

**CAPITAL PROJECTS ADVISORY REVIEW BOARD**  
**1500 Jefferson – Presentation Room**  
**Olympia, Washington**  
**February 11, 2016**

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<u>Members Present</u>	<u>Representing</u>	<u>Members Absent</u>	<u>Representing</u>
Neil Hartman for Lee Newgent	Construction Trades Labor	Rep. Vincent Buys	House (R)
Ty Heim	Public Hospital Districts	Greg Fuller	Specialty Contractors
Steven Crawford	School Districts	Vacant	Senate (R)
Santosh Kuruvilla	Engineers	Rep. Hans Dunshee	House (D)
Teresa Berntsen	OMWBE	Senator Bob Hasegawa	Senate (D)
Robert Maruska (Chair)	Washington Ports	Joaquin Hernandez	Private Industry
Alan Nygaard	Higher Education	Irene Reyes	Private Industry
Gary Rowe	Counties	Mark Riker	Construction Trades Labor
Walter Schacht	Architects		
Bill Frare	State Government		
Rebecca Keith	Cities		
Charles Horn	Insurance/Surety Industry		
Vince Campanella for Andrew Thompson (Vice Chair) Andrew participated via telecon	General Contractors		
Brent LeVander	General Contractors		
Mike Shinn	Specialty Contractors		

**STAFF & GUESTS are listed on the last page**

**Welcome & Introductions**

Chair Robert Maruska called the Capital Projects Advisory Review Board (CPARB) meeting to order at 9:05 a.m. A meeting quorum was attained. Everyone present provided self-introduction.

**Approve Agenda - Action**

Walter Schacht and Ty Heim advised of the need to leave the meeting by 11:30 p.m.

*Steve Crawford arrived at the meeting.*

The agenda item on potential legislation by Community Transit on Job Order Contracting (JOC) was deferred to the September meeting.

*Alan Nygaard moved, seconded by Bill Frare, to approve the agenda as amended. Motion carried.*

**Approve December 10, 2015 Meeting Minutes – Action**

The following change was requested to the minutes:

- On page 12, change “assumes” to “assume” within the first sentence of the first paragraph.

*Gary Rowe moved, seconded by Santosh Kuruvilla, to approve the minutes of December 10, 2015, as amended. Motion carried.*

*Brent LeVander arrived at the meeting.*

**Public Comments**

Chair Maruska encouraged public comments throughout the meeting.

**Project Review Committee - Information**  
**January Meeting Report**

Curt Gimmestad, Chair, Project Review Committee (PRC), reported that at the last meeting, members considered an application from Sound Transit for recertification for GC/CM. During the review, members discussed timing of the application and whether submittal of recertification or certification applications should include both GC/CM and Design-Build or whether separate applications are warranted for each delivery type. One of the pitfalls of considering a combined application could entail disapproval of one delivery method and approval of the other resulting in the entire application disapproved. Members elected to continue the conversation at its next meeting in March. Most members agreed if an agency receives approval for GC/CM but not D-B, the agency would need to reapply for D-B. Members also discussed revamping the scoring sheet to include two columns for scoring both GC/CM and D-B. The PRC also agreed to move forward with a recertification and certification application for GC/CM and D-B agreeing the entire application wouldn't be rejected if one method was disapproved.

Chair Maruska advised the Board of a request for the CPARB to consider changing legislation for the seven-day notice period for an appeal and suspend approvals by the PRC for 2016. The Board submitted the question to the Office of the Attorney General (AG) and received a response. The opinion indicates that the provision prescribed in statute is what the Board is required to follow and that the Board does not have the authority to change adopted legislation. The Board will forward the AG's opinion to the requester.

Bob Armstead, National Association of Minority Contractors (NAMC), reported there are other issues related to the subject in terms of when the seven-day period is triggered. Chair Maruska said RCW 39.10.290 is very prescriptive in terms of when the seven-day period is initiated. Mr. Armstead referred to Sound Transit's GC/CM certification. The start date for an appeal would have been the day after the PRC's decision.

Nancy Deakins reviewed the statute stating, "Final determinations by the committee may be appealed to the Board within seven days by the public body or by an interested party." Chair Maruska pointed out that day 1 typically begins the day following the decision. The day of the decision is not counted as day 1.

Mr. Gimmestad said the PRC discussed the need for a quorum of the committee when considering certifications or recertifications. A notice of GC/CM training was disseminated for training in March sponsored by CMAA. The Association of General Contractors' (AGC) Education Foundation recently conducted GC/CM training in January. Members discussed coordinating arrangements for another class in April for individuals on the waitlist.

The PRC considered three applications. Sound Transit submitted an application for recertification for GC/CM procurement, which was approved unanimously. The presentation demonstrated the agency's experience and measures in place to pursue successful GC/CM delivery methods.

The second application was from the Port Townsend School District for replacement of the Grant Street Elementary School for GC/CM delivery. Panel members discussed the team and its ability to carry out GC/CM. The school district was able to demonstrate its capability. The application was approved unanimously by seven panel members.

The City of Spokane's application for Heavy Civil GC/CM was for the Spokane Falls CSO 26 Control Facility project. The project application was approved although there was some discussion regarding the team's familiarity and experience primarily on the design side with GC/CM. However, following panel deliberations, the application was approved 6-1. One member was concerned about the design team's experience in GC/CM.

Chair Maruska asked whether the City of Spokane's application was the first Heavy Civil GC/CM application reviewed by PRC. Mr. Gimmestad said the PRC has reviewed five Heavy Civil GC/CM project applications.

Mr. Armstead asked whether the committee considered past performance in addition to qualifications when considering a recertification application. Mr. Gimmestad affirmed the committee considers past performance when the information is included within the application.

Chair Maruska said the PRC is responsible for following the requirements under the statute when considering a recertification. Mr. Gimmestad added that the PRC reviews the RCW for recertification, as well as the information within

the application. Mr. Armstead asked whether a previously certified applicant who did not satisfy all requirements of the last certification automatically receive approval because they satisfied the experience and other requirements under the statute. Chair Maruska responded that the PRC is limited in its scope of review based on current statute; however, if there are questions about whether a public agency follows statutory requirements those issues could be pointed out. The PRC review process is open to the public and anyone with concerns can share information for consideration by PRC. The Board encourages an open process. It's difficult to respond to concerns lacking specific information. Mr. Armstead responded that the public notice should be sufficient for public participation. Secondly, if there is no current requirement to conduct a review of an agency's past performance, the Board should consider adding the requirement. The PRC shouldn't automatically recertify without knowing whether the agency met all requirements of the previous certification. Chair Maruska pointed out that the statute requires a 20 day notice period to the public prior to consideration of an application.

