**PANEL MEMBERS PRESENT**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tr>
<td>Curt Gimmestad, Absher Construction</td>
<td>Janice Zahn, Port of Seattle</td>
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<td>Tom Peterson, Hoffman Construction Company</td>
<td>Rusty Pritchard, Washington State University</td>
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<td>Kurt Boyd, Valley Electric</td>
<td>Mike Shinn, Shinn Mechanical</td>
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<td>Rob Warnaca, Mortenson Construction</td>
<td>Chuck Davis, Seattle Central College</td>
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**STAFF, GUESTS, PRESENTERS**

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<th>Name</th>
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<tr>
<td>Danelle Bessett, Department of Enterprise Services</td>
<td>Howard Hillinger, Parametrix</td>
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<td>Tom Gow, Puget Sound Meeting Services</td>
<td>Dick Bratton, Summit Pacific Medical Center</td>
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<td>Matt Walker, Hill International</td>
<td>Renee Jensen, Summit Pacific Medical Center</td>
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<td>Darrin Sweeney, City of Richland</td>
<td>John McLean, Blue Room Architecture</td>
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<td>Joe Schiessl, City of Richland</td>
<td>Scott Middleton, MCAWW</td>
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<td>Robynne Thaxton-Parkinson, Law Office of Robynne Thaxton-Parkinson</td>
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**Welcome, Introductions & Rule Review**

Chair Curt Gimmestad called the CPARB Capital Projects Review Committee meeting to order at 9:03 a.m.

All members provided self-introduction.

**City of Richland – City Hall – Design-Build**

Panel Chair Gimmestad reviewed the presentation format to consider the Design-Build (D-B) project application from the City of Richland for a new city hall. Members in attendance included Curt Gimmestad, Janice Zahn, Tom Peterson, Kurt Boyd, Rob Warnaca, Rusty Pritchard, Mike Shinn, and Chuck Davis. Six affirmative votes are required to approve the application.

Joe Schiessl, Parks and Public Facilities Director, City of Richland, introduced project team members Darrin Sweeney, Project Manager, City of Richland; Robynne Thaxton-Parkinson, Law Office of Robynne Thaxton-Parkinson PLLC; and Matt Walker, Project Manager, Hill International, Inc.

Mr. Schiessl reported the project is a new 44,000 square-foot city hall for the City of Richland. Currently, three separate existing buildings are at the end of their life cycle. The buildings were constructed in the 1940s by the federal government and have serious maintenance issues. The project consolidates three departments into one main building combining City Hall, Development Services, and Administrative functions. Goals of the project would combine public services into one location to increase staff efficiencies, increase transparency and public access to City services, and maximize the potential of transitioning from older buildings through coordination of design and phasing plans. Because of scheduling and sequencing issues, the D-B delivery method was selected as the best option.
Mr. Sweeney displayed photographs of the existing buildings. The cooling system within the building is connected and supported with FlexSeal. The buildings were constructed in the 1940s and 1950s by the federal government with a 50-year life span. The Development Center building continually leaks R22 Freon and can’t be accessed because of the presence of asbestos requiring the City to replenish the system with R22 Freon, which has become an issue. The City Hall boiler system has outlived its useful lifespan. A recent boiler study estimates a cost of $1 million to repair and renovate the system. Because the system is old and outdated, replacement parts are difficult to obtain and qualified techs are difficult to locate to repair the equipment. The system requires techs to adjust the system daily to fix leaks. On colder days, the building has been closed and evacuated when the system shuts down. The system has reached the end of its lifespan. Consolidating into one building and modernizing the systems are major objectives of the project.

Mr. Sweeney noted that when the system fails on cold days, the City adds a large propane heater to help warm the building.

Mr. Sweeney pointed out the location of the existing City Hall, City Manager’s Building, and the Development Services Building, which will be consolidated into a new City Hall building. The new location of the building was previously owned by the federal government. Columbia Basin College (CBC) purchased some property for a four-story health sciences building. The property also included an oversized parking lot. The City negotiated with the federal government to declare a portion of that property surplus, which was completed through the federal disposal process by the General Services Administration (GSA). The City’s offer was recently submitted to GSA. The property is 1.8 acres in size. However, the parking lot is not sufficient for the City’s needs and the federal government could not dispose of more than 1.8 acres creating the need to negotiate with GSA’s Planning Department for a joint use agreement for additional parking. A shared use parking arrangement is under negotiation with the GSA and the CBC. Because a federal judge located in the U.S. Courthouse and federal building wanted additional property for a sally port and the CBC required additional parking for its site, the CBC purchased additional property resulting in a three-way trade between the CBC, the City, and GSA. The City is negotiating property use agreements with the City serving as the lead agency in terms of managing parking use on the site. Parking is one of the complications of the project because of the number of parties involved.

