.9 acre site located west of Aurora Avenue houses the 40,000 square-foot building. The building has not been changed or transformed since it was originally built. The site includes 12 residential homes to the south and commercial structures to the west along Aurora. A parking lot was constructed in combination with a church located across the street serving as a shared parking lot with a joint use agreement. Site access is limited to parking lot access and potentially at the south end of the school building located north of the residential properties.

The concepts for renovation and addition include two additions to the building of a gymnasium and classroom building. It is likely the project would be constructed as two separate additions with the gym located to the north and the classroom building to the south adjacent to existing classrooms. Access to the site for construction is another consideration in the spring of 2019. The scope of historic changes involves substantial alterations because of the presence of unreinforced masonry in the building. The largest wing of the building is a concrete structure with brick veneer. The gym and student dining wing are unreinforced masonry. Any area opened for mechanical work will require stabilization of the structure to current life safety codes and likely the most complicated factor of the project. Other elements of the project are creation of a covered play area and expanding the gymnasium and possible reconstruction of the gym building.

Project goals include program efficiency, ensuring delivery within budget and on schedule, recognition of sensitive historic design integration, environmental sustainability, and ensuring future program flexibility. The project includes coordination with the Landmarks Board and preservation of the structure for the legacy of Seattle. The improvements meet the Washington Sustainable Schools protocol. During pre-design, the site was considered for sustaining additional enrollment growth in a subsequent bond issue.

Mr. Miller reviewed the proposed new mechanical and electrical systems. The site houses underground tunnels and forces air into a double-thick corridor wall into the classrooms extracting air from the classrooms into an exhaust system. The building provides many opportunities for synergy if planned with constructability at the beginning of the project to help achieve some economies for the district. The building and building envelope would be modernized to meet current energy

codes. The project includes insulating the exterior of the building within the inside, tying and anchoring the structure, and replacing some failing capstones.

Ms. Kim reported the complicated project is substantial in terms of scope and budget requiring coordination with the Historic Landmark Board to secure design approval throughout the design process. For example, the structural upgrade entails opening up the wall to hide seismic upgrade elements to ensure the interior character of the building is preserved. The project includes many complexities and speaks to the importance and benefits of early GC/CM involvement. Technically, the project includes many construction materials to include unreinforced masonry, concrete slabs and columns, wood framing, and low-bearing ceramic tile. The project has many complicated details in each phase of the project that would benefit by having the contractor available to ensure bid packages are accurate. The Historic Landmark Board stresses the importance of engaging the design team early. During that phase of work, the involvement of the GC/CM is critical to fit the project scope within the requirements of preserving a sensitive historic landmark structure.

Ms. Kim reviewed a list of reasons GC/CM involvement is critical to success of the project.

In terms of project experience, Seattle Public Schools has executed over 40 major capital projects since 1995, completed over $41 billion in capital projects, completed six GC/CM projects with a value of $475 million, and developed GC/CM RFPs, selection documents, and contract agreement documents for previous projects.

Ms. Kim reviewed the experience of Mr. Best who has 31 years in construction experience including schools, hospital, laboratory, and many hotel projects. He has over 15 years of experience as Director of Capital and Planning and has overseen four GC/CM projects. Eric Becker is the Senior Project Director and is a licensed architect with over 28 years experience in architecture, project management, and construction. He has overseen three GC/CM projects. Currently, he is co-managing the Robert Eagle Staff Middle School and Cascade Elementary School projects under the GC/CM delivery model.

Ms. Kim reviewed the GC/CM projects by her company over the last 20 years. She has 27 years' experience in design, project, and construction management and has managed five GC/CM projects.

Mr. Miller said Miller Hayashi Architects has worked with many historic structures for renovations and additions. The proposed project is familiar to him based on his experience. Some projects by the firm include the Greenbridge Early Learning Center, an innovative and early benchmark project for early education in the State of Washington. He worked closely with the owners on preconstruction and through the GC/CM phases. The ICHS Shoreline project was a negotiated GMP project with competitive subcontract bidding. Several bid documents were prepared to support the process.