***PRC 2015 Year in Review Report - Information***

Mr. Gimmestad summarized the value of GC/CM and D-B applications reviewed by the PRC during 2015. The information doesn't include entities certified for the alternative delivery methods.

**GC/CM:**

- 17 applications
- 3 application were disapproved and one was resubmitted and subsequently approved
- Value of approved application totaled \$1,779,219,634 (Washington State Convention Center - \$1,445,000)
- 11 applications were for school projects

**Heavy Civil GC/CM:**

- 2 applications
- Value of approved applications totaled (215,000,000) City of Spokane Wastewater Treatment Plant: \$175,000,000)

**Design Build:**

- 4 applications
- Value of approved applications totaled \$73,837,530

A special PRC meeting was scheduled for February 25 to consider the Lake Washington School District's Juanita High School GC/CM project followed by the regular meeting on March 24.

Bill Frare inquired about the status of approvals for Washington State Department of Transportation (WSDOT) D-B projects. It was noted that WSDOT falls under a different statute.

Mark Gaines, WSDOT, added that the Coleman Dock project was also a Heavy Civil GC/CM considered by the PRC in 2015.

Mr. Gimmestad reported the University of Washington has submitted an application for recertification for consideration by the PRC in March.

Alan Nygaard expressed appreciation to PRC members for their deliberations and thoughtful questions when considering applications. It speaks to the importance of the PRC and the good job in reviewing the applications.

***Review of Candidates - Action***

Chair Maruska thanked members for their recruitment efforts to solicit qualified applicants.

Chair Maruska invited applicant, Jeanne Rynne, The Evergreen State College, to comment on her application to fill the Owner-Higher Education vacant position on the PRC.

Ms. Rynne reported she is the Director of Facilities at The Evergreen State College, as well as a licensed architect. The college is completing its first GC/CM project for the Lecture Hall renovation. She's followed the evolution of alternative public works since the early 2000s and would be honored to serve on the PRC. Alternative public works provides more opportunities to deliver higher quality projects efficiently. It's also important that those pursuing alternative delivery methods are successful.

***Alan Nygaard nominated Jeanne Rynne to serve on the PRC in the position representing Owner-Higher Education. Mike Shinn seconded the nomination.***

***The motion carried unanimously to appoint Jeanne Rynne to serve on the PRC representing Owner-Higher Education.***

Chair Maruska reported Janice Zahn, Port of Seattle, applied for the Owner-Ports position. He invited Ms. Zahn to comment on her application.

Ms. Zahn said she has been involved in a number of CPARB committees since 2005 beginning with her work on federal responsibility and as a member of the Integrated Project Delivery (IPD) and Best Value Task, which generated a white paper about different delivery methods. She's also served on the Heavy Civil GC/CM and the Design/Build Best Practices Committees. She serves as the Director of Construction Management for the Port of Seattle. In that role, she works closely with the teams to review all projects to determine the best delivery method. The Port typically doesn't have a plethora of alternative delivery projects because of the careful review to determine appropriate delivery methods. She also serves on the national Transportation Research Board as a member of the Construction Management Committee. At the national level, much dialogue is shared surrounding alternative delivery and best practices. She welcomes the opportunity to share information about the state's involvement at the federal level, as well as contributing some of her federal knowledge with the PRC.

Mr. Kuruvilla said he supports Ms. Zahn's appointment. Ms. Zahn has been very active on the Design/Build Best Practices Committee providing valuable insight and knowledge about Design-Build.

Mr. Schacht said he supports Ms. Zahn's participation on the PRC as she has the unique experience and is extremely knowledgeable and engaged while very open to other perspectives and opinions. Her breadth of knowledge combined with her collaborative and inquisitive nature would serve the PRC well.

***Robert Maruska nominated Janice Zahn to serve on the PRC in the position representing Owner-Ports. Alan Nygaard seconded the nomination.***

***The motion carried unanimously to appoint Janice Zahn to serve on the PRC representing Owner-Ports.***

Chair Maruska reported the Board received four applications for the Construction Manager position. The applicants are David Beaudine, Don Laford, Jim Stoner, and Ian Kell (incumbent). He invited Mr. Laford to share information about his background.

Donald Laford reported he is representing the Construction Management Association of America (CMAA) and works for AECOM as a Senior Construction Manager. He's been in the construction industry for over 50 years with 25 years working at power plants and 25 years in construction management. After submittal of the application, he learned CMAA Boardmember Howard Hillinger is a current member of the PRC. Because of duplication of efforts, he asked to withdraw his application from consideration.

Vince Campanella spoke to the experience of Mr. Beaudine. Mr. Beaudine is employed with Heery International, Inc., and has been the program manager for Heery for the Spokane School District since 2010 and is heavily involved in the district's GC/CM projects. He also was involved with the City of Spokane on the City's park project, as well as two Eastern Washington University's GC/CM projects as the project manager. Mr. Beaudine is very experienced in GC/CM but is limited in D-B because most agencies utilize other delivery methods. He is very capable as a construction manager, as well as well versed on the history of the Spokane area.

Mike Shinn said that as a member of the PRC, the Board should consider Mr. Beaudine's application based on the location because Spokane is not represented well on the PRC. An applicant willing to make a commitment to travel and attend a PRC meeting should be worthy of consideration.

Chair Maruska agreed it's important to ensure representation on the PRC covers the entire state. The Board has the option of considering that aspect when considering a nomination.

Ms. Deakins reviewed the experience of Mr. Stoner. Mr. Stoner is the President of Hainline. His primary focus is on construction management consulting for both private and public agencies. He has managed both D-B and GC/CM projects, as well as dispute resolution work. He also submitted an application for the Design Industry-Engineer position and is requesting consideration of both positions as a licensed engineer.

Mr. Gimmestad commented that Mr. Kell previously worked for Heery International and now works as a Development Manager at Seneca Group. He has been a member of the PRC for several years. He is well-versed in the understanding of GC/CM and D-B and the process. He is intuitive in terms of application review and understanding of the applicants. Mr. Gimmestad said he's unsure of the extent of involvement by Seneca Group in GC/CM and D-B. Heery International is heavily engaged in alternative delivery projects. However, the Board would benefit from either applicant.