Other issues surround the City’s existing ownership of the Development Services building only for the general purpose of conducting government business. The City acquired the building from the Department of Energy along with another federal government site. The City owns the City Hall site and leases the Development Services site. The City plans to return the property to the GSA when the site is abandoned by the City. When abandonment of the current City Hall site occurs, the City will sell the property for redevelopment to encourage new development activity in the downtown corridor.

The site also includes some public safety issues because of the proximity of the emergency room at the area’s largest hospital, as well as federal security issues surrounding the federal courthouse and sally port. Those access issues will exist during the construction of the facility.

Today, the City provides broadband services by wholesaling broadband to a retailer located in the basement of City Hall for broadband service to the hospital, a local bank, and other major commercial tenants and residential customers. Switching gear is located in the basement of City Hall providing broadband access to all City facilities located south of the Yakima River to include two fire stations, City Shop facility, and emergency dispatch services. All third-party retail equipment and the switching equipment will be relocated to one cabinet on federal property resulting in many communication issues to resolve during the relocation of the system.
Mr. Sweeney added that another element of the project is rebuilding the entire parking lot requiring close coordination between the federal government and the CBC. The project consists of many moving elements during the construction phase of the project.

Mr. Walker reported the project budget is approximately $17 million of which $1.1 million is allocated for professional services with construction costs estimated at $11.3 million. The budget includes other project costs and contingency for a total budget of $17.1 inclusive of sales tax.

Mr. Schiessl said the budget was established after a study of the site and completion of preliminary planning for the City Hall building.

Mr. Walker said the team reconsidered the schedule based on input from the PRC. Additional time for the RFQ process was included with the goal to release the RFQ on May 9 with a due date of June 1. Short listing would occur one week later with the Request for Proposal (RFP) issued on June 15 and proposals due by mid-July with selection of the D-B team scheduled by the end of August. The notice to proceed would be issued in August with construction concluding by 2018.

Ms. Thaxton-Parkinson reviewed the procurement approach for the project. The City selected Progressive D-B as the procurement method of contracting. The City plans to consider contractors with a history of successful projects of similar schedule and complexities, as well as outreaching for stakeholder input and coordination. The complexities of the project include sequencing, scheduling design and construction, and relocating tenants in failing buildings by sequencing the construction of the new building. The proposal is similar to other progressive approaches. The City does not require bonding for the project other than recognition of the City’s funding capacity affording the need to establish a maximum GMP with a flexible scope. The scope and sequencing would be developed with the D-B contractor.

The appropriateness of D-B for the project is speed, as Progressive D-B is the quickest way to complete the project. Coordination between the three parties is required for maintaining parking for the federal courthouse. Agreements are necessary between the three parties on the location of available parking and how construction will be sequenced to include a schedule to demolish existing buildings. The construction means and methods are crucial to complete the project successfully. The project must be completed within the City’s bonding capacity, which could entail substantial financial risk if multiple parties were involved at the same time. Multiple designers and contractors working on the projects separately would be risky for the City.

Benefits of D-B include significant savings in project delivery time along with innovation in the integration of the designer and the constructor. The builder’s needs and methods will be crucial to determine how to complete the project. The substantial fiscal benefit is achieving cost savings within the bonding capacity. Multiple parties completing work concurrently is too great of a risk for the City.

Ms. Thaxton-Parkinson addressed some of the panel’s previous questions. She reviewed the organizational chart beginning with Mr. Schiessl as the center. Darrin Sweeney has a substantial amount of D-B experience and was responsible for the prior fire station project. Mr. Sweeney will serve as the site person. In terms of reporting, Mr. Sweeney will negotiate directly as the owner’s representative. Mr. Sweeney will work with Mr. Schiessl, who will coordinate with the City Manager and the City Council. Matt Walker is the expert for assistance with the technical components of the program and negotiations with the design builder. Ms. Thaxton-Parkinson will assist in developing the Progressive D-B project contract. Other support is available from Hill International.

Mr. Sweeney said staff members from accounting and purchasing involved in the fire station project would also support the City Hall project. The fire station audit by the State Auditor resulted in no findings. The team
anticipants the same outcome based on the experience gained from the fire station project. Mr. Walker’s oversight and those of staff members who have experience with a D-B project provide a good base of support within the City and externally with the consultant team.

