

**CAPITAL PROJECTS ADVISORY REVIEW BOARD  
PROJECT REVIEW COMMITTEE**

**Northwest Carpenters Facility  
25120 Pacific Highway South**

**Kent, Washington**

**July 26, 2007**

**9:00 AM**

**Final Minutes**

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**MEMBERS PRESENT**

Jim Paapke, Olympic Medical Center	Peg Staeheli, SvR Design Company
Dave Marberg, University of Washington	Tom Peterson, Hoffman Construction Co of WA
Eric Smith, Vice Chair, University of Washington	Rodger Benson, Chair, MA Mortenson Company
Darlene Septelka, King County	Darron Pease, Pease & Sons, Inc.
Christy Trautman, King County	Dan Chandler, P.E., AIA, Olympic Associates Co
Penny Koal, General Administration	Gary Baldasari, AIA
John Mannix, Spokane Public Schools	Paul Berry, Harris & Associates
Bob MacIssac, Port of Seattle	Jim Anderson, Burton Construction, Inc.
Gary Arndt, P.E., Parametrix	Rick Benner, Western Washington University
Jonathan Hartung, SHKS Architects	Tom Balbo, Ferguson Construction, Inc.
Keith Schreiber, AIA, Schreiber Starling & Lane Architects	Jim Cameron, Cameron-Reilly, LLC

**MEMBERS ABSENT**

Phil Lovell, Turner Construction NW  
Mike Shinn, Shinn Mechanical

**STAFF, GUESTS, PRESENTERS**

Nancy Deakins, GA	Pam Johnson, OST
Searetha Kelly, GA	Gavin Hayes, GA
Cheri Lindgren, Puget Sound Meeting Services	Roland Orr, GA
Larry Sheahan, AGO/GA	Nona Snell, House of Representatives
John Lynch, GA	Olivia Yang, University of Washington
Dick Goldsmith, AWP/HD	John Palewicz, University of Washington
Jerry Schlatter, Washington State University	Ryan Roughborn, Washington State University
John Palewicz, University of Washington	Alan Nygaard, University of Washington
Mike Madden, Klickitat Co Public Hospital Dist # 2	Jim Panko, Klickitat Co Public Hospital Dist #2
Mark Johnson, Design Architect	Mike Finnegan, GC/CM Coordinator
Judy Peterson, Project Design Team	Cary Guenther, Project Architect

**Welcome & Introductions**

Chair Rodger Benson called the Project Review Committee (PRC) meeting to order at 9:11 a.m. Everyone present provided self-introductions.

### **Approval of Agenda**

**Eric Smith moved, seconded by Tom Peterson, to approve the agenda as presented. Motion carried.**

### **Approval of June 7, 2007 Minutes**

**Penny Koal moved, seconded by Jim Paapke, to approve the June 7, 2007 minutes as presented. Motion carried.**

### **Public Comments**

There were no public comments.

### **Bylaws Update Review and Approval**

Chair Benson reported on changes incorporated in the operating bylaws since the last meeting:

- Language added within Article 4, Panels states, “*Public body certification reviews shall be completed by a quorum of the entire PRC;*” and “*Project proposal reviews shall be completed by a quorum of the entire PRC, or.*”
- Language added within Article 7, PRC Actions states, “*In all cases recused PRC members shall not be included in voting outcome calculations.*”

Ms. Deakins received inquiries on interest in bundling project applications. For example, a school district would like to hire one General Contractor/Construction Manager (GC/CM) for three projects. Chair Benson asked for feedback from the committee.

Olivia Yang commented that there is nothing in the statute that prohibits bundling project applications.

Ms. Deakins explained a school district asked whether the district should submit one or three applications. The owner would like to hire one GC/CM for three school projects (\$37, \$10, and \$4.5 million) at three different sites with a single contract. She said she spoke with Larry Sheahan, Attorney General’s Office (AGO). Mr. Sheahan’s opinion is that separate contracts should require separate approvals. Bundling applications is possibility permissible as long as the owner is using one GC/CM contractor. However, if one piece does not meet the criteria, the PRC should reject the application in its entirety. All pieces of the application must meet the criteria to gain approval. Ms. Deakins reported she also posed the question to Wendy Keller. Valley Medical submitted a three-phase project and only one phase met the criteria. The Public Hospital Project Review Board (PHPRB) rejected the application. The board advised them to resubmit an application for the phase that met the criteria. Ms. Deakins said it might be that the PRC should not advise an owner about how to package its projects. An option is to include a cautionary note on the website that states all parts of an application must meet the criteria to be approved.

