

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE (PANEL REVIEW)**

**Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington
August 20, 2015
9:00 AM**

Minutes

PANEL MEMBERS PRESENT

Kurt Boyd, Valley Electric
Curt Gimmestad, (Chair), Absher Construction
Howard Hillinger, Parametrix
Darron Pease, Pease & Sons, Inc.
Tom Peterson, Hoffman Construction Co. of WA
Rusty Pritchard, Washington State University
Mike Shinn, Shinn Mechanical

STAFF, GUESTS, PRESENTERS

John Mannix, Monroe Public Schools
Rebecca Baibak, Integrus Architecture
Clinton Marsh, Marsh & Associates
Tom Gow, Puget Sound Meeting Services
Danelle Bessett, DES

Welcome & Introductions

Chair Curt Gimmestad called the CPARB Capital Projects Committee Special Panel meeting to order at 9:02 a.m.

Public Comments

There were no public comments.

Panel Review – Monroe School District 103 –GC/CM, Park Place Middle School

Chair Gimmestad advised of his recusal as a panel participant because of his company's proposal to work on the subject project.

Panel Chair Darron Pease reviewed the presentation format and timeline. Panel Chair Pease and panel members Kurt Boyd, Rusty Pritchard, Howard Hillinger, Tom Peterson, and Mike Shinn provided self-introductions. Panel Chair Hartung reviewed the presentation format.

John Mannix, Assistant Superintendent, Operations, Monroe Public Schools, reported the project is a modernization of the Park Place Middle School. Mr. Mannix introduced Rebecca Baibak, Integrus Architecture, and Clinton Marsh, Marsh & Associates.

In 2009/2010, the school district convened a year-long public process to review facility needs of Monroe Public Schools. During that process, the group established some guiding principles for the process. However, a subsequent bond issue was unsuccessful.

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In 2014, the school district reconvened a panel and undertook a similar process to include a review of the guiding principles and project goals. The group updated and modified principles and project goals. Some of the facility goals included flexibility and adaptability, unique school identity, community use, safety and security, and technology integration.

Ms. Baibak outlined the scope of the project and the status of project development.

In April 2015, the school bond was approved by voters. With the delay in five years and changes in curriculum, it was important to ensure staff had vested interest in the scope of the project. That entailed a new review of the program. All program elements required a well-developed team to support the efforts.

Mr. Mannix reviewed the school district team. Monroe Public Schools is a small school district. The district is finalizing the selection of the district's capital projects director, who will handle many of the day-to-day issues after construction commences. Mr. Mannix said his role is in the process as it works through design. His strengths are not in construction management. The district has narrowed the list of candidates to two finalists. Since the selection hasn't been finalized, Mr. Marsh joined the team to ensure sufficient project construction management and GC/CM experience for completion of a successful project.

Ms. Baibak spoke to the development of the project. Early input was important in developing the project. Extensive coordination will be required from the general contractor to ensure all program elements are coordinated jointly as the site is occupied with students during the construction phase. The team is also considering construction traffic and its impact on occupants. Blending the program elements and the phased elements is a complicated process. The team is considering all details in terms of how classrooms are clustered and small group areas that are prevalent in many urban learning environments today, as well as considering the message to the voters.

Under the different scenarios, the team received input from staff members who have been merging some new curriculum ideas from classroom clusters, as well as some additional input on the complexity of the program. Some different schemes were examined for the site, which are different from the schemes considered in 2010. The proposed development has spawned discussion amongst team members.

The team is identifying buildings to retain. Building "F" is the newest building on the campus. The gymnasium and building "B" were considered for retention, as they were part of the bond in 2010. The team is working with the Design Steering Committee to ascertain whether curriculum goals and the program would fit within some of those approaches identified in 2010.

It became apparent that building "B" would be challenging to retain to achieve some of the supervision and safety and security goals at the middle school. The team considered removing building "B" and working with building "F" and the existing gymnasium. Some challenges were identified, such as the circulation pattern that's difficult for the school district from an administrative perspective to support for retaining the existing gymnasium. The current scenario includes constructing new classrooms to simplify some of the circulation goals while using building "F" as temporary housing for students. Some of the options were tested to determine some future uses of building "F." Potential uses were identified as the district is small and building resources are limited. Thinking creatively and out of the box was welcomed by the design team.

Today, ongoing discussions with the school district include retaining building "F" and the gymnasium with some new construction, new fields, and revising the drop off areas with extended parking for the fields and other events.

The plan development is undergoing refinement with some of the conceptual references to the City of Monroe and it includes elements of the local stream within the design. The simplicity of the plan integrates the new curriculum models and uses of the existing gym. The school is a two-story structure with classroom elements located on the second floor.