Mr. Kuruvilla requested more information on the Board's perspective when an incumbent reapplies in addition to other candidates. He questioned whether continuity is important in a candidate's selection. Chair Maruska said it's the Board's responsibility to consider all applicants. There's necessarily no bias to select an incumbent because it's the Board's decision based on each member's personal judgment in terms of the value candidates would contribute to the PRC. There is no standing understanding incumbent would automatically receive reappointment.

Steve Crawford added that it speaks to balancing prior PRC experience with the option of including new appointees with different perspectives.

***Mike Shinn nominated David Beaudine to serve on the PRC in the position representing Construction Manager. Bill Frare seconded the nomination.***

***The motion carried unanimously to appoint David Beaudine to serve on the PRC representing Construction Management.***

Chair Maruska reported three applicants and one incumbent applied for the Design Industry-Architect position.

Mr. Campanella noted that the application for Marty Orchard is actually for Tom Golden. Mr. Orchard is the company's Marketing Director. Mr. Golden submitted the letter of interest and is the Principal at NAC Architecture. The description of experience within the synopsis is accurate.

Mr. Schacht commented that he knows all three applicants and all three are highly competent and experienced. All are interested in serving on the PRC. He spoke to Mr. Hartung about continuing to serve on the PRC and to Matthew Lane about his interest in pursuing the position. All three are good candidates; however, the issue of statewide representation is important to consider. He asked for information on the current membership of PRC to determine the level of statewide representation.

Mr. Campanella advised that Rustin Hall, a current member of PRC, is an architect from the Spokane area. Mr. Schacht spoke in support of selecting an applicant representing western Washington.

Discussion ensued on the experience level of each applicant in GC/CM and D-B.

***Bill Frare nominated Matthew Lane to serve on the PRC in the position representing Design Industry - Architect. Theresa Berntsen seconded the nomination.***

Mr. Shinn reported that as a member of the PRC since its establishment, Jonathan Hartung is well versed in the process and asks the right questions. Experience on the PRC is important. Mr. Hartung is knowledgeable about the process and asks questions of applicants.

Mr. Frare noted all three applicants are qualified individuals; however, since the Spokane area is represented, he considered the value of rotating members.

***The motion carried unanimously to elect Matthew Lane to serve on the PRC.***

Chair Maruska reviewed the applicants for the Design Industry – Engineer position. Jim Stone submitted an application for the position in addition to the Construction Manager position. He acknowledged the recruitment efforts by Mr. Kuruvilla. Applicant Tim Graybeal is the incumbent. When Mr. Graybeal was appointed to the PRC, he was employed in the architectural industry and represented the engineering discipline. Today Mr. Graybeal is working as a general contractor. The General Contractor position is filled by another individual. Previously, questions arose surrounding an individual's employment and how it relates to the industry they represent. The Board often deferred to the constituency for guidance. Subsequently, the Board appointed individuals employed professionally in one profession but representing another on the PRC.

Mr. Kuruvilla spoke to the qualifications of Ahmad Qayoumi, who is the Public Works Director for the City of Pasco. He has public sector experience in different cities spanning 25 years in Cincinnati and in Oregon. Public Works Directors must contend with many issues as they work closely with city councils, contractors, vendors, and consultants. Mr. Qayoumi is from eastern Washington affording broader representation on the PRC. He is also endorsed by the American Public Works Association as a candidate. Counties and cities are interested in alternative delivery. He supported Mr. Qayoumi's candidacy.

Mr. Qayoumi said he's excited about the opportunity to serve on the PRC and has been involved in the public sector for 27 years delivering a variety of public works projects for all aspects of public works to include engineering, water, sewer, and transportation. A recent GC/CM project was a police building. The City lacked the funds to build a new police facility. After discussing options with the police chief, the GC/CM process was recommended lowering the cost to the City to \$7 million from \$10 million.

Rebecca Keith thanked Mr. Qayoumi for applying for the position. She asked for additional information regarding alternative delivery experience, which was unclear in the application. Mr. Qayoumi replied that has been with the City of Pasco for six years and has delivered approximately 116 projects. The projects involved consultants and contractors. Some methods were unorthodox and not as structured delivered under budget and within the timeframe. During his employment with the City of Vancouver, he was engaged in construction management for both public and private sectors involving over 4,000 projects during an 11-year span either as GC/CM or as a combination of public and private delivery methods. He is currently working with the Department of Natural Resources on a GC/CM project for construction of a structure on 350 acres in Pasco. He's been responsible during his employment to ensure projects are completed. The City is currently working with several different project owners to entice development on a large parcel of land.

Mr. Nygaard said the vacant position represents the Design Industry - Engineer and he wants to ensure well-qualified individuals are considered. Mr. Qayoumi works in the public sector. He asked if that would be problematic in terms of equal representation on the PRC between public and private sectors. Chair Maruska said the designation of the engineer position represents engineering interests on the PRC. The question is which applicant can represent the engineering perspective. Mr. Nygaard said many project managers are employed as architects. He questioned whether those applicants would be allowed to serve on the PRC as a practicing architect even though they work as a project manager.

Mr. Schacht agreed the question is important. He referred to Mr. Kuruvilla as a representative of engineers from the private sector perspective. As members represent their respective sectors, it's important to consider business practice and those factors in the selection process of PRC members or in the development of policy and strategy by the Board. He also understands Mr. Graybeal is an architect. It was noted that Mr. Graybeal works as a structural engineer. Mr. Schacht asked Mr. Kuruvilla for his perspective.

Mr. Kuruvilla said he reviewed the current membership composition of the PRC, which reflects a fair balance of representation of both public and private sectors. Of special note is representation from the Tri-Cities, which might be lacking because of the importance of having broader representation from across the entire state. The APWA's nomination of a candidate is extremely important as the Board is encouraging agencies to apply partly because PRC is dominated by individuals representing the vertical industry with public sector interest increasing within the last several years in D-B and GC/CM. The Board should encourage public sector participation. The candidate is from the Tri-Cities, represents public works, and horizontal construction trumps the fact that the candidate is from the public side.

Mr. Qayoumi added that he oversees the Engineering Department, which is responsible for delivering projects from conception through design similar to a consultant. The department outsources those projects requiring specialty or because of work flow, which are managed by the department.