Ms. Septelka said an owner bundling applications could include a project or phase more appropriate for a Design Bid Build (DBB) Alternative Public Works (APW) delivery method. The concern is creating an image that PRC is bundling work that is more appropriate for smaller construction firms. The committee should give careful consideration about its approach.

Mr. Berry said an owner proposing one project regardless of components, phasing, or number of sites with one contract constitutes a project review. The question is whether the project meets criteria requirements. If the project is defined as three projects, a single application is not appropriate. He suggested an owner should structure the language and identify what they are trying to accomplish, such as whether the project has multiple phases, or whether there are three distinct projects and the owner is seeking individual approvals.

Discussion ensued about options to address the matter, such as including a cautionary note on the project review application identifying risks an owner is taking by bundling jobs, and that all components of the project must meet the requirements.

Concerns and/or comments expressed by members are summarized below:

- If the committee approves a bundle of three projects, what's to prevent an owner from seeking approval for an application for five projects based on the committee approving an application for three?
- What would preclude an owner from hiring one architect and one GC/CM contractor to do all the work?
- It's a slippery slope. A \$4.5 million project by itself doesn't qualify.
- Combining elements and resources could put a project or element at risk and might not be a public benefit.
- Why preclude a public owner from doing a multiple remodel? The owner might want to use the same architect, contractor and subcontractors, which is more efficient for the public body.
- An example is a school district with a number of elementary schools with HVAC, lighting systems, and reroofing work. There is \$3 million of work at each site and the district is working with three sites a year. It's the same work, multiple times, at three different locations. The school used the DBB delivery method. The three schools were packaged together under one contract. It depends on the work and how the work is related, or whether the work is truly separate projects.
- There's no prohibition for using DBB. We've bundled projects for clients in the past for various reasons. A role of the committee is to look out for smaller contractors. The committee should draw the line when an owner is bundling projects that are not in the public interest. A whole package should make sense and be in the public interest.
- What prevents an owner from bundling three smaller DBB projects together to meet the \$10 million threshold? If the committee starts allowing GC/CM to bundle projects, why can't owners bundle smaller Design Build (DB) projects? The intent of the law was not to allow bundling.
- We have to consider why the PRC exists. It is a compromise. Owners didn't want to go through the process. Owners could easily make a case that bundling projects is in the public benefit. Bundling projects is not within the intent of the statute or those who worked on the language.

Mr. Lynch reported there were no comments about bundling during committee hearings. There is an assumption of what qualifies as a project. The committee should exercise caution for allowing bundling of projects.

Mr. Benner asked why an owner couldn't apply for individual projects and choose to bundle them once approved. Several members agreed it seems to be a less cumbersome way to deal with the issue.

Mr. Schreiber asked whether an agency bundling several projects as one approval could be approved as an agency.

Ms. Koal noted the Nine-Mile Falls School District has two remodel and addition projects totaling \$18 million, and is obviously bundling two remodel projects. Ms. Deakins said it's unsure whether the school district intends to bundle the two projects.

Discussion ensued about whether the PRC has the authority to make a decision on the matter, possibly establishing criteria, and perhaps requesting clarification from the Legislature.

Ms. Septelka said a determining factor could be whether an owner is considering a program versus individual projects.

Mr. MacIssac noted as an example, that an owner should have the prerogative to bundle an application for two school projects requiring the same mechanical upgrades.

Discussion followed about including a warning on the application. Chair Benson said it shifts the burden to the public body. The committee can decide whether an owner is trying to circumvent the process or intent of the PRC, or whether it makes good sense to combine the work.

Mr. Peterson stated he doesn't believe the committee can define what qualifies as a project.

Chair Benson said if the projects are tied together, an owner could copy the applications and submit the projects separately. He indicated he likes the idea that the owner makes the decision.

Mr. Pease asked about what occurs when an approved agency bundles projects to meet the \$10 million threshold. There's no oversight at all.

Mr. Septelka commented that many owners were interested in establishing a lower threshold for DB.

Mr. Berry suggested the committee create a policy by precedent rather than by deliberation.

Mr. Hartung asked whether the issue should be referred to the CPARB.

