



# Tacoma Water New Warehouse/Shops Building

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APPLICATION FOR APPROVAL TO USE THE DESIGN-BUILD  
(DB) ALTERNATIVE CONTRACTING PROCEDURE

November 30, 2023 PRESENTATION

*Safety Customer-driven Employee invested Stewardship Adaptability*

# Tacoma Water



# Agenda

Introductions

Tacoma Water

The Project

Project Budget

Project Schedule

Diversity, Equity and Inclusion

Why Design Build

Public Body Qualifications

Project Organization Chart

Project Team APD and Project Experience

Summary



# Introductions

# The Project Team: Here Today

## Tacoma Water

- Carol Powers, Principal Engineer/Project Manager
- Terry Forslund, Engineering Manager/Project Sponsor
- Jessica Knickerbocker, Planning & Engineering Manager/Project Executive Sponsor

## Parametrix

- Jim Dugan, APD Principal in Charge and PDB Advisor
- Dan Cody, D/B Procurement Manager
- Doug Wiser, Project Manager

# The Project Team: Not Presenting Today

## Tacoma Water

- Michael Washington, Project Delivery Manager
- Phill Ringrose, Construction Manager
- Doreen Klaaskate, Engineering Procurement Coordinator

## External Legal Counsel

- Robynne Thaxton, Thaxton Parkinson



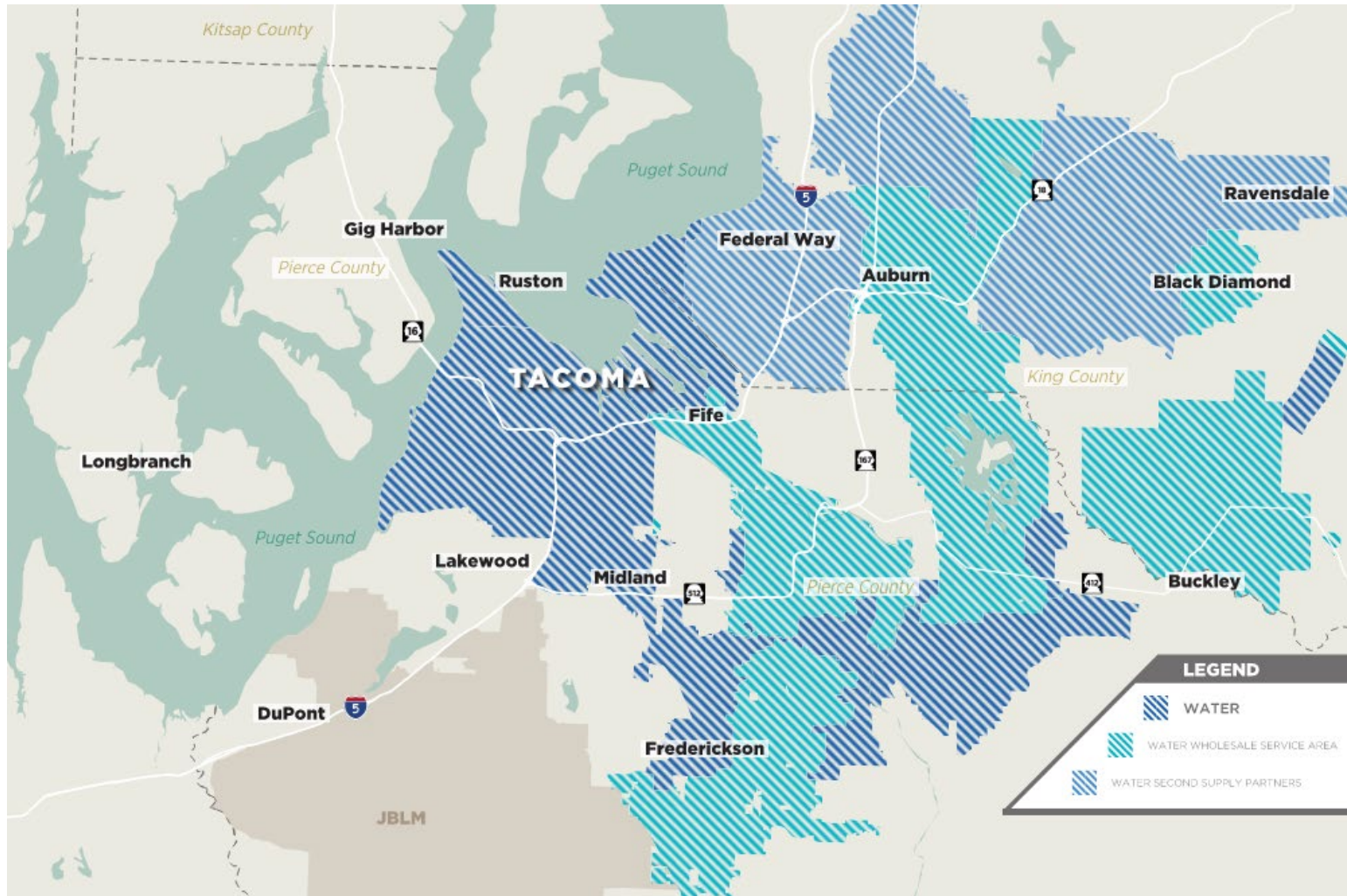
# Tacoma Water

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- Founded in 1884, Tacoma Water is one of the oldest public water utilities in the country.
- Tacoma Water provides direct service to 102,000 residential customers and 7,000 commercial customers.
- There are 119 square miles of service area and 1,450 miles of water mains
- 300 employees
- Average annual water use per household is 64,418 gallons
- Water Supply
  - Up to 150 million gallon per day from the Green River
  - 40 million gallons per day from local wells
- Financial
  - Value of fixed assets: \$908 million
  - Bond ratings: Standard & Poor's AA+