Project phasing includes the initial review of how the site is developed. Portables are required on the site to enable the demolition of existing classrooms to initiate the construction phase. The initial concept is to begin construction of the classroom wing with many classrooms constructed to enable the removal of some of the portable structures as other components begin construction on the site. That entails improving the gym, creating a new front door at the library, and completing the site buildout.

Mr. Mannix noted the difficulties of a construction project of this magnitude in an occupied school site, which is why the GC/CM method is applicable for this particular project. There is also acknowledgement of the many issues associated with phasing. It's important the project include safe walkways for students and faculty, as well as determining the location of the additional portable structures. Input will be required on noise, dust, vibration, and hazard materials mitigation as existing buildings are demolished and reconstructed to form a single, two-story structure. The district is aware of the need for a transportation plan for students to and from the facility by both buses and parents. Having a GC/CM on board early in the process will assist the school district in making some of those decisions.

Ms. Baibak said the district is seeking approval of the GC/CM delivery method. The intent is beginning construction in June at the close of the school year with accommodations for students in the fall.

Panel Chair Pease invited questions from panel members.

Mr. Peterson asked about the status of hiring the district's Capital Projects Director. Mr. Mannix replied that the district has narrowed the field of candidates to two finalists, who are scheduled for an additional round of interviews. The district is completing reference checks on both candidates. The goal is to hire a candidate soon.

Mr. Peterson said that most of the project elements fit within the GC/CM delivery method; however, the district is lacking a Capital Projects Director and although the district provided additional clarifications on why the process was initiated prior to PRC approval, the process typically entails the PRC receiving the application before the applicant initiates the project. The PRC is responsible for ensuring the applicant has the necessary skills and expertise to manage a project. Mr. Peterson asked about the identity of the person responsible for managing the GC/CM process. Mr. Mannix advised that he has the ultimate responsibility throughout the entirety of the process and program. He's assisted in developing the project, as well as establishing the budget. He will oversee and devote whatever time is necessary to ensure the process is successful. He also recognizes that construction project management is not full-time, which is why he needs some additional assistance. He's comfortable with managing the design process and the negotiations and wants to ensure that the individual selected has a solid construction background. It's preferable that the candidate also has GC/CM experience to assume that role. However, not knowing the identity of the appointee is why Mr. Marsh was contracted, as Mr. Marsh has vast knowledge in project and construction management and has completed many GC/CM projects. Although the GC/CM will manage much of the day-to-day details during construction, Mr. Marsh, as well as himself will be overseeing the project.

Mr. Peterson questioned the timing of the submittal process for the PRC review. Mr. Mannix replied that based on the PRC's meeting schedule, the September meeting was the next meeting for the review. The team believed that deferring review until September wasn't possible and began the GC/CM selection process. The

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concept of pursuing the process concurrently was implemented. The school district understands the legal requirements and that it would not be possible to sign a GC/CM contract and utilize that delivery method without the approval of the PRC. The school district doesn't believe the RCW precludes the district from pursuing the two processes concurrently. During conversations with CPARB Chair Maruska, he suggested requesting an August meeting to move the process forward to align the GC/CM selection with the design process and transition from schematic design to design development. Mr. Mannix thanked PRC members for taking their valuable time to consider the district's application. Should the district receive approval, it would afford the district a critical month to meet the timeline.

Mr. Shinn expressed concerns about the lack of construction experience. He questioned how the two finalists were selected. Mr. Mannix explained that the selection team included a number of individuals to include school board members, the principal of the school, and another individual who has many years of experience in construction project and program management and who is the facility director for Snohomish Public Schools. He was asked to participate to lend his experience and knowledge surrounding construction and project management as part of the selection team. Ms. Baibak also participated in the selection process as the design team representative, as well as the district's Facilities Director.

Mr. Shinn asked about the mechanical and electrical elements of the project and whether the district has contracted with an engineering company. Ms. Baibak said electrical engineers are included within the design team. She identified the companies. Integrus is the structural engineer.

Mr. Boyd asked for additional clarification with respect to the timeline. He cited the pre-proposal conference on June 23 and asked whether the candidates were informed that the project might be completed using the GC/CM delivery method. Mr. Mannix said that the request for proposal included some information, but since the proposal had not been reviewed by the PRC at that time, it was stated that the project was appropriate for the GC/CM delivery method and that the district was establishing a team with the appropriate level of experience to manage the program. The applicants were aware of that in the written proposal. It was also discussed during the interviews. Mr. Shinn questioned whether the district followed the same steps for prior GC/CM projects in terms of pre-qualifications of the short list of candidates. Mr. Mannix affirmed that the process was followed.