Mr. Marberg reported that nothing precludes the Department of General Administration (GA) from providing guidance to an owner on the best approach. Mr. Smith agreed. A project must stand on its own merits. If a piece does not meet the criteria, the entire application fails.

**Paul Berry moved, seconded by Jim Cameron, to amend the application form and include language that provides guidance to applicants conveying the definition of a project is at the applicant's discretion, and that the entire project, including all components parts, must stand on its own and meet criteria established in the law. Motion carried unanimously.**

**Bob MacIssac moved, seconded by Jonathan Hartung, to approve the Operating Bylaws as amended in Articles 4 and 7. Motion carried unanimously.**

#### **Evaluation Criteria Score Sheet Review**

Ms. Septelka reviewed revised *Application Evaluation Sheets for Public Agency Project Approval and Public Agency Certification* forms.

Mr. Smith asked whether a project fails if one of the elements fails. Ms. Septelka said it's a question for the committee to decide. Mr. Smith said that if a project does not meet one of the criteria, it fails.

Discussion ensued about the overall evaluation by committee/panel member language. Mr. Smith suggested the next version of the *Public Agency Project Approval* form should state that one failed score means the project fails overall, if that's the consensus of the committee.

Mr. Berry said there is no place on the form for a member to explain reasons for a determination. It would be useful to the owner and the PRC to have a clear understanding of why the project failed.

Chair Benson said he hopes owners will make adjustments and bring projects back to the PRC. As Chair, he said he's responsible for sending a letter within 10 days to the owner outlining why a project failed. He asked for input from members.

Members discussed revisions including adding a space to explain "Reasons for determination" and including "pass/fail" boxes at the end.

Mr. Chandler said that determining whether a project has "necessary and appropriate funding" is difficult. The PHPRB will caution an applicant and convey that there isn't enough money or adequate time for the project, but it's approved. He suggested a pass/fail at the end, and that the committee should consider whether a project substantially meets the criteria.

Ms. Koal said members will make a decision based on the evidence, will discuss the project, and come to a unanimous conclusion one way or the other. Criteria are needed for guidance. The project will either pass or fail.

Discussion ensued about relabeling "pass" and "fail" with "met criteria" and "needs clarification," respectively to enable members to record decision points and adding space for "Observations or concerns" at the bottom of the form. Ms. Septelka said owners could answer clarifying questions when discussing a project. Members could then include their comments on the rating sheet.

Mr. Baldasari said providing reasons for a determination and documenting observations or concerns will provide guidance to an applicant about how to address problem areas in the future.

Mr. Smith added it also helps when drafting the letter to the owner, it provides a record about the concerns, and it provides documentation.

Discussion followed about verbally conducting a poll to determine whether a super majority vote is achieved, and conditional approvals. Chair Benson said he doesn't see how the committee could grant a conditional approval.

Ms. Septelka said she would incorporate the changes requested for both forms and provide final versions to members after lunch.

### **Review Panel Procedures**

Members discussed panel procedures for enabling appointed chairs to conduct each project application review panel consistently.

Mr. Paapke described the PHPRB procedures. Public comment would occur prior to the board beginning its deliberation. Applicants were encouraged to stay and listen to board deliberations. Each application review will take approximately 45 minutes.

Mr. Berry asked if public comment was subject to a time limit. Members agreed to limit each public comment to two minutes and owner presentations to 20 minutes. Mr. Berry suggested reminding applicants that the committee received and reviewed the application prior to the review. Chair Benson said it's also appropriate to outline the 45-minute procedure.

Mr. Smith asked whether questions and answers for public body certification are open to all members or only to panel members. Chair Benson suggested panel members should ask questions first. If a fundamental question has not been asked, another member can pose the question.

Ms. Koal said the committee didn't request written responses to questions on a project or certification. She asked whether that is something to consider. Chair Benson said asking for a written response and distributing copies to members is too complicated. Members should have copies of the questions an applicant should address.

Committee members decided to review questions raised by all members in advance of the meeting. Mr. Paapke indicated that sending a list of questions to the committee for review could create a substantial assignment. Ms. Septelka noted only those members serving on the panel should review pre-questions. All members will receive a copy of the application and the questions. Members should have the discretion to present additional questions.

Discussion ensued about introducing all PRC members and identifying panel members at the beginning of public body certification and project application review. Panel members should sit at the head of the table. There should be a process to collect and distribute a concise list of panel questions to the entire membership. Chair Benson suggested that Mr. Orr could send an e-mail to the panel soliciting questions with panel members copying all members.