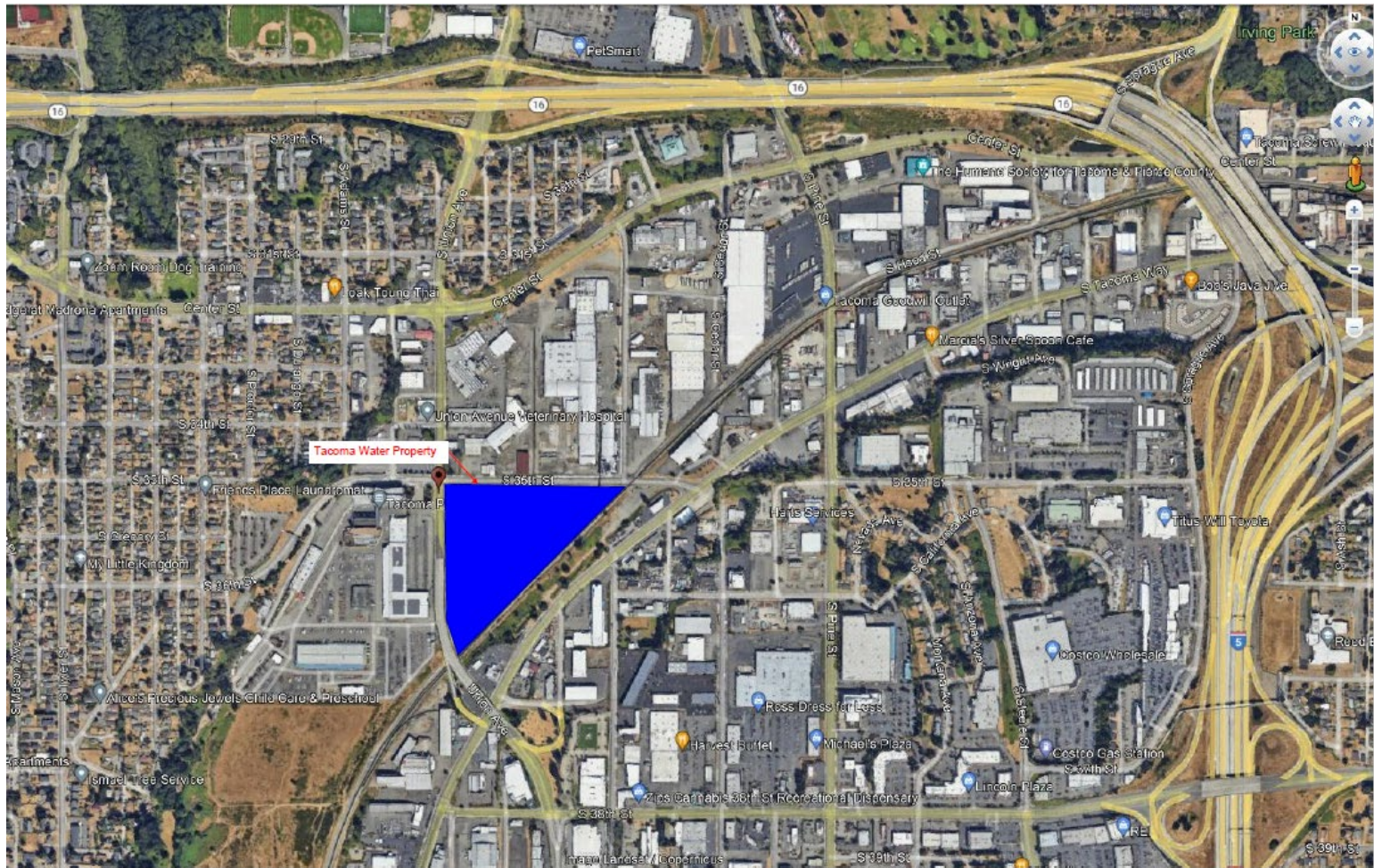
# Tacoma Water







# The Project



# Neighborhood Vicinity Map

**TACOMA WATER**  
TACOMA PUBLIC UTILITIES





# Site Aerial Map

# Tacoma Water New Warehouse/Shops Building

- The project will be constructed on Tacoma Water property near the existing Tacoma Water Operations building.
- The project includes a new, approximately 38,000sf warehouse/shops building and supporting on-site and off-site improvements.
- This project may also include covered loading dock space and miscellaneous yard improvements.
- The existing Water Operations Building currently occupies the site and will be required to continue operations during construction of this project.
- This project is the first phase of what is anticipated to be a larger, multi-phased, multi-year, master-planned expansion and renovation of the overall Tacoma Water campus.
- Future phases will be budgeted and constructed separately from this project.

# Tacoma Water New Warehouse/Shops Building

Category	Budget
<b>Costs for Professional Services (A/E, Legal, etc.)</b>	\$ 2,248,500
<b>Estimated project construction costs (including D/B Contingency @ 5%)</b>	\$11,000,000
<b>Equipment and furnishing costs</b>	\$275,000
<b>Off-site Costs</b>	\$220,000
<b>Contract Administration Costs (owner, cm etc.)</b>	\$1,016,904
<b>Contingencies (Owner Project Contingency @ 5% of MACC)</b>	\$550,000
<b>Other related project costs (Permits, fees, etc.)</b>	\$300,000
<b>Moving Costs</b>	\$75,000
<b>Sales Tax (@ 10.3% of A/E + Construction costs)</b>	\$1,364,596
<b>Total</b>	<b>\$17,050,000</b>



# Project Funding

- Tacoma Water funds the Capital Improvement Plan (CIP) with a combination of bonds, low-interest loans, capital and operating reserves.
- The initial A/E Design, DB advisory services, project management services and the Design Builder's preconstruction services for this project will be funded with capital reserves.
- The remaining, post-GMP costs of DB advisory services, project manager/construction manager services, A/E design services and construction of the project will be funded by a combination of anticipated revenue bonds and cash reserves.