Mr. Pritchard pointed out that the design appears to be driving the process because of the timeline for approval of the GC/CM selection. Mr. Mannix affirmed that the next board meeting is scheduled on August 31. With approval by the PRC, the district will enter into a final pricing proposal next week followed by a recommendation to the school board on August 31 with contract signing scheduled on September 1. Mr. Pritchard asked about any flexibility in the schedule to allow the GC/CM time to analyze the documents and reconcile the budgets and estimates prior to proceeding. Ms. Baibak replied that it's critical to afford the GC/CM adequate time to evaluate and develop budgets for evaluation by the independent cost estimator to make sound decisions and allow the process to proceed confidently. Mr. Pritchard inquired about the time allocated for the GC/CM to review the documents. Mr. Mannix said the additional month afforded by the PRC's special meeting affords an additional four weeks for the GC/CM to review the documents.

Mr. Pritchard asked Mr. Marsh whether it's his responsibility to serve as the owner's representative to reconcile the documents between Integrus Architecture and the GC/CM. Mr. Marsh responded that the three main contractor responsibilities include phasing, constructability, and marrying the costs between those elements.

Chair Pease asked whether there is sufficient time for the design to proceed from 30% to 100%, obtain permits, and initiate construction regardless of whether it's a GC/CM project while still achieving the June 15, 2016

deadline. Mr. Mannix affirmed the timeline affords adequate time because the schedule includes two years to construct 128,000 square feet of space.

Mr. Marsh spoke to the issue of permitting. The anticipated permitting process is four to eight weeks, which is an abbreviated permitted process.

Mr. Pritchard asked whether the team considered other packages in addition to steel packages, as it relates to critical buffer areas to afford some additional time. Ms. Baibak said there are some opportunities as temporary housing is considered and site work elements are identified for alternative areas for student events on the field.

Mr. Hillinger questioned the characterization of the two finalists as having experience in GC/CM. He asked how the PRC could receive assurance that the candidates would understand the process. Mr. Mannix said one of the candidates has GC/CM experience in King County in managing GC/CM projects. The second applicant has worked for several school districts and has GC/CM experience on projects in the Edmonds and Arlington School Districts and for a major consultant in the area for program and project management. Both finalists have GC/CM experience and experience in program and budget management, but different types of experience in terms of the types of projects. Both candidates understand the GC/CM process. Mr. Marsh will be a key player in the process and program to ensure the team fully understands the process.

Mr. Hillinger questioned the difference in roles between the contractor and Mr. Marsh. Mr. Mannix replied that the Capital Projects Director is the owner's direct representative. As the candidates have GC/CM experience, the Capital Projects Director will be the primary point of contact with Mr. Marsh providing mentorship and guidance when appropriate, as well as monitoring the schedule to ensure progress is being achieved and the budget is on track. Should the candidate not possess GC/CM experience, the district would have appointed Mr. Marsh as the owner's representative.

Mr. Marsh said the proposal addressed the district's desire to maintain an in-house program. His goal is to assist in establishing an in-house program as opposed to contracting the services to afford flexibility in providing additional services if the need should arise.

Mr. Hillinger asked Mr. Marsh asked whether his primary role is focusing on costs and schedule. Mr. Marsh affirmed that in addition to costs and schedule, he would also be involved in phasing and constructability as they drive the costs in addition to any other requirements to ensure the schedule moves forward.

Ms. Baibak affirmed the tradition of working collaboratively with the owner and the general contractor to ensure the goals and visions for the project are maintained.

Mr. Pritchard asked whether the candidates' experience in GC/CM was obtained prior to 2007. Mr. Mannix said he believes one of the candidate's experience was gained during the implementation of the RCW for GC/CM. The other candidate completed GC/CM projects in 2011-2012.

Mr. Hillinger asked about the management of the selection process up to this point. He inquired about the management of the process should a delay be experienced in hiring the Capital Projects Director. Mr. Mannix advised that he manages all operations for the entire school district. Should a delay in the hiring occur, Mr. Marsh would serve as the owner's representative fulltime until the district hired a director.

Chair Pease asked about the percentage of time Mr. Marsh currently envisions at this time and the amount of time should the district delay the hiring of the director. Mr. Marsh said his time is currently at 25% and would increase to 50% or more to ensure adequate coverage for the project. Chair Pease asked whether the contract

covers the two years of construction. Mr. Marsh advised that his contract with the district is for four years and is based on a participation rate of 25%. If the participation increases beyond 25%, the contract would be adjusted.

Mr. Peterson asked about the anticipated hire date of the Capital Projects Director. Mr. Mannix said the district has scheduled a second set of interviews with the candidates for next week with reference checks concluded by then as well. After the interviews, the district will extend an offer to one of the candidates. The goal is to have the position filled by the first week in September.

Mr. Peterson asked whether the district plans to reapply if the application should not receive approval for the GC/CM method. Mr. Mannix said the GC/CM methodology is applicable for this project and it would be necessary to convene the design team to discuss implications in terms of the schedule and completing design.