Mr. Schiessl referred to the prior PRC review of a project proposal and discussion surrounding the City’s organizational commitment to D-B. As a result, the City made some staff changes. One change was moving Mr. Sweeney to a permanent project manager position, which has occurred with Mr. Sweeney’s recent promotion. He served in that role temporarily for the fire station project, as the position was assignment specific, which has since been converted to a permanent position.

Ms. Thaxton-Parkinson added that one of the City’s goals is developing staff with the necessary experience to seek agency approval for certification because of the benefit of D-B for the City. The City intends to continue using the delivery method because of its effectiveness and success in the past.

Panel Chair Gimmestad invited questions from the panel.

Tom Peterson asked Mr. Schiessl when he anticipates the property swap to conclude to afford full access to the City. Mr. Schiessl said the process is in escrow and can close at any time. A parking study was recently submitted. The City submitted its offer to the GSA, which is undergoing legal review in San Francisco. The City Council is scheduled to consider the purchase agreement at its next meeting. The City negotiated with GSA’s Auburn office. After completion of the legal review, the proposal would be submitted to Washington, D.C. for review and approval by a congressional subcommittee within three weeks to three months. Local federal representatives support the City’s efforts and plan to lobby for earlier approval of the agreement.

Mr. Sweeney said a local TV featured a story on the new City Hall. One of the goals of the federal government is community development. The federal government is promoting local community development efforts. The news story received some press in Washington, D.C., prompting contact with the GSA to forward the agreement to the subcommittee because the project fulfills the objective of promoting community development. The City is optimistic the agreement will be approved promptly.

Mr. Peterson asked whether any of the purchase costs are included within the project budget. Mr. Schiessl said the purchase cost was not included as part of the project budget as the City had the available funds.

Rob Warnaca asked why the City elected to pursue GMP rather than a fixed price contract. Ms. Thaxton-Parkinson responded that with a Progressive D-B project, she typically starts with a GMP because the uncertainty of a fixed price. At that point, the contract includes an option for the City to create whatever is best for the project because there are so many moving parts and pieces. It’s difficult to perceive that a fixed price would be in the City’s best interest. However, there is the option to create a portion of the GMP in fixed price contracts to enable the parties to award contracts during design. Because of the many parts and pieces, it would preclude the ability to track a lump sum for the project.

Mr. Warnaca noted that during the RFP phase, design builders would be asked to provide a fee proposal. He asked how the City plans to define what is or isn’t included in the fee relative to other reimbursable scopes that might be in the GMP contract, such as the design piece or self-performed work. Ms. Thaxton-Parkinson said a typical Progressive D-B project includes a careful review of the elements within the general conditions and the elements included within the fee. The City considers what risks should be included in the fee and what risks should be reimbursable in general conditions. Generally, after the scope of work is defined, it’s possible to have fixed general conditions or a fixed fee affording the ability to include more information around those costs. A definite decision would be determined between costs to include in the fee and costs to include in general
conditions. For this project, those cost distinctions haven’t been determined. For Progressive D-B in this particular situation, it’s important to carefully identify what is or isn’t included, as well as determining market conditions.

Rusty Pritchard referred to the construction budget and asked whether the tenants include the courts. Mr. Schiessl said the courts would remain in the federal building. Mr. Pritchard said the budget reflects a square footage cost of $257. He asked whether the team believes that amount is adequate. Mr. Sweeney remarked that he’s always cautious about budgets and wants to ensure the budget was on track. He worked with Pacific Northwest National Laboratory (PNL) and toured some of its office buildings recently constructed by the D-B delivery method at the federal level. Cost information was shared on the square footage costs, which ranged between $230 and $280 dependent upon the level of finish. The aesthetics of the City Hall building would mimic the conservative community with some nice features but nothing ostentatious. Staff believes the budget would allow a design reflective of the City of Richland. Staff established realistic expectations based on the available budget.

Mr. Pritchard commented on the importance of buy-in by the stakeholders on project priorities, as the budget is extremely modest. He urged the team to work with the design-builder to afford some flexibility in terms what could be bought back based on savings achieved.

Janice Zahn asked the team whether the measures of success are based on achieving a dollar value or the scope of the project to satisfy stakeholders. Mr. Schiessl replied that the goal is to achieve best value. He acknowledged the number of stakeholders that must be balanced to include City employees and the community. The team plans to develop a robust outreach program for both internal and external customers to manage realistic expectations based on a limited budget.

Ms. Thaxton-Parkinson clarified that best value is not the primary measure but rather it would be qualifications plus fees selection with the team working carefully with the design-builder to be realistic within the best scope.