# Tacoma Water New Warehouse/Shops Building Project Schedule

D/B Schedule	Start	Finish
Publish <b>Advance Notice Ad</b>		Dec 11, 2023
RFQ 1 <sup>st</sup> Advertisement & Release RFQ		Jan 11, 2024
RFQ Submittal Deadline (Design-Builder SOQ)		Feb 13, 2024
Identify Design-Build Finalists		Feb 26, 2024
Issue Final RFP		Feb 28, 2024
Proprietary Meetings with Design-Build Finalists	Mar 11, 2024	Mar 12, 2024
RFP Submittal Deadline (Contractor Proposal and Price Factors)		Mar 27, 2024
Interviews with Design-Build Teams	Apr 3, 2024	Apr 4, 2024
Opening of Price Factors		Apr 5, 2024
Notify Submitters of Scoring and Most Qualified Design-Builder		Apr 8, 2024
Design-Build Contract and Pre-GMP Fee Negotiations	Apr 15, 2024	May 10, 2024
Board Approval of DB Fees & Agreement	May 2024	June 2024
Design-Build Agreement w/Phase 1 Services Executed and NTP Issued (on or before)		June 28, 2024
<u>Pre-GMP Design (0-60% Design)</u>	Jul 2024	Apr 2025
<u>Final Design, Permitting</u>	Apr 2025	Oct 2025
<u>Bidding &amp; Construction</u>	Jun 2025	Sep 2026

# Diversity, Equity and Inclusion

## City of Tacoma Equity in Contracting Historical Development

- 1990** Created an MWBE program
- 1993** Established MWBE goals: 14% for MBE's and 8% for WBE's
- 2000** Ordinance 26726: Established race-neutral/gender-neutral Historically Underutilized Business (HUB) program with a 20% goal
- 2009** Renamed the HUB program to Small Business Enterprise (SBE) program
- 2013** Established overall SBE goal at 22% - varies from project to project
- 2018** Resolution 40124: Created the Community Workforce Task Force – conducted a Disparity Study on SBE performance
- 2020** Ordinance 28625: Renamed SBE program to Equity in Contracting (EIC)
- 2022** Resolution 39527: Established the EIC Advisory Committee
- 2023** Reviewed the EIC program performance and reporting

# Diversity, Equity and Inclusion

- The City of Tacoma Equity in Contracting (EIC) Policy makes provisions for historically underutilized business enterprises to have **equitable contracting opportunity** with the City
- **Tacoma Water will** work with the selected DB contractor to **set project specific participation goals for this project**
- **Tacoma Water will require DB contractor past performance** in utilization of disadvantaged business enterprises **as part of the SOQ evaluation criteria**
- **Tacoma Water will require the Proposal evaluation criteria include proposers' inclusion plan** for small business entities and disadvantaged business enterprises
- The RFQ and RFP documents will require the DB contractor to include utilization performance on past projects and a project specific outreach and inclusion plan as part of their Proposal for this project
- For this design-build project, **Tacoma Water will establish and report on a project specific basis MWBE goals and performance.** We look forward to presenting our data with our next PRC application



# Why D/B Delivery Method for the Tacoma Water New Warehouse/Shops Building



# RCW 39.10.300 D/B Statutory Compliance

- Construction activities are highly specialized, and a D/B approach is critical in developing the construction methodology
- **Project provides opportunity for greater innovation and efficiencies between the designer and builder**
- **Significant savings in project delivery time would be realized**

# Advantages to PDB Delivery

- **Single contract** for the City to manage
- Contractor hires the design team **reducing the owner's risk of claims from errors/omissions.**
- Allows the Contractor to inform the owner and the design team of forecasted market materials and labor conditions and **allow for the team to plan and design to avoid potential cost/schedule impacts.**
- Encourages **collaboration and innovation** between City and Design/Builder during programming, design, bidding and construction.
- Allows City and Design/Builder to **explore and confirm existing conditions.**
- Potential for **shorter design period, quicker construction start and earlier completion**
- PDB offers the **opportunity for early procurement/bid/construction packages**
- Ability to **get to cost certainty (GMP) quicker** than other delivery methods

# Public Benefit

- PDB allows Tacoma Water to set a construction budget and program requirements for the project and then require the **DB team to provide a design solution that aligns with the available budget.**
- PDB allows Tacoma Water and the DB to come to an **early certainty on cost of construction** much earlier than either GC/CM or traditional D/B/B delivery methods.
- PDB **reduces** Tacoma Water's **risk of added cost from change orders.**
- PDB allows Tacoma Water and the design team **to work collaboratively and transparently** with the Contractor to make educated/informed decisions on materials and systems based on cost effectiveness, durability and availability.
- **Streamlining of programming and design time** could result in a reduction of as much as three months in the design schedule.
- In utilizing PDB delivery, there may be opportunity for **greater efficiencies of project management and administrative costs** over the life of the project.