Mark Gaines suggested there might be a lack of clarity. Approximately two years ago, he considered applying for an engineering position as a licensed engineer and requested clarification as to whether the position represented private industry engineering. The response was that the position was not a public owner position but a private industry representative for engineering. Ultimately, he decided not to submit an application because it appeared the position was for a consultant engineer. The Board should clarify the position because many licensed engineers are in construction management or represent public owners.

Mr. Crawford commented on the difficulty to select a candidate from the pool, as Mr. Graybeal is a long-term incumbent who represents eastern Washington, has the experience, and has been an active PRC participant. The Board also received an application from Mr. Qayoumi who represents the middle of the state with a different level of experience. Mr. Stoner's application falls into the same category regarding the applicant's current position versus the type of work by the company. Although Mr. Stoner is an engineer, Hainline focuses on project management and consulting work. It does add more questions to the process. The other applicants are engineers with significant experience working for engineering firms. The choice will be difficult.

Mr. Campanella said over the last several years, project delivery methods have become more complicated. Having true practitioners on the PRC to evaluate the projects is becoming very important. Mr. Graybeal has moved from an architectural/engineering firm to a general contractor. His role in the company is a design manager working on GC/CM and D-B projects. Mr. Graybeal is heavily involved in that particular aspect of the business. Mr. Graybeal's qualifications are heavy and there are few individuals who are as passionate about alternate delivery, particularly D-B, as Mr. Graybeal is. He is the founding president of the DBIA Chapter in Spokane, participated on panels, and provided presentations at the national level on several projects in the State of Washington. His passion is D-B and GC/CM, which is why he switched from the architecture/engineering trade to a general contractor because he wanted to focus with a firm that would be aggressive in pursuing those types of projects.

Mr. Frare agreed the selection is difficult because of the need to balance a number of considerations. He clarified that the RCW directs the Board to appoint members to the PRC. The RCW speaks to broad representation between the industry and public and private owners. The RCW doesn't necessarily address the applicability of applicants working for a public owner as a design engineer. RCW 39.10.220 speaks to the membership of the Board and there is specific guidance for one representative from the engineering profession. Mr. Qayoumi, as a licensed professional engineer, is qualified regardless of whether he works for the public sector. He recounted his public sector experience and his experience in design shops from the start to the end of the design. It appears Mr. Qayoumi's position is similar and there is no difference as a professional engineer working in a design shop or a professional engineer working for a consultant. The position is for a licensed professional engineer. Additionally, in balancing state representation, Mr. Graybeal has been a member of PRC for eight years and perhaps it's time for rotation of membership. The selection is difficult; however, he believes Mr. Qayoumi is a qualified applicant to represent the position while acknowledging that Mr. Graybeal is not subject to term limitations at this time.

Mr. Schacht agreed with Mr. Frare on both points. As an architect representative on the Board, he represents all architects whether they work for the University of Washington or for other public owners, or as consultants. He agreed with the

statement regarding the difference in tenure between the two candidates under consideration. However, he doesn't believe it would be problematic if the architect or the engineer were not working in the field; however, it's critical that the person representing the engineering profession always consider the perspective of engineers. Any candidate must assure the Board they would represent the specific industry first when rendering PRC decisions.

Mr. Gimmestad stressed the importance of practical experience within the delivery method to provide the best contribution and understanding of applicant proposals. Not only must applicants meet the qualifications of the RCW, they must also understand what the proposer is trying to accomplish and whether it meets the requirements of the RCW, as well as why a project might not qualify for an alternative delivery method. Those are issues members examine when reviewing different projects. It's important to contribute that perspective of experience as to what it may mean to the participants in the industry as part of GC/CM or D-B delivery methods.

Mr. Nygaard agreed the decision is difficult as the Board has great candidates to consider. However, the balance is important and Mr. Graybeal has significant experience with GC/CM and D-B, as well as experience on the PRC, which are several benefits worthy of consideration. Additionally, he is from Spokane. Although not reflective of the experience and caliber of the other applicants, Mr. Graybeal has the ability to rise above the other applicants in that he has two years of experience on the PRC, which is beneficial to the process.

***Alan Nygaard nominated Tim Graybeal to serve on the PRC in the position representing Design Industry – Engineer. Steve Crawford seconded the nomination.***

Members discussed the nomination process and agreed all nominations from the floor should be accepted prior to voting on a candidate.

***The makers of the motion withdrew the motion.***

***Santosh Kuruvilla nominated Ahmad Qayoumi for the PRC position of Design Industry – Engineer.***

***Alan Nygaard nominated Tim Graybeal for the PRC position of Design Industry – Engineer.***

With no other nominations offered, Chair Maruska closed the nominations.

***Walter Schacht, Santosh Kuruvilla, Robert Maruska, Mike Shinn, Gary Rowe, Charles Horn, and Teresa Berntsen voted in support of appointing Ahmad Qayoumi to represent Design Industry - Engineer.***

***Alan Nygaard, Steve Crawford, Rebecca Keith, Bill Frare, Brent LeVander, and Ty Heim voted in support of appointing Tim Graybeal to represent Design Industry - Engineer.***

***Ahmad Qayoumi was elected to fill the PRC position of Design Industry – Engineer.***

Mr. Armstead expressed appreciation to the Board for its process in reviewing the candidates. As he spoke to earlier, his comments are from the position of the state having ½ of 1% of its bids awarded to minority contractors. His questions surrounding the process are intended to obtain information to determine for his membership what the process may or may not have contributed to that ½ of 1%. It has nothing to do with individuals or the Board's process.

#### **Update on WSDOT's Design/Build Program - Information**

Chair Maruska recognized Mark Gaines, Engineer, WSDOT. Mr. Gaines provided information on WSDOT's PDMSG and D-B Resources.

Mr. Gaines said he began his career with WSDOT as a bridge engineer for four years designing structures for the WSDOT Bridge Office. Since 2003, he's worked on the construction side and is a State Bridge Construction Engineer spending the last several years focusing on alternative contracting.



Over the last year, WSDOT has worked on the Project Delivery Method Selection Guidance (PDMSG) to evaluate project delivery methods. Much of the department's alternative delivery methods were regional with many D-B projects completed along the I-405 and SR-520 corridor. It was important to establish a process for all projects across the state to determine best delivery methods. Many of the recent efforts are based on work completed by other agencies and modified to fit agency needs. Much of the program was based on methods by Colorado DOT and the University of Colorado at Boulder. A team comprised of WSDOT Headquarters personnel, practitioners, and alternative contracting professionals was established to discuss how to evaluate future projects. WSDOT also works closely with the AGC and the American Council of Engineering Companies (ACEC). Both organizations are involved in the process as reviewers to ensure the direction is appropriate.