Mr. Sweeney referred to the prior fire station project. One of the reasons, the City applied to the PRC was because of insufficient funding to satisfy all stakeholders. Some stakeholders wanted the Taj Mahal. That experience was a good introduction in establishing expectations with clients about give and take and the important objective of identifying important and basic needs. His job is managing those expectations. The City received a good introduction with the fire station. Prepping has been ongoing with each stakeholder group to establish realistic expectations to ensure costs are within the bonding capacity while completing a project that satisfies City needs. He plans to work with all stakeholders and the design-builder to manage expectations.

Ms. Zahn asked whether the fee is the only price factor in the selection. Ms. Thaxton-Parkinson advised that the fee has been the only factor discussed at this point. Other options are also available; however, the discussion hasn’t occurred on those other factors.

Ms. Zahn asked whether the schedule enables time for finalists to review terms and conditions with the City. Ms. Thaxton-Parkinson affirmed the schedule could accommodate those discussions. Ms. Zahn asked about the timing of those discussions. Ms. Thaxton-Parkinson advised that a month would be afforded as part of the proprietary meetings.

Mike Shinn requested clarification of the final budget amount. Mr. Schiessl said the final budget is $17.1 million.
Kurt Boyd asked whether honorariums would be afforded to each team and whether the budget includes honorariums. Ms. Thaxton-Parkinson affirmed honorariums would be provided to each unsuccessful team. The budget includes honorariums. Mr. Boyd commented about the potential of conducting the proprietary meeting earlier in the process to assist design-builders in the event their respective proposal is venturing down the wrong path. Ms. Thaxton-Parkinson explained that a design component is not included in the RFP. The proprietary meeting hasn’t been scheduled other than it likely would be held mid-way through the process as opposed to the first week. With respect to the honorarium, the honorarium is consistent with other honorariums for this type of project given that no designs are required. The RFP is seeking information on management approaches, past experience, and previous designs because the City wants to be involved in the design.

Panel Chair Gimmestad invited public comments. There were no public comments.

Panel Chair Gimmestad invited deliberations by the panel.

Mr. Peterson echoed similar comments about the stringent budget, especially for D-B. However, the team appears to be flexible and headed in the right direction for delivering a Progressive D-B project. He supports the project.

Mr. Pritchard expressed concerns about the transfer of property because he’s experienced similar situations. Until the notice to proceed to construction is issued, the team has some time for design. He agreed the validation period with the owner and stakeholders should be shared upfront during early design. The presentation was helpful as the applicant answered all his questions.

Ms. Zahn said that based on the complexity and appropriateness of the project, the City Hall project is the correct project for Progressive D-B. From the team’s standpoint, she appreciates that when the PRC questioned the schedule, the team listened and revised the schedule, which speaks to the delivery method working when the team works together and is willing to consider input. The team demonstrated that, as well as answering her questions. She supports the application.

Mr. Warnaca admitted to a few concerns with respect to the construction budget as the $250+ per square foot speaks to the shell price and not the finished price. Good value finishes will be difficult to achieve within the budget. The budget does include a healthy contingency for a GMP contract to help offset some of the costs. He also wants to ensure that Mr. Schiessl and Mr. Sweeney understand that the best value approach, as guided by Ms. Thaxton-Parkinson, is on team qualifications and project approach rather than best value design solutions. Hopefully, the City completes an early validation of the budget and the program that is supported by the City Manager and the Council to establish a baseline to move forward for selection of options. Step one is to establish the baseline for the budget. Overall, the team is strong with support by good consultants providing guidance. Progressive D-B is also the right approach for this complex project. Additionally, the City of Richland has been very supportive of the local D-B Institute of America chapter and assisted in perpetuating D-B as a local organization’s delivery model with past successes, such as the fire station. There is no doubt the City’s culture embraces D-B as a successful delivery method. He supports approval of the project for D-B.

Chuck Davis commented on the complexities of the negotiations between the three parties. Based on the scoring sheet, the project is the right project for the delivery method. He supports approval of the project.

Ms. Zahn referred to comments about understanding best value. Ms. Thaxton-Parkinson was hired by the Port for a Progressive D-B project and she understood the necessary components within the contract, general conditions, and the solicitation documents.
Tom Peterson moved, seconded by Chuck Davis, to approve the City of Richland City Hall Project for Design-Build. Motion carried unanimously.

The meeting was recessed from 9:48 a.m. to 10:05 a.m.

