

Capital Projects Advisory Review Board

PROJECT REVIEW COMMITTEE

September 26, 2019

Minutes

*Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington 98032*

Attendees:

James Dugan (Chair), Construction Manager	Edward Peters (Vice Chair), School Districts
Ato Apiafi, Minority/Women Business	Kurt Boyd, Specialty/ Subcontractor
Timothy Buckley, Private Sector	Kyle Dilbert, Owner – Ports
Bryan Eppler, Specialty Contractor	David Ernevad, Owner – Higher Education
Thomas Golden, Design Industry Architect	Howard Hillinger, Construction Manager
Brian Holecek, General Contractor	Dave Johnson, General Contractor
Jeff Jurgensen, Construction Manager	Art McCluskey, Owner – General Public
Jessica Murphy, Owner – Counties	Jason Nakamura, Minority/Women Business
Sam Obunike, Design Industry Engineer	Mark Ottele, General Contractor
John Palewicz, Owner – Higher Education	Linneth Riley Hall, General Owner
Mike Shinn, Specialty Subcontractor	Kyle Twohitg, Owner - Cities

8:30 am **Seattle School District No. 1 – Northgate Elementary School Replacement GC/CM Project**

Chair: Ato Apiafi

Panel: Kurt Boyd, Jim Dugan, Linneth Riley Hall, Dave Johnson, Jason Nakamura, Ed Peters, Kyle Twohitg

Presentation:

Liz Alzeer, Division Director for City Purchasing and Contracting Services for the City of Seattle, introduced the team and reviewed the organization chart. 49 city staff members have project delivery knowledge and experience in Design-Build and GC/CM. Among the staff are project managers, construction managers, engineers, architects, lawyers, contracting experts, and DBIA trained certified professionals. She described the internal approval process chart and walked through the process.

City of Seattle has completed over 300 projects since 2017. There are 45 projects over \$5M in the past 10 years, and we have used 13 alternative delivery methods amongst those. Alan Lord, City of Seattle, went into detail on a project to bury a storage tank in Seward Park, right next to the water. This was a GC/CM project with a lot of risk and stakeholders. This was a model project that showed them the value of having the GC/CM on board during the preconstruction period to work on mitigating risks and impacts. City Light collaboratively redesigned the channel and the project was completed a couple months ahead of schedule.

In 2018, the overall construction spend was approximately \$210.8 million, \$40 million of that or 19.1% was either self or state identified OMWBE firms. Specifically, 26.7 or 12.7% with state certified firms.

Public Comment: *No public comments.*

Deliberations:

The panel expressed their appreciation of the applicants presented statistics and lessons learned. They appear to have improved their processes tremendously since the last time they came before the PRC. The application of an internal review committee to ensure projects meet RCW requirements was genius. One member even suggested this project be spotlighted at the next CPARB meeting as it gets to the heart of the work of the PRC and the intent of CPARB and what the legislation was intended to be.

Mike Shinn made a motion to approve this application. Ed Peters seconded the motion.

Unanimous Approval 8/8

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9:30 am **Snohomish County Facilities – Snohomish Co Sheriff's Office – S Precinct GC/CM Project**

Chair: Kurt Boyd

Panel: Ato Apiafi, Jim Dugan, Dave Johnson, Jessica Murphy, Jason Nakamura, Linneth Riley Hall

Presentation:

Snohomish County Facilities introduced their project team and reviewed the organizational chart.

The location and size of the current facility in Mill Creek, creates multiple barriers and challenges. The current facility is approximately 500 sf of office space with adjacent open bay area. Our programming requires at least double the square footage. The facility is in dire need of renovation and maintenance. There are traffic concerns with the current location, and we have been looking for an alternate location for over 15 years. We looked specifically for efficiency in location, and believe the Cathcart location will best serve our needs despite the challenges of construction there. The location is adjacent to fuel, carwash, our training facility, and gun range. And our Sheriff's Office impound lot, where we store vehicles. Because of that, there is efficiency in that location.

South Precinct is the biggest precinct in Snohomish County. There is constant walk-in traffic and it's very busy. Moving to the Cathcart Public Works Operation Center will help with some of the challenges of security, since it is a 24/7 operation. Buffers have been established and a development footprint has been grandfathered in. There is an existing retention pond to the east of the site and a 42-inch force water main that goes through the employee parking lot.

This project has gone through a design phase, hired an independent cost estimate and came up with a budget that's been validated by the VMS. The construction budget is about \$10.5M. After soft costs, the total budget is \$13.98M. It is a tight schedule to move out of the current location by September 2021, so a GC/CM will give us the best chance of meeting that timeframe.

Public Comment:

Tom Cole, Cornerstone General Contractors – The team have had a threshold for alternative delivery and have demonstrated that. We hope that the PRC will find in favor of that.