PDMSG is a scalable process for all projects of all sizes acknowledging that smaller projects ranging between \$2 million and \$10 million would likely not be a top D-B candidate. Larger projects of \$25 million to \$100 million are often good candidates for alternative contracting. For those smaller projects under \$25 million, a checklist is reviewed to verify the appropriate delivery method. High volume projects entail a more rigorous selection process for the delivery method. Projects exceeding \$100 million undergo a workshop for the project technical experts to review the merits of the project and any constraints. The program is a two-phased process with the first phase occurring early during 5% design as many decisions rendered early in design benefit from determining the delivery method early in the process. Decisions in the early phase may influence how the project moves forward. However, prior to 30% design, the process includes a verification process to ensure that the designated delivery method selected during the scoping is reverified to affirm D-B is the most appropriate delivery method.

A selection matrix was developed by the team responsible for the project delivery method selection guidance. A number of items are influenced by Headquarters in terms of selecting more D-B delivery methods from a workforce management perspective. At that point, the matrix is reviewed at the project team level to evaluate specific constraints of the project against weighted criteria.

The rating criteria/Headquarters values are evaluated and measured for each project delivery method, i.e., Design-Bid-Build, D-B, or GC/CM. The project team evaluates each criterion dependent upon the specific project, such as how important delivery time may be. If a project has extra time in the schedule, delivery time may not be as important and the criterion would be weighted lower. Other factors may be of more importance, such as utilizing federal funds by a certain date. At the end of the process, the team concludes which delivery method is the best based on the overall score. The team is able to deviate from the matrix to some degree but not without approval at the regional administrator level.

Mr. Gaines addressed an earlier question as to why WSDOT doesn't seek approval of projects from the PRC. WSDOT received legislature authority outside of RCW 39.10 to develop a process for awarding competitively bid highway construction projects over \$2 million. The D-B method is pursued in-house through procedures and processes, which can differ from RCW 39.10. The legislation was adopted in 2001 prior to the agency's first D-B project.

During the last session (2015), additional legislation was adopted encouraging the use of D-B for public works projects over \$2 million when highly specialized construction activities, greater innovation opportunities, or savings in delivery time could be achieved. Initially, the legislation required WSDOT to use the D-B delivery method for all projects over \$2 million. AGC representatives assisted WSDOT in changing the legislation recognizing that D-B is a good delivery method but not necessarily the tool for all projects. The current statute encourages WSDOT to continue to pursue D-B while affording more flexibility for other methods.

Mr. Gaines reviewed the history of WSDOT D-B projects. The first project was completed in 2001 in Vancouver shortly after legislation was adopted affording the department with the authority. Since then, the agency has completed 29 D-B projects. Five of the projects were greater than \$300 million with three SR-520 Floating Bridge contracts over \$300 million and two \$650 million Tacoma Narrows Bridge projects. The last project of \$1.3+ billion is the Alaska Viaduct Tunnel project. Four projects were completed within the \$100 million range. WSDOT has completed eight small projects between \$2 million to \$10 million. The agency completed a report on the small projects.

With the advent of more funding through additional gas tax through *Connecting Washington*, the agency envisions over the next 16 years to complete \$16 billion in projects. Most of the D-B projects have occurred in the Puget Sound with the exception of the Vancouver project. Several projects were completed in the Tacoma area with the remaining projects on SR520 and I-405. The agency has localized expertise in D-B but that expertise hasn't extended across the state at this time.

Future projects include heavy emphasis on I-405 of \$1.75 billion in new projects and \$48 million in north King and Snohomish Counties. The SR-520 project of \$825 million expands the six-lane roadway to I-5. Approximately \$1.5 billion is slated for I-5/SR-516/SR-167 projects. The eastern, central, and the southwest regions are scheduled for D-B projects.

Currently, legislators are reviewing WSDOT's D-B Program carried over from the last session under the funding program of *Connecting Washington*, which directed an external review of the agency's D-B practices for potential improvements. The report would likely inform the work underway by CPARB's Design/Build Best Practices Committee.

The Legislature directed exploring WSDOT's use of D-B project delivery, identifying potential changes in law, practices, or policy for employing D-B to maximize efficiencies in cost and schedule, and ensuring project risk is borne by the appropriate party. Scoping has been underway for the last several months to include examination of the WSDOT implementation of D-B delivery and whether WSDOT's use of D-B can be improved. The study examines project delivery selection criteria. Additionally, the scope includes educating legislators and other stakeholders on the appropriate use of D-B, as well as developing strategies for WSDOT to adopt study recommendations. The project lead is Hill International. The study cost is \$440,000 with the final report due in December 2016.

The program at this point has been a regional program with 26 of the 29 projects completed within the I-405 and SR 520 corridors. The effort, however, is not led by WSDOT Headquarters. Up to this point, the effort has been led by the I-405 team for D-B policy. WSDOT will face challenges in expanding D-B across the state because the knowledge base in eastern Washington is lacking. The agency is seeking a way to standardize D-B across the state.

Key elements of the D-B program include:

- 80% completion in developing D-B template documents for use across the state. Following completion of the documents, the documents will be reviewed by WSDOT Headquarters and the Federal Highway Administration. The work has been supported by AGC and ACEC by reviewing the drafts and providing good feedback.
- Development of a D-B Manual addressing contract areas. Guidance is lacking for D-B projects and it's important all project teams follow uniform practices across the state in terms of working and partnering with contractors and to ensure uniform evaluation of proposals and Request for Qualification
- Provide D-B training across the state.
- Provide D-B resources (Quality side of D-B)

The study period covers 18 months with Scotty Ireland serving as the main lead. WSDOT is pursuing major outreach with industry partners as well as WSDOT regions and other Headquarter groups. As D-B philosophy encompasses both design and construction, WSDOT's design group is assisting as well.

WSDOT is seeking practical solutions and practical design. The former Secretary of Transportation initiated the process and recently wasn't nominated to continue as the Secretary. Temporary Secretary Roger Miller has assumed the role. However, practical solutions continue to be carried forward. Extensive information is available on the agency's website. The intent of the study is ensuring the agency finds the most effective solution for any given project.