Grays Harbor Public Hospitals – Medical Office Building & Site Improvements – GC/CM
Panel Chair Rusty Pritchard reviewed the presentation format to consider the GC/CM project application from Grays Harbor Public Hospitals for a medical office building and site improvements. Panel members in attendance included Curt Gimmestad, Janice Zahn, Tom Peterson, Kurt Boyd, Rob Warnaca, Rusty Pritchard, Mike Shinn, and Chuck Davis. Six affirmative votes are required to approve the application.

Renee Jensen, CEO, Summit Pacific Medical Center (SPMC), reported the team is presenting the project application a second time after additional resources were included on the team. The PRC expressed concerns about the experience lacking in GC/CM. The team includes one of the best and most experienced project manager and owner representative in the state. The project is her third major construction project including the original construction of Summit Pacific Medical Center. She is well known across the state for a high-performing team delivering projects on time and within budget.

Dick Bratton, Owner Representative/Project Manager for SPMC, expressed appreciation for the opportunity to present the project after the initial presentation on March 24. His in-depth experience includes negotiated GC/CM project management for projects. He’s worked with Ms. Jensen for five years on various projects for SPMC. He spent 12 years with Mortensen Construction in the 1980s and has experience working with contractors, general contractors, and construction managers on negotiated projects. He is also enrolled in a GC/CM workshop scheduled for June 13-14.

Howard Hillinger, Parametrix, said he was contacted by Mr. Bratton after the first presentation about the possibility of joining the team. As he has become acquainted with Mr. Bratton, he realized he has a great deal of experience in negotiated construction work and medical work. His role is to supplement that experience in terms of the GC/CM delivery method. He worked with Mr. Bratton on the application, draft RFP, and other working documents and was impressed with Mr. Bratton’s knowledge and his willingness to address concerns to ensure the team pursues best practices for GC/CM. His role is working with Mr. Bratton in delivery of the project.

Mr. Bratton reported Graehm Wallace, Perkins Coie, has been involved in several GC/CM projects and serves as legal counsel for SPMC. Mr. Wallace will be instrumental in developing the AIAA 133 contract.

John McLean, Principal Architect, Blue Room Architecture, said the company is the architect for the project. Personnel in the company have attended the GC/CM workshop and have current GC/CM construction projects underway. The firm is experienced in critical access specialty projects.

Mr. Bratton reported the project components in the application of the GC/CM delivery method include schedule, cost, site restrictions, rural location, and industry forces for subcontractors and vendors, early team interaction, public and agency interaction, and a prepared team. It’s important to select the GC/CM early in the process so that subcontractor trades are able to identify a strong and experienced contractor for bidding of services. The team is seeking early GC/CM interaction to help define the budget, schedule, and project programming.

Mr. McLean described the project site as technically complex with a creek flowing through the center of the site. The bulk of the construction activity is uphill from the hospital. Elma is prone to heavy rains creating slide and environmental conditions. From a phasing standpoint, the essential healthcare facility must remain operational at all times during the construction period. Concurrent construction occurring uphill adjacent to the creek requires
careful evaluation of all environmental and site concerns in advance to ensure healthcare services are not disrupted at the construction site.

Mr. Bratton said the benefits of the GC/CM delivery method are significant for the project. The early interaction between the contractor, owner, and the design team is essential in developing early cost and budget to enable design to follow a realistic budget. The operations of the hospital must be maintained throughout construction activity. Early planning in how the project is entered and the location of lay down and staging areas are important to identify early in the project.

Ms. Jensen said the existing building construction was a Design-Bid-Build project, which provided a good learning experience to help influence the decision to pursue the GC/CM delivery method. It also enabled the team to leverage knowledge about the site and unstable conditions and the large amount of contingency utilized in the original project because of site conditions (soil). Having the team onboard early, as well as the third partner to help mitigate and minimize some of the risks will be important.

Mr. Bratton added that the team also wants to take advantage of the experience of the contractor to work with the design team to help minimize change orders to protect project contingency. The GC/CM delivery method is the favored method. The approach of design, bid, and construction wasn’t conducive in today’s economy and because of the requirements of the project.

Mr. Bratton referred to questions regarding the management of the project. He displayed an organizational chart of the management team. Ms. Jensen as the CEO of SPMC and Dick Bratton as the owner representative are in charge of the project. SPMC engaged Parametrix as the advisor and facilitator on issues throughout the project beginning with preconstruction, contract negotiations, project reviews, and closeout. The management team will direct the efficient design by Mr. McLean’s team, as well as directing the GC/CM.