Andrew Johnson, Lydig Construction – The team is highly qualified from our opinion. Kevin understands construction and GC/CM. Dave has been around the industry for a long time and is recognized as a leader in RCW 39.10. From a contractor perspective, we have full faith in what they're going to do as a team. We would also advocate the concept of this project that fits the criteria for RCW 39.10. And finally, regarding the essential facilities, although they are spread out and there is an operation center that may not be in maintenance 365. If we do go swap over the force waterline or geo piers that blocks it out and there's a snow and then the trucks can't get out. It opens up danger to the public. So we would also submit that even though it's not in a dense urban area, it qualifies as something that has to be well planned.

Deliberations:

The project team has the experience, and they have worked together before. There's benefits to the delivery mechanism, they have a tight schedule and they could take advantage of some creative phasing. Early involvement of GC/CM during the design phase will be critical to make this projects successful.

Jim Dugan made a motion to Approve this application. Jason Nakamura seconded the motion.

Unanimous Approval 7/7

10:30 am **Klickitat Public Hospital District – Skyline Hospital Modernization GC/CM Project**

Chair: Brian Holecek

Panel: Ato Apiafi, Kurt Boyd, Dave Johnson, Jessica Murphy, Ed Peters, Linneth Riley Hall, Kyle Twohig

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Presentation:

Skyline is located in White Salmon on the Columbia River about 70 miles east of Vancouver. It is very remote location. The original hospital building was built in 1952 and there have been several additions since then. In 2010, a \$15M in-patient wing was completed by the GC/CM process.

The modernization includes replacing the 1952 Kewanee boilers, the generators, and remodeling the emergency department. The modernization construction will occur with the existing hospital fully operational. It will be important to have a contractor on board early to work through the phasing. A GC/CM will need to be active during the onset of design and development, which is schedule to start in April of 2020 with a 13 month schedule.

Public Comment:

Tom Cole, Cornerstone General Contractors – This is a well-lying district for the GC/CM process and this is the point of bringing in the most qualified contractor team for accomplishing the contract. I hope that PRC will give them what they want.

Andrew Johnson, Lydig Construction – I have some concerns regarding schedule, but understand the need for GC/CM projects approval. From the contractor perspective, we will support this project.

Deliberations:

This project meets the GC/CM criteria for the complexity, for scheduling and working in a hospital environment itself is complicated. The team has demonstrated that they have some experience with GC/CM, and the project meets the right intents for the delivery method. One of the most important factors for this project is there's no funding driver or deadline. That will allow the interaction with the GC/CM to be what it needs to be. With a tight budget and an inability to bring in additional funding, the more they can shorten the schedule, the more it's going to protect them from frontend cost escalation.

Kurt Boyd made a motion to Approve this application. Ato Apiafe seconded the motion.

Unanimous Approval 8/8

11:30 am **Dept. of Enterprise Services – GC/CM & Design-Build Recertification**

Chair: Jim Dugan

Panel: Full Committee

Presentation:

The primary client for DES is the State Board of Community and Technical Colleges. There are 34 colleges across the state. We also care for the State Capitol Campus and a number of other agencies. Clients involved with DES are familiar with GC/CM and Design-Build, and we have different trainings for them.

The team reviewed a number of projects including East Plaza Water infiltration, Intercity Transit, and Coyote Ridge Corrections Center. Lessons learned includes using scoring bands and consensus scoring. We want the proposing teams to run the proprietary meetings as well as brining the staff they are proposing. In Progressive Design-Build, we want to make sure we involve stakeholders early and have them be part of the communications plan. We want to prepare clients for flexible decision making processes. We want the teams to know about design standards. We're looking at having a clearer outline on how to deal with team members leaving, as well as providing an outline on dealing with potential conflicts of interest. We are developing standardized documents for Design-Build.

We have regularly scheduled huddles with folks participating in GC/CM projects. We share our lessons learned, and never assume solicitation is going to be a fast process. The project managers need to take the time to understand the process, understand the project and dig into what is needed to participate in and guide the project.

We've clarified the business diversity and safety plans. One of the lessons learned is that we need to keep constant and consistent communication between our contraction section and the project managers.

We've worked with a special Attorney General and have created new Progressive Design-Build RFP, RFQ and contract document. We attend the WSU Design-Build forum each year and are staying connected with industry partners.

Public Comment:

Drew Philips, Forma Construction – We have a nearly 30-year relationship with DES, and may be the only contracts that a JOC contracts with Design-Build contract experience and GC/CM hard bid contracts. Right now they are focused on taking their systems and modifying the needs of today's economy. We regularly meet on the JOC program quarterly regarding OBWEB, and all the JOC contractors coordinate and try to do a better job of meeting diversity goals.