Mr. Smith asked how a number of panels could maintain the same level of consistency when evaluating project applications. Chair Benson said each committee member could receive a copy of the determination letter that outlines the outcome, reasons, and concerns.

Ms. Deakins said the written determination will be posted on the website within 10 days as required by law.

Mr. Goldsmith commented that the letter might not address all concerns during a review.

Chair Benson reported there is time for a debriefing. He said he'll follow up and distribute written procedures.

Chair Benson recessed the meeting from 10:34 a.m. to 11:03 a.m. for a break.

### **Public Meeting Training**

Mr. Sheahan reported the Open Public Meetings Act (OPMA) can be found in Revised Code of Washington (RCW) 42.30.030. The RCW states, "All meetings of the governing body of a public agency shall be open and public and all persons shall be permitted to attend any meeting of the governing body of a public agency,

except as otherwise provided in this chapter.” He reviewed definitions for a public agency and governing body. The PRC is considered a public agency and a governing body and is subject to the provisions of the act.

Mr. Sheahan reviewed regular and special meeting noticing requirements. Executive sessions have special rules; however, the PRC cannot have a secret vote or ballot. The meeting location must be open to the public. The PRC can also conduct telephone meetings at a location open to the public.

If a disruption renders the orderly conduct of a meeting unfeasible, the offending parties can be removed. If it becomes so unfeasible and offending parties refuse to leave, the committee can reconvene the meeting at another location provided that: PRC gives notice to members of the press so they can follow the committee to another meeting; has a policy where members of the public that were not disruptive can come; and can only take final action on issues on the agenda.

Any public member can attend open meetings including the press. The committee cannot require individuals to sign in. The committee is not required to allow members of the public to speak. If the PRC decides to allow public comment, it can impose a time limit and ask the public to state their name for the record. There is nothing in the statute that prohibits someone from videotaping or recording the proceedings. Generally, it’s permitted as long as it’s not disruptive.

Mr. Sheahan reviewed the definitions for meeting and action from the statute. A majority of members discussing business outside of a meeting is considered a meeting and falls under the OPMA. The same rule applies to retreats and study sessions.

Discussion ensued about a majority of members communicating offline and exchanging e-mails. Mr. Sheahan said members can e-mail and discuss issues as long as a quorum is not achieved. However, if a majority of members (a quorum) are communicating and the intent is to deliberate and discuss business collectively, the communication falls under the OPMA.

Chair Benson asked if he should exercise caution when communicating to the entire committee. Mr. Sheahan advised him he should if deliberating a specific issue.

Ms. Koal asked whether e-mails are considered a public record. Mr. Sheahan affirmed e-mails are considered a public record.

Discussion followed concerning e-mails as they relate to public records requests. Mr. Berry suggested each member has an obligation to preserve e-mails.

Ms. Septelka said members should refrain from conversations or discussions about topics that might come before the committee. Collecting and sending comments to members should not be problematic as long as members don’t respond.

Discussion ensued about notice requirements applicable to the PRC’s business meeting when no applications are under review. Mr. MacIssac said it likely consists of holding a special meeting requiring a 24-hour advance notice. Mr. Sheahan noted project and certification reviews require a 20-day noticing requirement as outlined in statute. The process has to be open to the public.

In response to questions from Chair Benson about additional noticing requirements for regular meetings and providing some flexibility for establishing the agenda three weeks prior to a meeting, Mr. Sheahan responded

that regular meetings are scheduled and published in the register. The statute for the certification process is more specific. He reviewed details about meeting notice from the statute. The agenda can be more general for other business items.

Mr. Smith said members should be able to send questions, comments, or responses to a location without constituting the activity as a meeting. Mr. Sheahan replied the committee cannot have a number of members reviewing issues and e-mailing in real time.

Members discussed the ability to schedule a special meeting on the internet in a chat room.

Mr. Sheahan said the committee can close meetings to the public and go into an executive session. During open session, the presiding officer is required to disclose the purpose and duration of an executive session. It must be for very specific purpose such as litigation, evaluating applicants, conducting performance reviews, and purchase and/or lease of real estate. Governing bodies cannot render final decisions while in an executive session.

