

THURSTON COUNTY – PROGRESSIVE DESIGN-BUILD

THURSTON CO COURT COMPLEX RENOVATION PROJECT

1. In Attachment B, the team shows their past construction history. Could you please provide the DBE/MBE goal and outcome for each past project for comparative purposes with the goals set in this application?

Thurston County has not historically tracked this information on the projects listed in Attachment B and as such is not able to provide this information. We will comply with RCW 39.10.330 (8) on this project so that comparison can be made on future projects.

2. In Question 10, Bullet Item No. 5, you discuss what you will “ask” the Design-Builder to submit their inclusion procurement plan referenced in Bullet Item No. 4. Why is this not a required submittal?

The Design-Builder’s project Inclusion Plan will be a scored element of the RFP response. We view this as a ‘requirement’ for any team who wants to be competitive on the project.

3. What is the county’s corrective action plan if the Design-Builder fails to meet the goals? What have you done in the past? Please share some examples.

Thurston County plans to manage achievement of utilization goals on the project proactively. From the early phase of project definition, we will work with our selected Design-Builder to confirm if the goals stated in our application are appropriate, or if they should be higher for this project. We will require the Design-Builder to commit to the targets identified and outline a detailed plan for achieving them. The plan will be a standing agenda item on project OAC meetings throughout design and buyout so that we are constantly apprised of utilization status and if there have been changes to the plan. Once the GMP has been established and construction starts we will require monthly tracking updates of actual invoices paid by the Design-Builder to WMBE and small business subcontractors, as well as projections for the upcoming three months. If we notice that utilization is trending away from meeting the established targets, we will work with our Design-Build partner to understand why and require them to develop a plan to correct the trend before the end of the project. Utilization status will be top of mind throughout the project which will prevent the situation where tracking gets behind and by the time it is provided it is too late to course correct.

4. In light of the “Expected Public Comment to the Project Review Committee,” posted on the PRC website for this specific application (<https://des.wa.gov/about/news-center/events/project-review-committee-march-2023-day-1>), please address the following questions:

- a. The comment states, “*The application for Plan Design Build is not consistent or aligned with either the Capital Improvement Plan or the Bond issue.*” Can the County address this concern?

The proposed project in this application is a renovation of and upgrade to the Court Main Campus located in the City of Olympia. A total of six buildings will receive tenant improvements, including

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space re-configuration, associated mechanical adjustment, and upgrade and modernization of finishes.

To finance this project the County adopted Resolution No. 16167, for issuance of \$52,000,000 of limited tax general obligation bonds, “to provide funds necessary to finance a portion of the acquisition and remodeling of various county buildings, including heating, ventilation and air conditioning, roof, window and lighting improvements, and other capital improvements. “

Mr. Pettit argues the proposed project, identified in the application for Progressive Design Build, is not consistent with the Capital Improvement Plan or the Bond Resolution No. 16167.

Mr. Pettit litigated these very issues in the Summer of 2022. The court rejected all of Mr. Pettit’s arguments. The court ruled that the Bond Resolution No. 16167, and the projects therein, which are the same projects, identified in the County’s application for design build, are consistent with the Capital Improvement Plan and that the use of Real Estate Excise Tax could be used for payment on the bonds. A copy of the court’s order and relevant pleadings are attached as Exhibit A to this letter.

Mr. Pettit’s request for rejection of the County’s application is not based in or supported by the law.

The referenced attachments are available upon request.

- b. The comment states, *“Attached is estimates sheets for the project proposed to the Board of County Commissioners, provided by the County Managers. While it indicates the initial plan to spend \$50,000,000.00, it also shows the Total Estimate Cost exceeding \$82,942,493.00 The estimate provided indicates that basic building needs will not fully included needed HVAC, Roofs, Window and Lighting needs as provided through the MENG analysis for project # 25610, which was the basis of adoption of the bond debt.”* Can the County address this concern?

Two estimates were provided by DLR GROUP. The first estimate was a conceptual design estimate and was to include both information derived from the space needs recommendation summaries and plans as well as deferred maintenance requirements from the existing assets reports. This amount totaled \$82,942,493.00. It was then recognized that this design estimate would not hit the budget without reduction of scope. A second target value estimate was provided by DLR GROUP intended to provide a list of scope, with appropriate budget figures, to achieve a \$50m target value project for all six buildings. Target Value Estimate \$49,999,847.

In Question 2, Item A, “Estimated project construction costs (including construction contingencies),” please indicate how the amount shown complies with the requirements of RCW 39.10.320(1)(a)

The RCW states:

‘Reasonable budget contingencies totaling not less than five percent of the anticipated contract value;’

The anticipated contract value is \$37,000,000, our established owner and design contingency is \$3,000,000, which is 8.1% of the anticipated contract amount. This is greater than the 5% minimum contingency requirement identified in RCW 39.10.320(1)(a).