Deliberations:

DES has a very good history using both GC/CM and Design-Build. The Committee would like to see more information on the use of small and diverse firms. They have demonstrated a really clear method of centralizing which is harder than it looks. DES has shown that training for alternative delivery is a priority for their project management staff. Many Committee members expressed confidence in their ability to administer Design-Build and GC/CM projects.

Linneth Riley Hall made a motion to Approve this application. Timothy Buckley seconded the motion.

Unanimous Approval 23/23

1:00 pm

City of Seattle – GC/CM & Design-Build Recertification

Chair: Ed Peters

Panel: Full Committee

Presentation: *Replacement of North Gate Elementary School*

Vince Gonzalez, Project Manager, gave an overview of North Gate Elementary and how the GC/CM delivery method applies to public benefit. The project is to build a new replacement elementary school of approximately 95,000 sf and 650 students. One of the challenges is that it is an existing school and will remain fully operational during construction. The project budget is just over \$90M, with the construction portion being \$65M.

There is a landmark nomination process to be complete in November. The project has a potential landmark status with Seattle Landmarks Historical Preservation Board. If the board determines that we meet the criteria, the selection process may kick off next week with an RFP for GC/CM project Delivery. The architects are scheduled to kick off their design work in November. This project will be phased, and we would like to have the GC/CM available for that.

The next major phase is design development which will run to the end of summer of 2020. This will happen while completing the departure process. The GC/CM would be beneficial to do some preliminary planning and have discussions with the community. We need to figure out strategies of how to deal with redeveloping the site in the area where the grass field and playground is. There is roughly 1.7 acres. It will be a multi-story school, but will utilize all that area.

This is a constrained site with topographical issues. It is important that the GC/CM assist with coordination, and ensuring a safe environment for the students. There is also the complexity of a nearby residential neighborhood, schedule requirements, and issues that may come up.

Richard Best, Director of Capital Projects for Planning for Seattle Public Schools, described their experience with projects of this size. They have completed 21 major project and numerous small projects from a half Million to \$4M. They have delivered seven GC/CM projects through a 6-year time period. He described their process for meeting, reviewing schedules, change orders, and payments to general contractors. The project meets the GC/CM criteria, and the delivery method will have a fiscal benefit for the complexity of this project and phasing.

Public Comment:

Matt Lubbers, BN Builders – This is a really tight site and in a really progressive residential area. It will require complex phasing, especially with the potential of landmark status. We fully support and appreciate recognizing that.

Drew Phillips, Forma Construction – We have full confidence in this school district and the teams they put together.

Andrew Johnson, Andrew Johnson Construction – This is a testament to a team approach, bringing inclusion in, and the site obviously looks like it checks all the boxes for why this law was created. It is an appropriate delivery method, and hopefully they will find ways to allow for a community role.

Deliberations:

The application was clear and the presentation articulated in its complexities perfectly. The only delivery method that will allow the flexibility to accommodate the landmarks decision is going to be GC/CM. It hits the statute head on, talent is on the team and they have the capacity in their workload and those are the three primary fundamental arms. They will need to pay attention to the criteria in the RFP, and the scoring so it will help ensure that they get the right GC/CM on board to make the project successful.

Mike Shinn made a motion to Approve this application. Linneth Riley Hall seconded the motion.
Unanimously Approved 22/22

2:00pm **Tacoma Public Schools – Skyline Elementary School Replacement Design-Build Project**

Chair: Mark Ottele

Panel: Timothy Buckley, Kyle Dilbert, Bryan Eppler, David Ernevad, Art McCluskey, Sam Obunike

Presentation:

Morris Aldridge, Tacoma Public Schools, introduced the team and reviewed the organizational chart. Business Equity and Inclusion is the heart of a lot of the things we do so part of the reason that we want to do a Design-Build is to make sure we can include the team members within the city and give contractors the opportunity to take some chances on folks that may not typically be selected for the process. We ask folks looking at our project to include a voluntary inclusion plan.

The 2014 bond is a \$500M capital bond program. We are at the tail end of that capital bond program now. The next bond program will go to voters in February of 2020 at \$535M. If the bond passes, it will be \$1.5M that has grown through GC/CM delivery in this bond and significant Progressive Design-Build.

Lessons learned includes having the right people with the right skills. Boze Elementary, the first school approved for Design-Build as a public K-12 school is coming in at significantly lower cost and well ahead of schedule. It is the only project in progress to make that claim and we are convinced it is due to the efficiencies of Design-Build. We allowed our GC/CM agency certification to expire so that we can build our program on Design-Build and then come back and ask for GC/CM certification.