Additionally, because of past difficulties associated with innovation in contracting methods, WSDOT is focusing on a practical design pause enabling a pause in the process after selection of the best value in the D-B project over a two-week period for the D-B engineering team to review the project and possibly renegotiate with the contractor to reduce some costs.

Draft documents will be released on the website for ongoing feedback.

Mr. Gaines responded to questions about the criteria for project delivery selection with respect to DBE and small business goals. Federal projects require DBE requirements as well as state projects. The intent is including a required DBE goal as well as for small businesses for state projects. The evaluation process includes criteria required of all contractors regardless of the delivery method. The DBE and small business side doesn't necessarily influence how delivery methods are determined for a project. WSDOT has been successful in attaining DBE goals for D-B projects. The Alaska Viaduct project encountered some DBE issues that are currently being resolved.

Mr. Shinn asked how many of the D-B projects were for buildings. Mr. Gaines said some of the projects included building components while very few of the projects involved building construction. The Alaska Viaduct project has some building elements and the Tacoma Narrows Bridge required toll facilities. It's likely less than four projects included building components. Mr. Shinn asked whether the new agency building would be D-B. Mr. Gaines said the Facilities Division of the agency oversees facility construction.

Mr. Rowe asked whether WSDOT intends to pursue the practical solutions process for projects on the list and then again with the contractors. Mr. Gaines explained that the practical solutions examination begins early with the design teams. The challenge is completing work below 30% design to include incorporation of as many practical solutions as possible. However, once the project bid is released, the RFQ and RFP phase doesn't afford any opportunities leaving the only opportunity after selection of the contractor. Mr. Rowe said the concern from a local government standpoint is the emphasis on outreach to local government when pursuing the practical solutions process. Undertaking the process after contracting to identify different solutions doesn't address how local government would be involved. Mr. Gaines affirmed it would be a challenge especially after initial outreach and commitments has occurred.

Mr. Kuruvilla commented on the quality aspect of the D-B model. Once quality is built into the D-B realm, contractors are also responsible for quality. Other states are struggling with the acceptance verification aspect of the process. He asked about any lessons learned in terms of balance with respect to quality. Mr. Gaines confirmed WSDOT has lacked in that area other than for a program called CATS - Construction Auditing and Tracking System, which was established to verify quality on projects. The program is designed to review quality assurance and quality programs in place by the contractor and identify areas of deficiencies and focusing testing and inspections in those deficient areas. The program's shortcoming is the inability for a statewide review. As an agency, the program should identify all focus areas for all projects. Without the ability of examining all projects together, it's difficult to reach any conclusions to identify areas for quality verification and inspection. WSDOT will likely need to review other examples to improve the process.

Mr. Schacht asked about the potential for Progressive D-B. If WSDOT wants to take advantage of the design team and contractor contributions, it appears awkward to undertake a best value competition and require all participants to develop proformas for development of schemes and then decide to rethink the entire process. He asked why the agency wouldn't consider selection of the D-B based on qualifications and then directly engaging them in conversations about cost effectiveness because during that process any stakeholders or local governments could be included. Mr. Gaines said he's unsure whether WSDOT has legislative authority for Progressive D-B. The statute speaks to competitively bid highway construction contracts, which speaks to the inclusion of a competitive cost component for Progressive D-B. However, it would be difficult to interpret the statute as indicating that a Progressive D-B meets competitively bid highway construction contracts. The agency has much work to complete on competitive D-B and doesn't have the experience with Progressive D-B. WSDOT is focusing on the methods authorized in the statute.

Mr. Schacht commented on the minimal change in legislation despite the entire discussion surrounding Progressive D-B. Although minor changes in the legislation occurred, it didn't open the door for WSDOT. One of the challenges with transportation projects is the scale of the contracts and the challenges associated with the award. Innovation in the practical design clause aligns well with the Progressive D-B procurement method. Mr. Gaines added that with the agency's use of PDMSG, the agency is identifying many more projects that are good GC/CM candidates. In the near term, the PRC and CPARB may be receiving more WSDOT project applications.

*Chair Maruska recessed the meeting from 11:02 a.m. to 11:16 a.m. for a break.*

*Charles Horn and Ty Heim left the meeting during the break.*

**Public-Private Partnerships Committee Report - Information**

Chair Maruska referred to pre-reads and minutes from the December 10 Public-Private Partnership Committee meeting, as well as a draft working document for review. The next meeting is scheduled on March 1. The meeting is open to the public. The location of the meeting will be posted on the website.

The committee was tasked to review existing legislation on public-private partnerships and develop a draft of proposed changes to legislation. Any proposed changes would be presented to the CPARB to gauge interest in moving forward. The issues are complex and there are many different approaches. The intent was moving forward with potential legislative changes for the 2017 legislative session. Minutes and documents of the meetings have been posted and members are encouraged to submit comments.

**Design-Build Best Practices Committee Report – Information/Action**

Mr. Schacht reported the committee was unable to establish a quorum at the last meeting. The next meeting is on Wednesday, February 17 at 1 p.m. to review examples of potential best practices for RFQ/RFP documents from a variety of agencies. Architects, contractors, and public owners with experience with those contracts will compare and contrast the documents. The committee is at a point to begin drafting an initial first draft and would likely suspend meetings for several months to draft the document.

At the last meeting of the CPARB, the discussion centered on changing positions on the committee. Several members have agreed to withdraw as members leaving several vacant positions. Mr. Schacht said he is working with Andrew Thompson to identify a potential member representing small business. A recommendation will be presented at the May meeting. Additionally, with the departure of Alexis Oliver from OMWBE, the Board is requested to consider a nomination from OMWBE, as well as, the nomination of Becky Barnhart, an architect from Integrus in Spokane. Currently, the committee lacks representation from the Spokane community. Ms. Barnhart has attended all previous meetings as the meeting locations have alternated between Seattle and Spokane.

Mr. Schacht said the CPRAB Bylaws allow committee members to identify to the committee chair an alternate/proxy for attendance to a meeting on the member's behalf. However, the bylaws are unclear whether such substitution would count towards achieving a meeting quorum. Clarity is requested as to whether alternates are afforded full voting rights.