## Public Body Qualifications

Tacoma Water  
Leadership Team

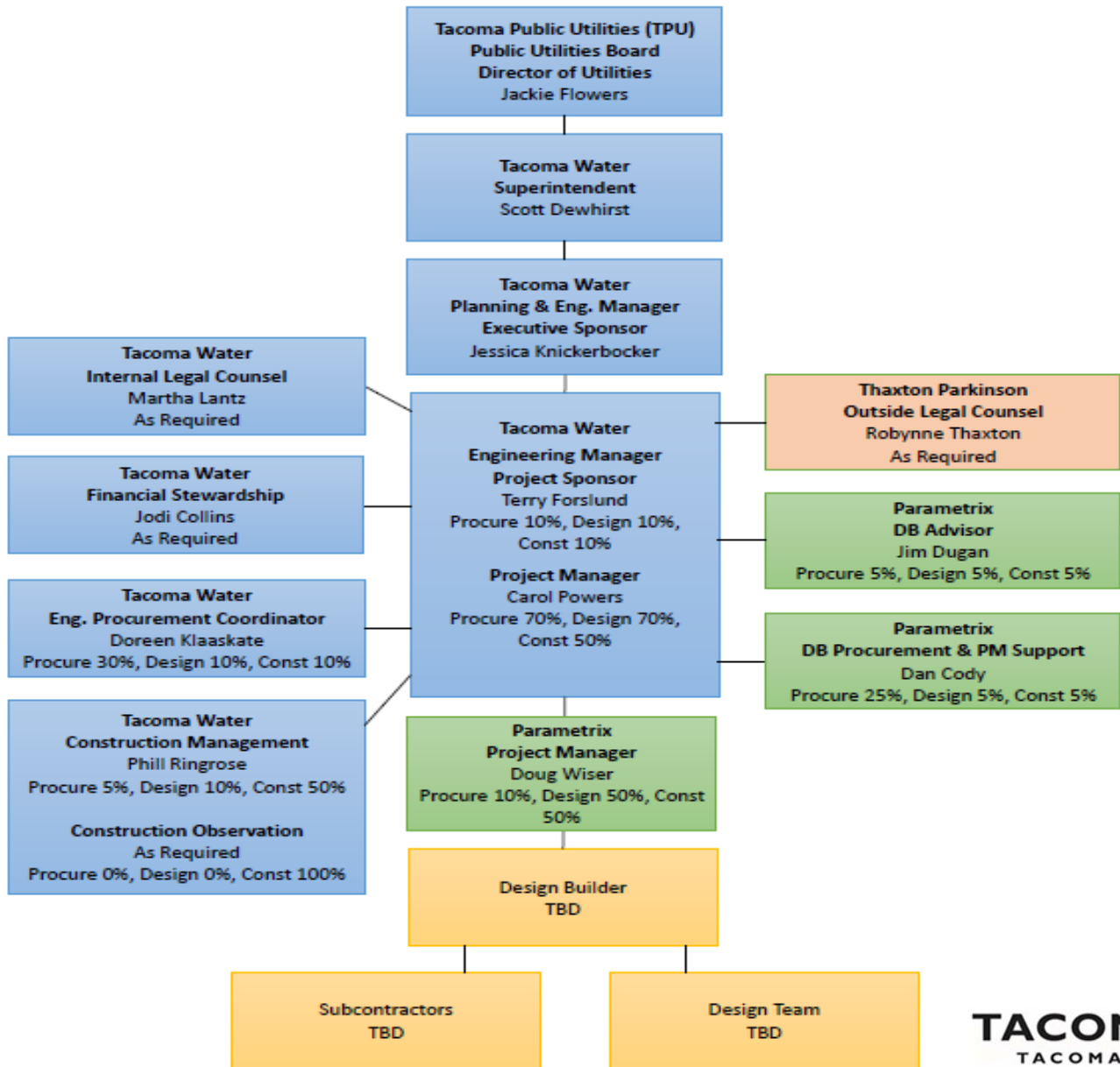
## City of Tacoma



- Tacoma Water has a long and successful history of planning and executing large and small and essential capital projects.
- The Tacoma Water Project Manager, Carol Powers has more than 30 years of vertical and horizontal capital project development experience and is a licensed professional engineer.
- Tacoma Water is new to the Design Build method of project delivery but has augmented their staff with Parametrix as their APD and PM/CM Consultant.
- The Parametrix team will provide advisory services related to Design Build and RCW 39.10, Design Build Procurement, and Design Build PM/CM services for the duration of the project.
- Tacoma Water satisfies the public body qualifications by staff augmentation with consultants experienced in Design Build delivery and RCW 39.10



# Tacoma Water Project Organization Chart





## Project Team APD and Project Experience

Name	Experience
<p><b>Jessica Knickerbocker, P.E.</b>            Planning and Engineering Division            Manager/Executive Sponsor            Tacoma Water</p>	<p><b>20 yrs. Project Management, Planning and Engineering Experience</b></p> <p><b>Previous Project Experience:</b> Cowlitz Falls Barrier Dam Repair Project, Tacoma Power; Kosmos Flats Emergency Interim Remediation, Tacoma Power; 40<sup>th</sup> Street GSI, Environmental Services; Point Defiance, Regional Storm Water Facility, Environmental Services</p>
<p><b>Terry Forslund, P.E.</b>            Engineering Manager/Project Sponsor            Tacoma Water</p>	<p><b>24 yrs. Engineering and Project Management Experience</b></p> <p><b>Previous Project Experience: 1 Previous GC/CM Project</b> University of Washington Tacoma Phase 2B Cherry Parks and Mattress Factory Building; Thea Foss and Wheeler Waterways Superfund Cleanup D/BB; Tacoma Landfill vehicle maintenance and office building; Deputy Building Official City of Tacoma, 2016-2022</p>