Skyline Elementary is an extremely active site that is an ideal candidate for a Progressive Design-Build. This is located on 20 acres, has approximately 450 students, with a budget of \$42.67M. There are site constraints, and the site is surrounded by residential. We have at least two swing sites in order for us to save an estimated \$10-15M as we move forward with other projects. We believe Progressive Design-Build will give us the highest value for our money.

Public Comment:

Andrew Johnson, Lydig Construction – We've worked with 74 school districts throughout the state. I wouldn't recommend Design-Build for probably 72 of them, but it's something Tacoma schools does well. I like Design-Build for inclusion and budget. If you have the right tool and set expectation, you are creating a higher probability for success.

Tom Cole, Cornerstone General Constructors – I think that the Design-Build delivery presses towards delivery and is the right choice for early cost coupled with the budget alignment process. I hope the PRC will approve.

Tim Hage, Cornerstone Construction – This is a top-notch team in front of you. The decision making piece is a huge deal for the general contractor, the Design-Builder.

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Deliberations:

This team works well together and they were very efficient in the way that they described how they met the criteria.

Bryan Eppler made a motion to Approve this application. Sam Obunike seconded the motion.

Unanimous Approval 7/7

3:00pm **Lakehaven Water & Sewer District – New Headquarters & Maintenance Facility GC/CM Project**

Chair: Bryan Eppler

Panel: Timothy Buckley, Kyle Dilbert, David Ernevad, Art McCluskey, Mark Ottele, Sam Obunike

Presentation:

It is important for the district to have two commissioners here today to confirm their knowledge in the GC/CM process.

The Lakehaven Water and Sewer District is about 35 square miles, 120,000 people, and about 60 years’ worth of business. We are proposing to build a new headquarters on this site. We’re going to remodel some shops. We’ve got to keep South King Fire operating. Lakehaven has to operate during the entire time.

We've got 40,000 square feet of a new building, new vehicle storage, a remodel of an existing maintenance building, replacement of an existing storm water system at a site that has to be maintained with essential facility and essential operation of the utility, tearing down the old building to build a new one and the offside improvements that have to do with first averages around them. That the thrust of this line is the complexity of the work that has to occur on the site at the time that multiple agencies that are essential to remain in occupation.

Currently the district has the funding in cash reserves to pay for the entire project. The district desires to pursue an issuance of \$40M in revenue loans to offset their current reserves. We meet at least two of the six criteria for GC/CM. We're all set to hit the street and we got a great owner that's ready to do something for the very first time in GC/CM.

Public Comment:

Andrew Johnson, Andrew Johnson Lighting Construction – I want to commend the team that they put together. Thank you from the contractor perspective for the commissioners and general manager for utilizing this RCW 3910 to help you in your project.

Deliberations:

With the experience and technology, the owner is leveraging Parametrix to help them build their processes for the future. Based on the complex occupied site, the essential facilities, all of the moving parts and pieces that have to be collaborated, scheduling complex phasing, this really is the right tool for the job, and there's definite fiscal benefit for going with this methodology.

Unanimous Approval 7/7

4:00 pm **Adjourn**

Guests:

Mark Miller, City of Seattle	Ian Hernandez, City of Seattle
Corey Lew, City of Seattle	Chris Woelfel, City of Seattle
Rebecca Keith, City of Seattle	Jesse Gilliam, City of Seattle
Liz Alzeer, City of Seattle	Morris Aldridge, Tacoma Public Schools
Debbie Boodell, Tacoma Public Schools	Evan Haines, Korsmo Construction
Dan Cody, Parametrix	Maggie Anderson, Parametrix
Joanie Fadden, Snohomish County Sheriff	Dale Clark, Hensel Phelps
Jeff Hencz, Snohomish County	Robert Kimmes, Skyline Hospital
Dick Bratton, DBPM	John Mureau, BRD Studio

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Debra Delzell, DES	Penny Koal, DES
Mark Nakagawara, City of Seattle	Alan Lord, City of Seattle
Hui Yang, City of Seattle	Lloyd Dixon, City of Seattle
Russel King, City of Seattle	Andrew Johnson, Lydig
Tom Cole, Cornerstone	Zach Reed, Turne Construction
Drew Phillips, FORMA	Amy Jai, NAC Architecture
Vince Gonzales, Seattle Public Schools	Matt Lubbers, BNB Builders
Eric Becker, Seattle Public Schools	Richard Best, Seattle Public Schools
Matt Rumbaugh, NAC Architecture	John Flood, Snohomish County
David Jobs, OAC	Rich Murakami, Rolluda Architects
Graham Wallace, Perkins Cole	Joe Missel, Parametrix
Peter Sanchez, Lakehaven	Ron Howicki, Lakehaven
Stephen Murphy, Korsmo Construction	Molly Du, Lakehaven
John Bowman, Lakehaven	Ken Miller, Lakehaven
Bruce McMeans, Helix	Nancy Deakins, DES