Ms. Baibak added that the design is not driving the process. The bond stipulates a June 2016 construction date. Based on the escalation in the construction market, if a delay should occur, it would have a ripple effect on the project.

Mr. Mannix said the project is the largest project in the district's bond program encompassing approximately 50% of the bond dollars for the next five years. It's not possible to defer construction of the project by a year.

Mr. Marsh noted the month is critical for the project. He's been involved in two prior GC/CM projects. The project is applicable to the GC/CM project method because the site is so compressed. The project requires a general contractor upfront as soon as possible.

Panel Chair Pease closed questions and answers and invited public comments. There were no public comments.

Panel Chair Pease closed public comments and invited the panel's deliberations.

Mr. Hillinger commented that the project is the first one its kind in terms of the process, which is unusual. The statute does not address that specific issue. The project does meet the criteria as a GC/CM project because the site is occupied and because of phasing requirements. His concern is the unknowns of the management structure and whether the contractor has the necessary experience and what might happen should selection be delayed. He acknowledged the importance of having Mr. Marsh step in to a larger role, if required. It's still concerning to approve an unknown management structure at this juncture while appreciating and acknowledging the district's efforts to have a backup plan.

Mr. Peterson said he doesn't question whether the project qualifies as a GC/CM project. However, the concern is the management aspect. He asked about the possibility of conditionally approving a project should the district delay the hiring with the understanding that Mr. Marsh would assume the role.

Mr. Shinn said he doesn't believe the PRC can conditionally approve a project. The issue is the school district has a challenge in terms of the longevity of the position. The school district meets the requirements of the statute by hiring the consultant. He questioned the importance of hiring a person to manage the GC/CM process when it appears the district doesn't have a future requirement for other GC/CM projects for the district.

Mr. Peterson said his concerns center on conditional approval should the individual not have the necessary experience. Mr. Marsh has indicated that he would increase his participation in the event that should occur.

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Mr. Pritchard observed that the school district is similar to other school districts that have no GC/CM experience. However, the architect or consultant has the GC/CM experience. The school district has hired a consultant who has significant K12 experience as well as GC/CM experience to assist in bridging the need. The district has affirmed that Mr. Marsh's time would be increased if required. He supports approving the project.

Mr. Boyd agreed with Mr. Hillinger and Mr. Pritchard's comments, as he would be concerned about impacting the project by delaying the approval. The project fulfills the requirements of the RCW as a GC/CM project and Mr. Marsh is qualified to fill the position; however, he is concerned with setting precedence.

Chair Pease said he has the same concerns. It appears the district knew when it decided to solicit for GC/CM that it should also have submitted an application to the PRC. He questioned the thought process that went on during that process. Although there is nothing in the statute preventing that process, it likely wasn't good logic because in the event of disapproval, it would have been a horrible waste of money. Those contractors choosing to go forward did so at a risk. Some contractors may have chosen not to accept the risk and it's possible the district might not have received the full value, as well as possibly a better contractor had it been guaranteed that the project was moving forward as a GC/CM delivery. His struggle is both that and it appears that the district is ahead of the curve. The role of the PRC is to ensure success of the process. It may be that the PRC is helping the project fail and hopefully that will not happen, but it's a concern.

Mr. Hillinger shared his experience with another PRC project that did not have the secured funding. It's important for public disclosure to acknowledge that the process is unusual, but it's a risk that the contractors elected to take. The role of the PRC is to decide whether the project meets the criteria and whether the owner has the management and abilities. He appreciates that the owner has committed to increasing the consultant's time if the district doesn't succeed in hiring the contractor.

Mr. Peterson said the timing issue is not relevant. He suggested pursuing some clarity with CPARB around the issue of timing within the process. He's supportive of the process based on the comments.

Mr. Pritchard added that it was important for the owner to confirm that the district had the operational pause to allow the GC/CM the time necessary. Although a month appears to be adequate, it's not. The district has confirmed that it hasn't proceeded and reconciled, which is important. It's important that the district can pause and afford the GC/CM the contractual time necessary to complete the review.

Mr. Shinn said it's also important that the district approached the PRC realizing the schedule problem. The district has sufficient time to design the project. He is supportive of the project.

Tom Peterson moved, seconded by Rusty Pritchard, to approve the Monroe School District GC/CM Project Application for the Park Place Middle School project. Motion carried unanimously.

Closing Comments

Chair Gimmestad reported on his intent to brief the CPARB at its next meeting on the results of project reviews in July and August, as well as this particular application and the process regarding the questions associated with the school district's schedule.

Next Meeting

The next meeting is scheduled on September 24.

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Mr. Pritchard asked about the potential for a training opportunity for new members. Chair Gimmestad affirmed the possibility of accomplishing some training at the next meeting if only one application has been received.

Adjournment

With there being no further business, Chair Gimmestad adjourned the meeting at 9:55 a.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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