

State of Washington
Capital Projects Advisory Review Board (CPARB)
Project Review Committee (PRC)
APPLICATION FOR PROJECT APPROVAL
TO USE THE
DESIGN-BUILD (D-B) ALTERNATIVE
CONTRACTING PROCEDURE

1. Identification of Applicant

- (a) *Legal name of Public Body* : City of Sequim Washington
- (b) *Address*: 152 W. Cedar St., Sequim, WA 98382
- (c) *Contact Person Name*: Steve Burkett *Title*: City Manager
- (d) *Phone Number*: (360) 683-4139. *Fax*: (360) 681-3448. *E-mail*: sburkett@sequimwa.gov

2. Brief Description of Proposed Project

The City of Sequim seeks to consolidate its Police Department along with the offices of its other departments which are currently dispersed around the City into a single 30,000 to 35,000 square feet, centrally located Civic Center. It also seeks to include an Emergency Operating Center which it does not have at this time. An outdoor area for public gatherings such as the farmers market is also desirable.

3. Projected Total Cost for the Project

A. *Project Budget*

The overall project budget is \$13.6 million, which is summarized as follows:

Design-Builder Honorariums.....	\$ 150,000
Design-Builder Contract Max. (with WSST)....	\$ 11,750,000
Soft Costs (including project mgmt. support)..	\$ 650,000
Owner Contingency.....	\$ 600,000
FF & E plus moving costs.....	\$ 450,000
Total:	<u>\$ 13,600,000</u>

B. *Funding Status*

The financing plan for the Police and Civic Center project includes \$1,100,000 in current and budgeted through 2014 specific cash reserves. There is an anticipated financing of \$12,500,000 which, depending on the financial markets will be

approximately \$2,500,000 financed through Water and Sewer 20 year Revenue bonds for the utilities proportionate share of the facilities. The additional \$10,000,000 will be financed securing the Public Safety Sales Tax, REET revenues and annual factors to the General Fund (current rent factors for leased City Facilities). All annual amounts necessary to pay anticipated debt service are factors within the current financial and rate structures of the City.

4. Anticipated Project Design and Construction Schedule

Please see Attachment #1: "Sequim Police & Civic Center Project Overview Schedule"

5. Why the D-B Contracting Procedure is Appropriate for this Project

The program requirements for combining a police headquarters along with a city hall and civic center are challenging. The challenge is further complicated by the necessary adjacency of an existing transit facility at the available property. Phasing with an existing City Hall and other existing occupied buildings on the property adds further scheduling complication to this project. It is, therefore, important to carefully integrate the project's design and construction functions.

Design-build delivery allows more efficient collaboration between design and construction professionals as a cohesive team, and it readily allows more overlap in the design and construction phases of a project than other delivery methods typically due. Consequently, the most expedient and best value solution for the Sequim project is expected to be reached through the design-build approach, in much the same way that design-build delivery economically and efficiently produced the combined City Hall & Police Headquarters for the City of Olympia recently. City administrative offices with ancillary functions, a public lobby and reception area, council chambers with complementing rooms, an emergency operations center (EOC), an employee fitness center, and a multifaceted police headquarters operation must all be blended into an efficient and durable complex. In addition, high level security systems technology, sophisticated communications technology, and modern computing data transmission and storage capabilities are all required throughout this new facility.

Design-build delivery is sought for all of the above reasons, and also because the City of Sequim seeks to be into these new facilities in the spring of 2015. It is unlikely that this early date can be achieved using any other delivery method.

6. Public Benefit

To summarize the previous section, several factors make design-build delivery attractive: the complexity of the combined programming functions in this project, the need for close integration of the design and construction disciplines, the phased sequencing, the required quick delivery schedule, and the necessary technologies in this building complex. It is highly unlikely that traditional project delivery could deliver such a project in the allotted short time frame and under the tight budget. With a traditional delivery approach to this complicated project we would expect limited integration of professional design and construction teams, less overlapping and phasing potential, significant scheduling “busts” along with resulting compressed overtime expenses, and, consequentially, substantial budget over runs. We are, therefore, confident that it is in the public’s best interest to use the design-build approach in order to achieve the best value for the public’s dollar.