Members discussed potential consequences and risk management insurance. Mr. Sheahan said violating the OPMA could nullify an action and possibly be accused of not complying with the law.

Mr. Benner asked whether members can follow their respective agency policies concerning archiving or deleting e-mails. Mr. Sheahan explained that it depends on the type of correspondence. Members should follow GA's policies. Some communications are considered the same as paper and must be retained. Mr. Sheahan advised that GA is developing and documenting policies on electronic communications.

Mr. Chandler asked about conflict of interest issues. Mr. Sheahan replied the bill talks about conflict of interest. A discussion on ethics is scheduled for a future meeting.

Members resumed discussion on bundling project applications. Mr. Sheahan explained there are some issues that can be deferred to the Legislature for clarification. The CPARB could forward a recommendation on how to handle a specific issue. An applicant must comply with all Public Works laws. He reviewed an example of a public owner wanting to construct three different buildings at three different sites and bundling the projects for PRC approval. Another issue is bundling projects to meet the monetary threshold for DB. If members believe an owner is trying to circumvent the process, it is within the committee's discretion to point that out. It doesn't mean that an owner couldn't have two or three different projects at different sites under one purview. The issue is whether the job is under one contract. If a project is under one contract, it's one project. If there are separate contracts, even with the same GC/CM, the owner should pursue separate approvals.

Ms. Deakins asked what should be included in meeting minutes, and if minutes are required for multiple panels. Mr. Sheahan reported there is nothing specific in the law about minutes. The committee is required to maintain minutes for each meeting and available to the public upon request. If the committee is taking final action, detailed minutes to include motions is recommended. The minutes do not need to describe testimony, or include names of people testifying. However, it's preferable to include the information. Each subgroup might want to designate a member to take minutes. It's not necessary to record each meeting. It's important to document actions, votes, whether a quorum was attained, and who attended.

Chair Benson recessed the meeting from 11:56 a.m. to 1:00 p.m. for lunch.

**Evaluation Criteria Score Sheet Review, *continued***

Members received copies of updated final evaluation forms. Ms. Septelka said an additional line is needed to identify the project for the Public Agency Project Approval form.

**John Mannix moved, seconded by Paul Berry, to approve the *Application Evaluation Sheets for Public Agency Project Approval* and *Public Agency Certification* forms as amended. Motion carried unanimously.**

### **Public Body Certification Review**

#### ***Washington State University***

Chair Benson welcomed Washington State University (WSU) representatives. Agency certification approval requires a supermajority vote. Everyone present provided self-introductions. Chair Benson noted the PRC has reviewed the certification application. He described the certification review procedures.

Jerry Schlatter, Associate Vice President, WSU, reported a typographical error in Exhibit C. The golf course building is not a GC/CM project. The project is a DBB project.

Mr. Schlatter reviewed branch campus locations throughout the state and student enrollments. Since 1997, WSU has successfully delivered over 50 projects, 17 of which were GC/CM projects. WSU was one of the public agencies originally authorized to utilize the GC/CM process. GC/CM projects total approximately \$380 million. WSU currently has nine GC/CM projects that are in design or under construction.

Mr. Schlatter reviewed the university's centralized organizational structure. Fourteen of 23 projects include staff as licensed architects or engineers and 13 are Leadership in Energy and Environmental Design (LEED) accredited professionals. The department's management team has an average of 35 years of experience. He described the decision-making process WSU uses to evaluate projects for the GC/CM delivery method.

Mr. Schlatter reviewed the approval process and project management plan organization flow charts and contract management system and staff. If necessary, WSU seeks outside counsel for specialized expertise and construction design issues.

Slides depicting GC/CM projects were reviewed.

Mr. Schlatter reviewed a Pullman Master Plan slide. He said his office is responsible for project planning. The office plays a key role in the budgeting process for the entire university and assists each college with estimates and prioritization. He described advantages associated with the GC/CM delivery method.

Chair Benson thanked WSU staff for the presentation. It is evident the university is experienced using the GC/CM APW method on a number of the campuses and that the projects have been successful. He asked whether WSU has encountered a negative experience using GC/CM and whether any lessons were learned. Mr. Schlatter explained the recreation center was partially completed when he was first employed by the university. There was a great deal of wrangling about schedule and money. People were spending more time arguing about incentives rather than building the project. WSU no longer provides incentives. The university did not have a firm management organization for the project. He said he was hired to fill that role. WSU possesses a strong owner-oriented organization. Projects are not turned over to the architects. WSU has received clean audits. The university solicits expertise when required and employs a dispute resolution board. It is to everyone's advantage to solve problems early.