Mr. Bratton reviewed the project schedule, which was extended to address concerns surrounding the compressed schedule. The goal is to receive project approval to afford the ability to issue a Request for Qualifications (RFQ) for GC/CM services. A site meeting is scheduled on May 13 followed by submittal of RFPs by May 17.

Ms. Jensen explained that the tight timeline and the impetus for the project stems from the needs of the community. Today, it’s difficult for consumers to find primary care services. Primary care services under healthcare reform are the driving force. In east Grays Harbor County, the region is six medical providers short. It requires a 12 to 18-month hiring process for medical positions. The site needs to be constructed and functioning sooner rather than later as it will serve a fundamental need for the population.

Mr. Bratton referred to questions from the PRC pertaining to the application. The first question inquired about the timeline. The timeline was extended and includes a shortlist interview on May 24. Another question pertained to the MACC negotiation period. Initially, the timing was identified in December, which has since been revised to reflect both December and January to take advantage of value engineering. The GC/CM will be hired prior to post schematic design. Additionally, the management of the project was addressed earlier in the presentation.

Mr. Bratton said the team believes the project has met three of the GC/CM qualification criteria of a technically complex project, construction at an existing facility that must be maintained, and involvement of the GC/CM at the design stage. The management team was strengthened by the addition of Parametrix in an advisory role throughout the project. The schedule was revised to allow sufficient GC/CM selection prior to the preconstruction period. Public benefits include scope and constructability analysis during design, early budget
advice for financing and procurement, logistics and wayfinding for staff, users of the hospital, and the public adjacent to the hospital.

Mr. Hillinger referred to questions on how Parametrix plans to work with Mr. Bratton. Included in the materials is another document on roles and responsibilities. Mr. Bratton, serving as the Project Manager, has outreached to Parametrix to review samples of other projects. Parametrix will be involved in all issues related to the GC/CM and the negotiations. Mr. Bratton will serve as the point person on site.

Mr. Bratton reported the four-page checklist includes 110 tasks that he completes on every project. He and Mr. Hillinger compared notes on previous projects completed by Parametrix. The checklist was instrumental in constructing another successful hospital. This project involves an interaction between firms.

Panel Chair Pritchard invited questions from the panel.

Mr. Shinn noted the aggressive schedule and asked whether the team considered pursuing a D-B delivery method rather than a GC/CM delivery method. Ms. Jensen said the last project was a D-B delivery method. Based on the experience learned from the D-B project, the team believes GC/CM would be a better delivery method than the D-B delivery method. Mr. Shinn questioned whether the GC/CM process would take longer to contract because of subcontracting. Ms. Jensen affirmed that more time might be required on the frontend; however, the actual schedule and delivery wouldn’t be longer.

Mr. McLean asked whether the question pertained to D-B or Design-Bid-Build. Mr. Shinn said his question pertained to D-B or Progressive D-B. The prior application reviewed by the panel reflected a square footage cost at $256 versus the current proposal of $258 per square foot. It appears hospital projects are more complex than an office building. Mr. Hillinger and Panel Chair Pritchard clarified that the project is a medical office building with clinic space not offering major procedures. Mr. Bratton added that the project is not considered an essential facility in terms of constructability.

Mr. Shinn said the last project by the hospital included a 10% contingency for change orders totaling approximately $1 million. The current proposal only includes a 5% contingency. Mr. Bratton said the project includes a 5% contingency for the owner and 5% for the GC/CM. Additionally, over 40% of the prior project’s contingency was because of unusual soil conditions that involved over 15,000 yards of peat moss that was exported. He added that he has completed an exceptional number of D-B projects with varied delivery options. The goal for this project was garnering the relationship between SPMC and Blue Room Architecture. Rather than assign the design team to the contractor, SPMC prefers to work directly with the architect rather than having the architect under the contractor.

Mr. Peterson noted that the budget reflects a cost of $310 per square feet. He asked Mr. Hillinger whether he reviewed the RFP. Mr. Hillinger said he recently reviewed the RFP, which hasn’t been generated. The contractor is ready to start but since the application was denied last month, the process has been delayed until the application is approved.