<p><b>Carol Powers, P.E.</b>            Principal Engineer/Project Manager            Tacoma Water</p>	<p><b>30 yrs. Project Management, Planning and Engineering Experience</b>  <b>(Includes ten years in the civil engineering field)</b></p> <p><b>Previous Project Experience:</b> Pinnacle Ridge Reservoir and Pump Station, Tacoma Water; McMurray Pump Station Demolition, Tacoma Water; Workforce Connect Technology Project, City of Tacoma; Non-Profit Building Expansion, Faith Based Organization; Chambers Creek Regional Wastewater Treatment Plant Expansion, Pierce County GC/CM</p>

Name	Experience
<p><b>Phill Ringrose</b> Construction Manager Tacoma Water</p>	<p><b>27 yrs. Project/Construction Management Experience</b></p> <p><b>Previous Project Experience:</b> Seismic Upgrades Project, Tacoma Water; Taylor Way Rehabilitation , Tacoma Public Works; Water Detch Trail 3 &amp; 4, Tacoma Public Works; ADA Platform Upgrades, AMTRAK</p>
<p><b>Doreen Klaatskate</b> Engineering Procurement Coordinator Tacoma Water</p>	<p><b>16 yrs. Procurement Experience – Public Works and City Improvement Projects</b></p> <p><b>Previous Project Experience:</b> Tacoma Power – Cushman 2 Unit 31,32 Rebuild Project D/B, Cowlitz Falls Barrier Dam Repair, Public Works – Revitalizing Tacoma’s Brewery District, Taylor Way Rehabilitation, East 64<sup>th</sup> Street, Phase 1 Pacific to McKinley, Puyallup River Bridge F16A&amp;B Replacement Design Build Project (Fishing Wars Memorial Bridge), Environmental Services – Jefferson &amp; Hood Street Surface Water Interceptor Project</p>
<p><b>Jim Dugan</b> PDB Advisor Parametrix</p>	<p><b>45 yrs. Program/Project Management</b></p> <ul style="list-style-type: none"> <li>• 20 years DB experience @ The Austin Company (1978-1998)</li> <li>• 27 PDB projects since 2017</li> <li>• 36+ GC/CM projects</li> </ul> <p><b>Previous Project Experience:</b> CCPUD – Substations Bundle Ph. 1; CCPUD– Transmission Lines Bundle Ph. 1; TPS &amp; Port of Tacoma – Maritime Center, Snoqualmie Comm. Ctr. Expansion, Shoreline Parks Bundle, Everett – Water Filtration Plant Ph. 2; Tacoma Public Schools – 2020 Capital Improvements Bond (17 PDB projects); Mt. Vernon School District - Laventure Middle School Adds/Mods, CCPUD Rock Island Dam Draft Tube Gates and Generator Leads</p> <p><b>Project Review Committee Member: 2017 to Present. Currently representing Construction Managers</b></p>