Mr. MacIssac asked whether WSU has had problems meeting construction schedules. Mr. Schlatter replied not really. However, for the golf course project, a contractor pointed out that there was not a sufficient growing season.

Mr. Chandler asked about the smallest job the university has completed. Mr. Schlatter replied the project was approximately \$10 to \$12 million. Several of the projects might have been appropriate for DBB. WSU intends to use DB for a classroom building in Vancouver costing \$20 million.

In response to a question from Ms. Septelka, Mr. Schlatter answered WSU cannot award subcontracts until a GC/CM is in the process. Ms. Septelka requested clarification about what bid award means and when a GC/CM is employed on a project. Mr. Roughborn replied WSU hires a GC/CM for preconstruction services at the beginning of the design process, before schematic. Mr. Schlatter said a goal is to have the GC/CM on board as soon as possible. Ms. Septelka said the chart is misleading because it shows design followed by bid award. She said she wanted to ensure that the intent is to bring the GC/CM in early, and that subcontract packages are bid and awarded out after the GC/CM.

Ms. Staeheli asked Mr. Schlatter to elaborate on the phasing side. Mr. Schlatter referred to the Engineering Life Sciences Building that included a contract for phasing site work. The Maximum Allowable Construction Cost (MAACC) is identified for each phase as a project moves forward.

Mr. Marberg asked if construction management consists of using consultants. Mr. Schlatter replied construction management is in-house. The school could hire out specialists for independent estimating and schedule review. The GC/CM manages the construction.

Discussion ensued about challenges related to state funding for design and then construction, and how it could affect the GC/CM. Mr. Schlatter said the Legislature has the final say. WSU could have a project that's pending with a GC/CM ready to work. If the Legislature does not fund a project, it's stalled until funded, which affects construction costs and other elements. The law provides for a negotiated process enabling WSU to reassess the situation.

In response to a request by Mr. Hartung, Mr. Schlatter expanded on lessons learned. Related to GC/CM and DBB, obtaining clear documents is critical. WSU uses peer review, and spends significant time reviewing construction plans. Internal quality control ensures a successful project. The owner must provide strong leadership to the design and construction team.

There were no public comments regarding the application.

Mr. Schlatter reported WSU will return to apply for the DB delivery method.

Mr. Berry reported WSU has demonstrated successful completion of projects and has structures in place to help ensure completion of successful projects.

***The committee voted unanimously to approve public body certification for WSU.***

Chair Benson declared the application approved. Written confirmation will be provided within the next 10 days.

Chair Benson recessed the meeting from 1:45 p.m. to 2:00 p.m.

**Project Application Review**

***Klickitat County Public Hospital District No. 2 – Skyline Hospital Addition and Renovation Project***  
*(Panel chair Jim Paapke, Committee members Dave Marberg, Darlene Septelka, Tom Balbo, Dan Chandler, Darron Pease, Jonathan Hartung, and Penny Koal)*

Chair Benson reported an eight-member panel was appointed to consider and vote on the application request. Mr. Paapke is the panel lead. A supermajority of six panel members voting in favor of the request is required.

Panel Chair Paapke welcomed Klickitat County Public Hospital District No. 2 representatives. He described the application review procedures. Panel members provided self-introductions.

Judy Petersen, design team member, introduced Mike Madden, CEO and Administrator, Skyline Hospital; Jim Panko, Facilities Director, Skyline Hospital; Mark Johnson, Design Architect; Cary Guenther, Construction Administration Project Architect; and Mike Finnegan, GC/CM Coordinator. Ms. Peterson distributed copies of a document to panel members.

Mr. Madden briefed the panel about his GC/CM experience. Skyline was the first hospital to use the DB method in the early 1970s. The method was used in Utah and at Grays Harbor Hospital. Each project was successful. He reported he was hired to correct and oversee other projects, such as a DBB project in Aberdeen. The GC/CM process works well for hospitals with sophisticated designs.

Mr. Panko outlined his construction experience.

Mr. Johnson reported he serves as the lead planning and design architect. He described his experience in the health care architecture field. Over 95% of his health care projects have included GC/CM.