***Walter Schacht moved, seconded by Alan Nygaard, to remove Greg Fuller as a member of the Design-Build Best Practices Committee and appoint Becky Barnhart, Integrus, and Edwina Martin-Arnold, OMWBE, as members of the committee.***

Mr. Schacht added that at the last meeting, members discussed the benefits to the committee's work to include a formal voting representative from DES. After consultation with Ms. Deakins and Mr. Frare, the request is to nominate Yelena Semenova as the DES representative.

***Mr. Frare recommended the nomination as a friendly amendment to the motion. Makers of the motion accepted the friendly amendment to appoint Yelena Semenova as a member of the Design-Build Best Practices Committee.***

***Motion carried unanimously on the amended motion.***

Mr. Schacht reviewed the earlier request for clarity on whether committee members are able to designate an alternate and whether the alternate has full voting rights. Chair Maruska advised that he would verify the rules, as the intent was to enable alternates to assist committees in achieving a quorum with the caveat that the chair is notified of the substitution prior to the meeting. It was also noted that the committee might adopt rules addressing the issue.

**Data Collection Schedule Update - Information**

Mr. Frare reported there has been no progress since the last update. Ms. Deakins added that DES is soliciting pricing for new project management software for DES and a potential add-on module for easier data reporting. The intent is securing some pricing prior to the Board's next meeting. DES has been authorized to move forward with the software purchase.

Chair Maruska added that DES initially structured the data collection process prior to the reauthorization. When the Joint Legislative Audit and Review Committee (JLARC) completed an analysis on data collection, the recommendation to the Legislature was to revise data collection. The Board approved moving forward to revise data collection. The proposal satisfies the intent to revise and improve data collection.

Ms. Deakins provided an update on Job Order Contracting (JOC) data collection. Public bodies are required to submit JOC data annually to the CPARB. DES is supporting that effort as well. Staff is developing an improved spreadsheet design for data collection and anticipates releasing the new version by early March with reporting due by the end of March in sufficient time to present a report to the Board in May.

**M/E-CCM Best Practices Committee - Information**

Ed Kommers reported the next meeting is scheduled on February 29 at 1 p.m. A quorum of the members confirmed attendance. The next step is notifying other interested parties of the meeting.

**Review Bills of Interest – Small Works Bill Update - Information**

Chair Maruska provided an update on the bills of support by the Board.

Legislative changes to public hospital districts included two bills. Chair Maruska said he testified on behalf of the Board on both bills. The bills (6213 & 6214) moved to the House Capital Budget Committee. He also testified in support of the bill on Small Works - SB 6393.

Mr. Frare reported the bill was introduced to the Senate. The companion House bill did not meet the cut-off. The Senate bill received a hearing by the Government Operations Committee. Concurrent conversations addressed a number of concerns relative to retainage and ensuring notice of completion and addressing other technical issues involving retainage, oversight review of workers compensation payments, and wage labor disputes. After meeting with individuals, some language was negotiated, as the intent was never to remove those protections. The Department of Labor and Industries (L&I) provided some guidance and language was revised. One other concern was how a contracting agency and L&I provide influence over a contractor who does not have retainage to ensure reporting submissions. Currently, contractors are subject to retainage and that is used as leverage to ensure affidavits are submitted. Additional changes included provisions to the responsibility criteria releasing responsibility to those contractors who have outstanding affidavits on closed projects. The bill moved out of committee is scheduled for a floor vote.

Chair Maruska acknowledged the testimony of Charles Horn in support of the bill, and the support by the small, minority, women-owned business community. The bill addresses a number of the concerns surrounding competitiveness for small businesses and others.

Mr. Nygaard said he initially opposed the bill but since the concerns have been addressed, he no longer opposes the bill.

Neil Hartman, (Alternate), State Building Trades Council, provided an update on HB 2933. The bill was directly altered from its original form and is now similar to 6393 as it addresses the threshold for small works roster and increasing the small works roster to \$500,000 and increasing limited public works. However, the bill doesn't alter retainage in its current form other than including a provision that the liability retainage can be shifted to the awarding agency. He's unsure who opposed the previous language. The Council supported the previous language. One change supported by the Council that is not in HB 6393 is a provision that indicates that when retainage is released, the priority is repaying worker wages and benefits followed by other priorities because many groups are efficient in recovering money owed to them and workers are often not paid. Inclusion of the provision enabled the Council to support HB 2933 depending on which version moves forward. The bill has moved to House Rules.

Mr. Shinn asked whether it would be necessary secure a retainage bond to obtain the retainage. Mr. Frare said both HB 2933 and SB 6393 include provisions that a contracting agency may choose to waive retainage and bonding on contracts up to certain thresholds. Thresholds for retainage would be up to \$500,000 and a bond would be up to \$150,000. In SB 6393, agencies assume the liability. For larger projects, bonding and retainage would be required. Mr. Shinn said the proposed legislation doesn't address the concerns of subcontractors who have secured bonds but the prime contractor elects not to secure a retainage bond. In those situations where the prime contractor did not secure a bond and elected retainage, the subcontractor could lose funds. Retainage bonds also protect prevailing wages and other issues.

Mr. Rowe referred to HB 2844 requiring contractors to have training qualifying them as a contractor. Mr. Frare added that the provision was added to responsibility criteria as well. Mr. Hartman said the Council withdrew support last year as the business community sponsored a similar bill but in a different approach for contractor licensing and waiving the fee if the contractor completed training. The goal of the current bill is ensuring any contractor working on a public works project is properly trained because of the complexities of contracting procedures. Both labor communities and industries support approaching the issue from the front-end to ensure all contractors have minimal training (4 hours) and understand contracting procedures. The bill requires L&I approved training.

Chair Maruska referred to HB 2129. The title of the bill is misleading as it speaks to small works and bonding. However, the current small works statute of RCW 39.04.155 includes provisions for waiving of bonds. If a public owner does not use a small works roster process, the agency is required to follow RCW 39.08.010 increasing the threshold from \$35,000 to \$150,000 essentially increasing the level to general contracting values. The bill is not tied to the small works process. One of the difficulties of the proposed bills addressing small works is the inconsistency it would create with HB 2129. Today, the statutes are consistent. It's important to recognize discussions surrounding HB 2129 and references to small works that have no ties to the small works statute.

Mr. Hartman affirmed that the provisions for the threshold under \$50,000 are included in HB 2933.