7. Public Body Qualifications

a. Experience and Biographies

The City of Sequim has engaged a highly experienced consultant to advise and lead them through the design-build delivery of this project. Court Olson with Optimum Building Consultants, LLC is a Certified Construction Manager (CCM) and Design-Build Professional (DBIA). He has experience leading three other Washington State public bodies (as well as two private firms) through the design-build delivery process. Most notably, he led the City of Olympia through their recently completed Police Station and City Hall Project.

Please see Attachment #2 for an elaboration on Court Olson’s past project experience and roles.

Please see Attachment #3 for a list of short biographies for the technical subconsultants that have agreed to work with Court Olson and Optimum Building Consultants in the anticipated preparation of a Design-Build Request for Proposals.

Steve Burkett, Sequim City Manager, has worked in management roles for seven different cities over the last 43 years. He became Sequim city manager in October 2009. As city manager in five of those cities he has been responsible for oversight of annual capital budgets ranging from several million dollars to hundreds of millions. Some of the individual projects exceeded \$100 million. Projects included streets, utility projects, new city halls, parks and electric generating facilities.

Paul Haines, Public Works Director, has 29 years of public service including City Engineer, County engineer, Community Development Director, and Public Works

Director in agencies throughout the West as well as Senior Project Manager experience in the private and not-for-profit sectors.

Elray Konkel, Administrative Services Director, has been in Municipal Finance and Administration for 30 years. He was directly involved in hundreds of millions of dollars of projects with the City of Corona California which included numerous utility, transportation and infrastructure projects including the building and financing of a \$50 million City Hall.

David Garlington, City Engineer, spent over 20 years with the Washington State Department of Transportation in engineering and contract management roles on dozens of projects including the Hood Canal Bridge Replacement and Sequim Bypass.

Although Sequim is a small city with a limited city staff, Mr. Burkett and his staff bring a diversity of experience in the management of capital projects from other cities and organizations.

b. Project Organizational Chart

Please see *Attachment #4* for the Sequim Police and Civic Center Project Organization chart. Note that the Project Manager consultant, Court Olson, reports to the City Manager, Steve Burkett.

c. Project Oversight and Control

For assurance that the project is adequately managed, the City's consulting Project Manager (Court Olson with Optimum Building Consultants) will provide monthly status reports to the City Manager (Steve Burkett) who will in turn review them and share them with the Mayor and City Council.

d. Outline of Planned Design-Build Procurement Process

The Design-Build procurement plan is similar to the two-stage plans previously employed by the City's design-build project management consultant, Court Olson, on three prior public projects in Washington State. The key steps are as follow:

- 1) Develop a preliminary project scope definition, budget, and schedule.
- 2) Begin collecting and writing relevant information for inclusion in the Design-Build Request-For-Proposals.
- 3) Obtain Design-Build delivery approval from the State's Project Review Committee.
- 4) Establish a design-build Evaluation & Selection Review Committee within the City.
- 5) Affirm a draft procurement process schedule with City Leadership.