Mr. Finnegan described his experience in the design construction industry and with the GC/CM delivery method. He outlined his involvement with the Spokane School District and provided an example of a Request for Proposals (RFP) document.

Mr. Johnson reported there was a major emergency department addition project in 1996 that employed the old delivery method methodology. A slide depicting the location of a 22,900 square-foot (of a 30,450 overall project) inpatient bed wing was shared. Severe constraints on the site included steep gradients towards the Columbia River gorge, existing site utilities, and a four-phase construction process while maintaining operations. Due diligence on testing and existing conditions has commenced. More condition tests for utilities and building infrastructure are needed. A fair amount of work has been completed to inform a division oriented detailed budget. Severe grades complicate getting around the lay down zone for the contractor.

The existing floor plan for the hospital was presented. Mr. Johnson highlighted the renovation project on the floor plan and pointed out two possible helipad locations. The helipad will be problematic for the contractor during construction. A construction manager will save money throughout phased construction. A temporary road to serve the lay down space is needed. A GC/CM will play a vital role to coordinate the roadway alignment.

A proposed ground floor plan was provided. The four phases consist of relocation of the helipad, building out the bed wing addition with a walk-out basement (for future services) under the bed wing with a connector back to the common area, relocating imaging for the zone, and light remodeling in the emergency department. The project is complex for a small hospital.

Project issues include temporary road access, asbestos abatement, four construction phases, common area construction in the heart of the hospital, existing Mechanical, Electric, and Plumbing (MEP) interface issues that are difficult to bid in a DBB situation, severe topography, and the helipad situation that can affect the lay down space and crane heights.

Additional slides presented included an organization chart, project management plan, preliminary project schedule, detailed critical path schedule, and a construction budget estimate.

Panel Chair Paapke thanked the presenters.

Mr. Marberg asked who will assist the owner in managing the actual construction. Ms. Peterson replied Mr. Finnegan will play a key role from a project management perspective. Mr. Marberg said the application states Mr. Panko will manage day-to-day management. It appears Mr. Finnegan has most of the GC/CM experience. He asked who will determine if something is missing from the design, or if a problem rests with the GC/CM. Mr. Finnegan responded that he works for the owner and will have to make decisions concerning the architect, owner, or contractor.

Ms. Septelka said the application states Mr. Panko is involved during the selection process up to negotiations. The application doesn't describe Mr. Panko's role after negotiations. Mr. Finnegan said he will take the project through the selection process. He is also available as a resource to the owner and team to serve as the preconstruction services manager and as an advisor during construction. Ms. Septelka said she is concerned that the owner is not experienced in the GC/CM process. She asked who will assist the owner during actual construction. Mr. Finnegan responded that he is available to provide oversight during the construction phase.

Ms. Peterson said everyone's role has not been negotiated. Mr. Finnegan will facilitate the process. Mr. Johnson added the architectural team possesses GC/CM experience. Two owner representatives have significant construction experience in both DBB and GC/CM.

Mr. Hartung asked whether Mr. Finnegan will fully participate. Mr. Madden said it's the owner's intent to negotiate that component.

Ms. Septelka indicated it's important to understand Mr. Finnegan's role. The application indicates the architect will be on site twice a month during construction. Mr. Johnson explained that construction administration representation is clearly defining with the client the roles and responsibilities regarding time commitment from the architect. He reviewed architect and engineer budgeted fees equating to approximately 5,220 hours. The project is on tract from a sensibility standpoint. Contract administration accounts for 30% of the fee. Mr. Guenther or another team member will spend an average of 26 hours per week over 14 months. Mr. Guenther will be on site twice a month. From a budget perspective, 34% of the fee is dedicated for bidding and construction.

Mr. Chandler said it will likely require 70% of a full time employee over the next several years to design and build the project. He asked if someone is backfilling on the maintenance side. Mr. Panko replied that he has

an assistant. Approximately 85% of his work involves remodels in the hospital. Mr. Chandler asked if Mr. Panko also manages maintenance projects. Mr. Panko replied that he also manages maintenance projects.

Members discussed the owner's bonding capacity, that Skyline started the GC/CM application process on June 17, 2007 and not the RFP process, and the scheduling and budget reconciliation timeframes. Mr. Johnson explained the GC/CM entity begins working with the team the day of hire. The GC/CM will attend all meetings and assist to ensure critical issues are under control.

In response to a question from Ms. Koal, Ms. Peterson replied the MACC is based on 90% construction documents.