Mr. Lemos said he is representing the Washington State Civil Rights Coalition. The coalition was formed approximately nine months ago and includes 35 organizations across the state representing 25,000 members. During his review of RCW 39.10, he did not find any provisions allowing the PRC to provide blanket recertification authority to agencies. He asked the Board to include the issue on the next meeting agenda for discussion. Additionally, with respect to the public's interest in RCW 39.10, it's the duty of the CPARB and PRC to ensure agencies receiving approval for alternative works contracting should provide substantial benefit to the public. Too many agencies represented by the Board often have GC/CM and D-B projects that are over budget. As a taxpayer, he would argue the situation doesn't provide substantial benefit to the public. He requested clarity on the issue. The final issue, which may have been addressed by the Chair, pertains to the question of appealing certifications. It also appears, according to the meeting minutes, the website lacks the minutes of meetings for the months January 2014 through November 2014 for CPARB.

Chair Maruska noted that Mr. Lemos has submitted previous emails regarding the minutes and staff is following up to post the minutes.

Mr. Armstead asked whether agencies that are denied certification or authorization have alternative ways of reapplying for project approval or certification. Chair Maruska said agencies have the opportunity to appeal the PRC decision to the CPARB as prescribed in statute. The Board considers the information and renders a decision. Based on statute, the decision by CPARB on the appeal is final. Routinely, agencies receiving a denial of the initial application are afforded information on what was inadequate and have the opportunity to address the inadequacies and typically reapply for reconsideration. Other agencies elect not to use alternative public works and pursue conventional public works delivery methods, such as Design-Bid-Build. Whether an agency could approach the Legislature to seek authorization outside of RCW 39.10 is a possibility, as it would be the prerogative of the Legislature to determine.

#### **Building Envelope Information Discussion - Information**

Tonia Sorrell-Neal, Executive Director, Masonry Institute of Washington, provided an update since the last meeting discussion on building envelope failures in the industry on several public projects, specifically the example of the Burien Fire Station. Proposed legislation was considered in 2015 with initial conversations focused on masonry systems. At the request of the industry, the proposed bill extends to the entire building envelope for all products, which received some

resistance within the building industry. As shared at the last meeting, a Masonry Systems Guide was published on best practices for the industry for masonry contractors and others. Masonry contractors completing the training receive certification for installation of full masonry systems.

Ms. Sorrell-Neal provided members with draft legislation recognizing Certified Mason Contractor for public projects and that any public project including masonry elements should look to the industry to ensure the contractors are equipped and experienced to complete a masonry project to avoid future failures of a system.

The proposed legislation has been reviewed with several legislators in the House and Senate. The Board is requested to consider supporting the proposed legislation prior to the next legislative cycle, as well as providing feedback. The bill defines the building envelope in terms of the masonry elements as opposed to other subcontractor elements.

Duke Schaub, AGC, said the bill was introduced as HB 1754 Building Envelope. AGC received over 100 comments and emails in opposition to the legislation. If the subject continues as an agenda topic, AGC is respectfully requesting an equal amount of time to present the case in opposition to the proposed legislation as proposed by masonry contractors.

Ms. Keith inquired about the contractors affected by any requirements imposed as proposed. Ms. Sorrell-Neal said the state currently has 22 certified mason contractors. The proposal stipulates that any masonry contractor who meets the requirements is eligible for certification and eligible to work on a public works project. The language is similar to what architects are including within specifications.

Ms. Sorrell-Neal was asked about the source of the guidelines for the manual. Ms. Sorrell-Neal offered to provide the information after the meeting.

**Agenda Items for May Meeting - Action**

Chair Maruska reminded members of the importance of achieving a quorum at the May meeting because of the election of the Chair and Vice Chair. He reviewed the process for nominations and elections. At this time, the Board has not established a Nominating Committee or process. The Board could consider establishing a process, as the bylaws do not directly speak to the nomination and election process.

Mr. Schacht commented on the importance of continuity of the positions and his desire to be a member of a board with quality leadership.

Mr. Kommers recommended developing a job description of both positions. He offered to assist in developing the descriptions to assist members in understanding the duties of the positions.

Chair Maruska suggested the option of members submitting a letter of interest. Members submitting letters would be identified on the agenda and included as a pre-read. Nominations would also be accepted from the floor.

***Alan Nygaard moved, seconded by Steve Crawford, to solicit letters from members interested in serving either as the Chair or Vice Chair for publication on the May meeting agenda. Nominations from the floor during the meeting would also be accepted.***

Chair Maruska reported that both he and Mr. Kommers would draft job descriptions and post the descriptions on the website.

Mr. Shinn suggested members should identify the position of interest within their letter of interest.

Mr. Schacht recommended the Chair and Mr. Kommers should consider reaching out to those submitting letters of interest.

***Motion carried unanimously.***

Agenda items for the May 12 meeting include:

- Nominations and election of Chair & Vice Chair
- PRC Update and Review of Candidate Appointments
- Legislative Session Debrief
- Public-Private Partnership Committee Report
- M/E-CCM Best Practices Committee Report
- Design/Build Best Practices Committee Report
- Data Collection Update
- Review 39.10 PRC Agency Certification – Presentation and discussion (requested by Frank Lemos)

**Adjournment**

*Bill Frare moved, seconded by Robert Maruska, to approve the May meeting agenda and adjourn the meeting at 12:19 p.m. Motion carried unanimously.*

**Staff & Guests**

Nancy Deakins, DES  
Searetha Kelly, DES  
Tim Thomas, Bouten Construction  
Valerie Gow, Puget Sound Meeting Services  
Frank Lemos, WA Minority Bus. Adv. Council  
Rodger Benson, Mortenson  
Curt Gimmestad, PRC  
Scott Middleton, MCAWW  
Mark Gaines, WSDOT  
Chad Merrill, King County  
Janice Zahn, Port of Seattle

Ed Kommers, MCAWW  
Tonia Sorrell-Neal, Masonry Institute of Washington  
Jeanne Rynne, The Evergreen State College  
Bob Armstead, NAMC  
Larry Stevens, NECA  
Duke Schaub, AGC  
Linneth Riley-Hall, Sound Transit  
Mark Ottele, Granite Construction  
Ahmad Qayoumi, City of Pasco  
Don Laford, CMAA

Approved May 2016 \_\_\_\_\_  
Robert Maruska, CPARB Chair

Prepared by Valerie L. Gow, Recording Secretary/President  
Puget Sound Meeting Services, psmsoly@earthlink.net