Mr. Davis said he is hopeful the applicants understood the concerns by the PRC. It appears the applicant considered those concerns as Parametrix was engaged. The presentation, to some extent, is reflective that the applicant did not believe the additional assistance was necessary. He agreed the project would have likely been completed successfully; however, the PRC’s responsibility is to ensure alternative delivery methods are successful so they remain available to public agencies. He asked Mr. Hillinger whether the applicant understands that responsibility during his conversations with SPMC representatives, and whether the engagement by Parametrix is only symbolic of a narrated pro forma or whether Parametrix is an active and engaged team
Mr. Hillinger responded that Parametrix would not contract with SPMC to serve only as “window dressing.” However, no applicant likes to be turned down by the PRC and it really is a big shock to most applicants. It takes some effort to return. He and Mr. Bratton have had a number of conversations. SPMC is very serious about the project and the need to ensure best practices are followed. The team is very receptive. Parametrix wouldn’t sign on to the project if the company wasn’t convinced of SPMC’s sincerity. Additionally, Mr. Bratton is very experienced. SPMC has completed many CM-at-risk projects. The role of Parametrix is to ensure the owner is aware of the risks and to assist Ms. Jensen, Mr. McLean, and Mr. Bratton through the sensitivities to the general community.

Ms. Jensen added that she clearly understands the role of the PRC to ensure the alternative delivery model is available for other public owners to use. However, she is an owner that has an entire community’s help. When she began with the organization, the organization was losing over $1 million a year and unable to meet payroll. She has dedicated her life’s work for the past eight years to the community and the facility, and doesn’t want to fail either. Her interest in hiring Parametrix is to ensure a successful project. If it’s necessary to add somebody to the team to ensure success, the owner will do so.

Mr. Davis said that if the intent of using of GC/CM is to save money, the applicant might be disappointed. The delivery method will identify risks. The same situation the applicant faced with poor soils might have been identified upfront under the GC/CM delivery method; however, the outcome would have been similar requiring additional money to be spent.

Mr. Bratton said the intent of utilizing GC/CM is to reduce unknowns. The relationship between him and Mr. Hillinger is progressing quickly and he respects the company’s professionalism and expertise. He plans to take advantage of that professionalism and expertise on a frequent basis.

Ms. Zahn said she was not a previous panel member. She reiterated that GC/CM and D-B are different. Some language in the application caused her to consider whether the applicant understands the differences. In terms of negotiating the MACC, that effort can be difficult. At the end of the day, it is still low bid for all subcontracted work. She is concerned that it might be misunderstood, as the schedule is unclear whether time is important in terms of mini-MACCs and early buys for the construction piece and timing for negotiating the MACC. The issue is when the subs would play out.

Mr. Bratton responded that the intent is hiring a GC/CM based on experience, qualifications, staffing of the project, and overall programming. All the questions addressed speak to the relevance of how the contractor would be selected. MACC negotiations from December through January at 90% are establishing the final budget essentially going from the soft GMP to the hard GMP. During that time, the GC/CM is undertaking a bidding process and establishing the final GMP. Ms. Zahn said the purpose of the questions is because the GC/CM is establishing a fee and general conditions. The more the team understands what the owner is contemplating from the standpoint of early work and mini-MACCs plays into how the contractor develops numbers that serve during the life of the contract. The proposal was unclear whether those elements have been vetted. If the RFQ is to be released soon, those pieces need to be published for all proposers.

Mr. Hillinger said the discussions have just begun on what type of early work could be anticipated. In drafting the RFP, it speaks to potential early work; however, the intent is for the GC/CM to determine the market and early procurements that might be necessary, as well as special equipment and site conditions. Weather in the area requires timing of site prep work. The team is early in the process and while the comments are important, he outlined many of the same questions to ensure GC/CM candidates are aware.
Ms. Zahn clarified that the application only cites an RFP whereas the actual process is two steps of an RFQ and RFP. Mr. Hillinger said the RFP was drafted using the University of Washington model. The process is essentially three steps of the RFQ, interview, and RFP.

Ms. Zahn asked how the applicant plans to address public benefit, critical mechanical, electrical, and plumbing (MEP), and structural input during design development as stated in the application. Mr. Bratton said that based on his experience in selecting a GC/CM, it’s important that the contractor has demonstrated a level of experience in general contracting/ construction management and also has in-depth experience in most project disciplines, systems, and analysis. During his employment with Mortenson, an MEP division provided that necessary expertise in individual professional expertise in mechanical, electrical, and plumbing. He acknowledged the need to competitively bid MEPs and that it can be somewhat subjective as the owner could place qualifications on mechanical, electrical, and plumbing by requiring a specific level of medical building office experience. The GC/CM has in-house capabilities to tap as well.

Mr. Hillinger that many GC/CMs are very good at contacting MEP contractors and obtaining input regardless of compensation, which is one of the advantages of using the GC/CM delivery method.