Ms. Kim reviewed the organizational chart of Seattle Public Schools for the project. Currently, the project is in predesign. The School Design Advisory Review process is scheduled in September leading to schematic design. The timing of GC/CM selection is early 2017. One question by the panel was why the owner was not considering the selection of the GC/CM earlier in the process. Typically, during schematic design, the architects work with the estimator and consultants to narrow the final project design prior to contracting with the GC/CM. However, it is possible to engage the GC/CM earlier to assist in the building systems and construction methodology. The schedule calls for engaging the GC/CM in early 2017, concluding design development by the end of 2017, completion of construction documents by December 2018, and early phase construction scheduled in early 2019. The team believes GC/CM involvement would be critical at that time to consider less intrusive ways of phasing early work to avoid affecting students while affording an opportunity to initiate the construction. Otherwise, the time available would only be 12 months to complete a major construction project.

The total project budget is $30.4 million with $17.2 million in estimated construction costs to include contingencies. The contingency is 15% of the MACC amount. She admitted that that she is somewhat uncomfortable with the amount especially if the project was delivered as a low-bid project. However, as the project is proposed for GC/CM delivery, she anticipates dollars would be used wisely to help identify any unforeseen conditions to maintain the budget.

Mr. Best concluded the presentation and advised that the owner believes the project meets the criteria for GC/CM project delivery. Seattle Public Schools would receive benefits by having a contractor onboard working in partnership with the architectural firm and to complete some of the investigation work earlier in the process prior to releasing bids on the project, which would significantly reduce risk. The district has a strong track record of delivering successful GC/CM projects, as well as a strong team with experience utilizing this procurement delivery method.

Panel Chair Shinn invited panel questions.

Mr. Boyd questioned the timing of contracting with the GC/CM. Ms. Kim noted the project schedule includes an error. The actual date for contracting with the GC/CM is at the end of schematic design in March 2017.

Ms. Kim advised that exact dates were submitted in response to questions about the timing for a two-phase RFQ/RFP selection process. The process begins with advertising on January 4, 2017 with the step 3 process ending on February 28th with a recommendation to the school board on March 8th.

Ms. Zahn asked whether the RFP also includes the contractor supplying a management proposal or additional information. Ms. Kim said that typically, the management proposal for staffing and commitment levels is requested as part of the RFP. First step (RFQ) submittals are due on January 27th. Ms. Zahn asked whether the shortlisted firms provide any additional submissions. Ms. Kim advised that the firms submit pricing. Typically, applicants provide additional information during the interviews. The management plan is typically included in the RFP as the last two pages.

Mr. Apiafi complimented the experience of the district on the delivery of GC/CM projects. He inquired about the district's inclusion plan for minority and women-owned businesses. Mr. Best responded that the Seattle School District has policies and procedures articulating goals for participation by minority and women-owned businesses. Those policies are included in the RFP for the GC/CM. The same goals are articulated in the school board's policies and procedures. The school board has an outreach program to meet the minority and women-owned business requirements. Mr. Apiafi asked for the school district to provide a copy of the policies and procedures to the panel. Mr. Best confirmed the request.

Yelena Semenova agreed the project is appropriate for GC/CM given the complexity. She referred to the tight budget and questioned how the district plans to respond should the budget be insufficient to complete the work. She asked whether the district would change the scope or utilize contingencies. Mr. Best said the project budget was developed with the assistance of the Robinson Company, a well-known Pacific Northwest cost estimator. The district believes the budget is sufficient while also recognizing that construction costs are escalating in the market at this time given the amount of construction occurring in the region. The budget includes a program contingency but is subject to approval by a BXE Oversight Committee and the Seattle School District School Board. Utilizing those dollars to supplement the project would be purposeful and thoughtful and would not necessarily be afforded approval. The team works closely with architects to value engineer the project, such as potentially phasing some elements that might benefit a future addition. The site is located in northwest Seattle in an area experiencing significant growth. The district is currently considering future expansion of the site to accommodate a 660-student school, which speaks to Mr. Miller's engagement in the master plan process. The proposed project is a 10 classroom addition and a gymnasium addition. However, the district understands that additional capacity might be required making it important for any future addition to be coherent in design.