- 6) Determine the City's evaluation criteria by which design-build applications to qualify will be scored (later). Such scoring will ultimately provide the basis for selection of a few competing design-build finalists who will be offered the RFP and invited to propose on the project.
- 7) Determine the City's D-B proposals evaluation criteria by which the design-build proposals will be scored when they are later received. Such scoring will ultimately determine the basis for ranking the design-build proposals received, and, consequently, which team is awarded the design-build contract.
- 8) Publicly advertise and issue a Request for Qualifications to interested design-build teams. This RFQ will detail the two-stage procurement process, schedule, and the City's evaluation criteria for design-builder selection.
- 9) Review the qualification packets submitted by interested design-build teams and hold interviews with attractive teams.
- 10) Using the qualifications scoring criteria (from Step "6" above) score and rank the qualifications of the different design-build teams.
- 11) Complete the Request for Proposals document, and issue it to a limited few of the better qualified design-build teams as determined in Step 10.
- 12) Obtain proposal commitment agreements from each design-build team invited by the City to propose, and include the City's commitment to give honorariums to those teams who submit proposals that comply with the RFP, but who do not win the final contract.
- 13) Issue a notice to proceed with proposals to the few agreeing design-build teams.
- 14) Hold periodic, closed (confidential) proprietary meetings with the individual competing design-build teams to review their proposal progress and answer questions they may have regarding their design concept.
- 15) Issue RFP addenda as they become necessary to clarify or embellish the RFP document and to also maintain a level playing field among the competitors.
- 16) Receive the Design-Build proposals submitted by the prescribed deadline.
- 17) Circulate the DB proposals for review by the technical subconsultants who will each promptly issue a confidential technical evaluation report for their particular area of technical expertise covering the few received proposals.
- 18) Hold public presentations by each of the design-build proposing teams.
- 19) After the reports by the technical subconsultants have been circulated to the City's Evaluation and Selection Review Committee, along with copies of each design-build team's proposal, and after the public presentations by the design-build proposing teams, using the predetermined proposals scoring criteria (from Step 7 above) the Evaluation and Selection Committee will score and rank the proposals of the different design-build teams. These scores will be recorded and preserved.
- 20) The City will begin contract negotiations with the design-build proposing team that was scored highest by the Evaluation and Selection Committee.
- 21) Once a design-build contract is successfully negotiated, the City will announce the competition results and publically release all proposals and scoring information.

- 22) After a predetermined waiting period, the City will issue honorarium payments to the proposers who complied with the RFP requirements, but did not win the final contract competition.
- 23) Finally, the City will issue a Notice to Proceed with contract work to the winning design-build proposer who will have signed the DB contract with them.

e. Specific D-B Contract Terms

Since it has been successfully used in his prior design-build projects, the City's design-build project management consultant has recommended the DBIA's "*Document No. 530 - Standard Form of Agreement Between Owner & Design-Builder-Cost+Fee with an Option for GMP*" for the City's review and potential editing. It is anticipated that discussion of the contract agreement form will be concluded prior to the issue of the Design-Build RFP.

8. Public Body Construction History

Please see Attachment #5: "City of Sequim Six year Construction Project History".

9. Preliminary Concepts, Sketches and Plans

As a point of general overview information, the City has provided the following aerial photo of the site that they intend to use for the Police and Civic Center project. This site is one block north of West Washington Street, the main east-west thoroughfare shown at the bottom of the photo. The site is bounded on the south side by West Cedar Street, on the east side by North Sequim Avenue, and on the west by the Clallam Transit system bus transfer lot. The north side boundary is the east-west running alley way that splits the block between West Cedar and West Spruce streets. The existing City Hall is centered in this property and will likely be demolished. The buildings to the far right (east) are currently occupied; tenants there will have to be relocated prior to demolition of those buildings.



The City of Sequim prefers to give significant latitude to competing design-build teams regarding the configuration of the combined facilities to be included on this property. Consequently, the City expects to consider different configurations from the competing design-build teams, rather than pre-determine a particular layout now. However, it is likely that there will be some restrictions on that complex configuration included in the forthcoming Design-Build RFP.

10. Resolution of Audit Findings on Previous Public Works Projects

The City of Sequim reports that they have had no “audit findings” relating to the six-year project history listed *in Attachment #5*.

Signature of Authorized Representative

In submitting this application, the undersigned, as the authorized representative of the applying organization (the City of Sequim), understands that: (1) the PRC may request additional information about your organization, its construction history, and the proposed project; and (2) your organization is required to submit the information requested by the PRC. You agree to submit this information in a timely manner and understand that failure to do so shall render your application incomplete.

Should the PRC approve your request to use the D-B contracting procedure, you also understand that: (1) your organization is required to participate in brief, state-sponsored surveys at the beginning and the end of your approved project; and (2) the data collected in these surveys will be used in a study by the state to evaluate the effectiveness of the D-B process. You also agree that your organization will complete these surveys within the time required by CPARB.

I have carefully reviewed the information provided and attest that this is a complete, correct and true application.

Signature: 

Name: (please print) Steven C. Burkett

Title: City Manager

Date: 04-18-2013