Name	Experience
<p><b>Doug Wiser</b> Project Manager/Construction Manager Parametrix</p>	<p><b>40 yrs. Design and Construction Industry Experience</b></p> <ul style="list-style-type: none"> <li>• 2 PDB projects</li> <li>• 1 GC/CM project</li> </ul> <p><b>Previous Project Experience:</b> Snoqualmie Community Center Expansion, City of Snoqualmie; Swimming Pools Upgrade Bundle, Tacoma Public Schools; McKinley ES Elevator Addition, Tacoma Public Schools; McLoughlin MS/Marshall ES Replacement, Vancouver Public Schools; Albany School District – Program Manager.</p>
<p><b>Dan Cody, DBIA Associate</b> PDB Procurement and PM/CM Support Parametrix</p>	<p><b>35 yrs. Design and Construction Experience</b></p> <ul style="list-style-type: none"> <li>• 27 PDB projects since 2017</li> <li>• 34 GC/CM project since 2017</li> </ul> <p><b>Previous Project Experience:</b> Chelan County PUD – 5 PDB projects; TPS &amp; Port of Tacoma – Tacoma Maritime Center, Snoqualmie Community Center Expansion, Shoreline Parks Bundle, Everett – Water Filtration Plant Ph. 2 Upgrades; Tacoma Public Schools – 2020 Capital Improvements Bond (17 PDB projects); Mt. Vernon School District - Laventure MS Add/Mod, Shops Building</p>
<p><b>Robynne Thaxton JD, FDBIA</b> External Legal Counsel Thaxton Parkinson, PLLC</p>	<p><b>24 Yrs. Construction Law and Alternative Procurement Experience</b></p> <ul style="list-style-type: none"> <li>• DBIA Board of Directors and Executive Committee Member</li> <li>• National DBIA Legal Committee Co-chair</li> </ul> <p><b>Previous Project Experience:</b> Toronto Transit Commission, Bloor-Yonge Subway expansion, WSDOT/Kitsap Fish Passages Project, Pasco Public Facilities District Aquatics Facility, City of Wenatchee Confluence Parkway Project, Wenatchee Valley YMCA, Spokane County Operations Center, City of Spokane Valley City Hall Renovation, Grant PUD Power Delivery Facility, Benton County - Justice Center, Three Rivers Behavior Counseling</p>



# Summary

- Requesting PRC approval to utilize D/B project delivery.
- D/B delivery would result in substantial fiscal benefit.
- Project meets qualifying RCW 39.10 criteria for D/B delivery.
- With augmentation of D/B consultants, the Tacoma Water team has:
  - D/B delivery knowledge and experience
  - Adequate PM/CM personnel with construction experience
  - Project Management Plan is developed and has clear and logical lines of authority
  - Appropriate funding and time to execute the project
  - PM/CM team with experience in project type/scope
  - Necessary and appropriate construction budget
- Project team is knowledgeable and experienced in administration and management of DB projects/contracts.
- Tacoma Water has no unresolved audit findings.
- Project team is prepared and ready to proceed.



Thank you