Panel Chair Pritchard said he’s supportive of SPMC’s reapplication for consideration and believes the team has the knowhow. Mr. Bratton is scheduled to attend GC/CM training. He asked Mr. Bratton to describe his and Mr. Hillinger’s role in change order management and how decisions would be rendered in terms of the use of the GC/CM versus owner contingency. Mr. Bratton acknowledged the change order process is challenging and addressing it from an accountability standpoint is important. Owner initiated change orders are easy to monitor and document. Other unclear changes would be reviewed between him and Mr. Hillinger on a change order specific basis to determine the proper contingency.

Mr. Hillinger added that they haven’t had the opportunity to meet with Mr. Wallace, who has a well-defined set of documents and a set of positions. The process would reference the statute in terms of defining the contractor contingency and the use of the contingency versus owner directed changes or site conditions. That is the process the team will use and document within the GC/CM contract. It’s also anticipated that the frequency will depend on the number of change orders.

Panel Chair Pritchard encouraged Mr. Hillinger and Mr. Bratton to work closely together because the statute defines change orders that are attributable to the owner and to the GC/CM.

Ms. Jensen added that in terms of the less technical aspect, the team met weekly in prior projects. There is an expectation that once the construction team is onboard those conversations would occur weekly at a minimum. If there are unanticipated change orders, they would be identified early by the team and assigned the right contingency.

Panel Chair Pritchard invited public comments. There were no public comments.

Panel Chair Pritchard invited the panel’s deliberation and recommendation.

Mr. Peterson remarked that he was a member of the first panel and that the applicant has seriously considered the panel’s prior comments by adding and utilizing Parametrix, as well as attending GC/CM training in June. He favors approval of the application.

Mr. Davis expressed appreciation to the applicant for returning and addressing the concerns. GC/CM is likely one of the best models for healthcare project delivery. There was never a question as to whether the project was
a good fit for GC/CM delivery. The applicant has assembled a team that can successfully complete the project, as well as meeting the requirements of RCW 39.10. He supports the application.

Ms. Zahn said she was not a member of the previous panel. She acknowledged Mr. Hillinger’s GC/CM experience and is supportive of his inclusion on the team because she was somewhat concerned whether the project team really understood GC/CM. It’s important during the procurement process that team members have a good set of procurement documents so that proposers understand the project and expectations. She appreciates Mr. Hillinger’s review of the cost allocation matrix, which is a good tool to assist in identifying what items go to the various buckets. As long as SPMC is leveraging the experience of Parametrix and ensures the contract, general conditions, and the solicitation documents are solid and follow the RCW, it likely would be okay. However, if not, the RCW for GC/CM is very prescriptive in many areas and her concern is that they are hitting all of them properly. She likes the strong commitment to the success of the project as it speaks to owner readiness. She suggested the applicant should be involved in periodic meetings between public owners to enable the sharing of lessons learned. Ultimately, she supports the application; however, with some concerns.

Mr. Boyd echoed similar concerns and noted the lack of attendance of Graehm Wallace, who is knowledgeable about the GC/CM process. Mr. Wallace should have attended to address contractual issues.

Mr. Gimmestad referred to panel concerns about schedule and the MACC negotiations timeframe. However, he supports the application for GC/CM. Establishing the MACC during the December to January timeframe with the project not anticipated to start until April could be challenging unless the GC/CM is onboard early to help define what is preconstruction and start of construction and how those two might overlap. When there is this type of timeframe and the project team hasn’t begun to deal with nuances of potential overlaps there could be some future challenges, although he believes the team would be able to address them.

Mr. Peterson noted that the current application was substantially improved over the original application. The checklist delineating responsibilities between PM services and owner was very helpful in documenting how Parametrix and Mr. Bratton will both be involved in the GC/CM selection and authoring the RFP. Mr. Peterson said he assumes that the team would seek well-qualified GC/CM expertise since the project is qualified for GC/CM project delivery.

Panel Chair Pritchard agreed the application was a significant improvement from the initial application. He met with the applicant after the initial presentation. Ms. Jensen listened to the feedback, made the commitment, and delivered. Mr. Bratton is scheduled to attend GC/CM training and while other owners have committed to attending training, the owner has consultant expertise with GC/CM experience. He favors approval of the application as the RFQ and the RFP process would likely address some of the questions surrounding the schedule, early site packages, and other issues.

Tom Peterson moved, seconded by Mike Shinn, to approve the Grays Harbor Public Hospitals Summit Pacific Medical Center application for GC/CM project delivery. Motion carried unanimously.

Adjournment
With there being no further business, Chair Gimmestad adjourned the meeting at 10:51 a.m.

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