Mr. Dugan said he is the managing architect on record for Stadium High School and the owner's project manager for the Stewart and Carver school projects built in the 1920s. From a lessons learned perspective, he offered that the 15% contingency at this stage of design is appropriate, but has encouraged the owner to include more funds in preconstruction services for more investigatory work than normally budgeted, especially as it informs design. Typically, preconstruction budgets are between $250,000 and $300,000. He has learned to budget more dependent upon the size of the project. The budget includes approximately $50,000 to $100,000 as negotiated contingency to be used for exploratory work in advance. As with most historic buildings, most of the pipe in the ground was nonexistent creating all kinds of geotechnical and earthworks complications. Lastly, as shear walls and brace frames are proposed for installation, he discovered during similar projects, that the Tacoma Landmarks Board was very particular about any form of change on the exterior of the building as straps and frames were added to the inside of the walls. Additional money spent for photometrics upfront while rebuilding the exterior is money well-invested given the number of unknowns associated with

older buildings. Mr. Dugan agreed the project is very appropriate for GC/CM delivery. The budget is not necessarily light, but it should be backstopped with more contingency.

Panel Chair Shinn asked the applicants to share any lessons learned from previous GC/CM projects. Mr. Best said he has been with Seattle Public Schools for two years. From a worksite standpoint, project sites are safer environments as the contractors ensure continual clean construction sites. Safe working conditions benefit the community. He is pleased with the quality of work. The delivery method has also improved the traditional Design-Bid-Build work environment as well. One GC/CM contractor was awarded a traditional Design-Bid-Build contract and during implementation, he complimented the contractor on the quality of work completed by a subcontractor. The GC/CM contractor conveyed the message to another subcontractor of a GC/CM project, which also increased the quality of work. From a cost perspective, the relationships are dramatically different.

Ms. Zahn inquired about the Mr. Becker's allocation of time on the project. Mr. Best replied that Mr. Becker is nearing completion on the Wilson Pacific project and would be involved in the Ingram High School project, the proposed project, and Royal Heights Elementary School project. Ms. Kim oversees day-to-day project operations.

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

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

Mr. Crawford reported the initial application included a number of inconsistencies with respect to personnel and staffing for management of the project that did not leave him with a high level of confidence. However, the applicant has answered those questions and satisfied some of his concerns. The value of GC/CM, particularly with a project with a tight budget and complex interaction of an historic building and occupied site, would have benefitted if the GC/CM had been onboard prior to the end of schematic design rather than relying more on a contracted cost estimator.

Mr. Dugan commented that one downside of Robinson Company is its tendency to be massively conservative. However, the good news is that the company is massively conservative. For bond planning and front end capital planning, extreme conservatism helps build contingency buckets that are typically needed.

Ms. Zahn said it was helpful to understand that the district was using internal staff because of the budget rather than leveraging all consultants. She agreed the project lends itself to GC/CM project delivery. She also supports the recommendation to include the GC/CM earlier in the process to afford partnering and synergy at the beginning of the project. It appears the schedule could still accommodate the addition of the GC/CM earlier if the district considered the suggestion.

Mr. Apiafi shared similar comments and acknowledged the expertise of the consultants.

Ato Apiafi moved, seconded by Kurt Boyd, to approve the Seattle School District GC/CM application for renovation and additions to Daniel Bagley Elementary School. Motion carried unanimously.

ADJOURNMENT
With there being no further business, Mr. Hillinger adjourned the meeting at 2:51 p.m.