Ms. Septelka asked what structure the applicant plans to use to negotiate the MACC at the 90% phase. Mr. Finnegan replied it starts at schematic design estimates produced by the architect and GC/CM, followed by a systematic reconciliation process.

There were no public comments.

Panel members deliberated the request. Comments are summarized as follows:

- In looking at the schedule, there is a fair amount of aggressiveness in terms of work product and delivery. It is unclear whether the fee aligns with the state fee schedule.
- Staffing is a concern. The owner does not have adequate in-house knowledge of the GC/CM process from pre-design to construction. The owner has not yet negotiated staff roles.
- Related to staffing, the owner has some ability to borrow more money if needed as it proceeds into a very tight and complex project.
- The project is complex enough to suit the GC/CM delivery method. A concern is the lack of dedicated resources between Mr. Guenther and the hospital to negotiate the MACC and execute the project, which is an important criterion. It seems likely it will take a half-time FTE dedicated to managing the contractor and designer.
- Scheduling is aggressive and almost unrealistic. Some elements seem to be missing relative to the GC/CM process.
- The project calls for a GC/CM strategy; however, staffing is a concern along with the design and construction schedules. The budget is light particularly for upgrades to high-end utilities, and allocations for temporary roads and erosion control. Other concerns include project phasing. The last two phases are closed off from any access. The applicant should take another look at project costs, and consider hiring additional staffing during the construction period.

***The panel voted unanimously to deny the Skyline Hospital addition and renovation project application.***

Mr. Chandler encouraged the applicant to rethink reasons for denial and resubmit the request to the PRC.

Panel Chair Paapke encouraged the owner to look at the schedule and the day-to-day person that will manage the job and reapply. He advised that Skyline will receive written notification of the decision within 10 days.

Chair Benson recessed the meeting from 2:50 p.m. to 3:00 p.m.

*(Note: Committee members Berry, Lovell, Shinn, and Peterson are now absent.)*

## **Public Body Certification Review**

### ***University of Washington***

Chair Benson welcomed University of Washington (UW) representatives. Certification approval requires a supermajority vote of the PRC. Members have reviewed the application. He explained the certification review procedures.

*Committee members E. Smith and Marberg recused themselves from certification review.*

John Palewicz, Capital Projects Director, introduced Allen Nygaard, Business Services Director, Olivia Yang, Special Projects Director, and Eric Smith, South Campus Projects Director.

Mr. Palewicz described his architecture experience and background. He said he's completed eight GC/CM projects. UW was one of the first agencies to use GC/CM, and has completed 19 of the 53 state agency projects totaling \$1.5 billion. Projects include health care, research, academic (including oceanographic and fisheries) and athletic facilities, as well as major renovations and restoration work. GC/CM has proven integral to successful project completion. All projects have been completed on time and on schedule.

Mr. Palewicz reviewed personnel resources to include experienced project managers and directors. There is continuity among the staff involved in GC/CM projects. Ms. Yang, Mr. Smith, and he have a combined completion of 17 GC/CM projects. Each of the seven project managers possesses a minimum of 20 years experience in the industry. Other key personnel were reviewed. UW is well represented on the CPARB. Ms. Yang facilitated GC/CM training conducted in May 2007.

Mr. Palewicz highlighted lessons learned. A best practices report was completed in 2004 following a number of major projects completed in 2003. Best practices involving GC/CM include team members possessing solid past experience, team building and continuity, and on-site representation. The approach developed from lessons learned is to choose the right projects, the contractor is an integral team member, clear documentation of the process and responsibilities, and that the owner must be equitable and accountable.

UW provided input into the current law that includes setting the MACC, use of alternate disputes resolution procedures, on site representation, process and time periods for claims, and negotiated support services (reimbursable). UW also offers mentoring and assistance to other public owners such as Harborview, State Ferries, Western Washington University (WWU), Washington State Department of Transportation (WSDOT), and the Seattle School District.

Mr. Palewicz provided answers to three questions posed by members when UW submitted its certification application. He reviewed an organizational chart and clarified respective responsibilities and roles.

Chair Benson asked Mr. Palewicz to elaborate about projects that did not benefit from the GC/CM method. Mr. Palewicz responded all projects using GC/CM have been appropriate. The owner benefited from having the contractor involved in the process. A project studied in the best practices report revealed two mistakes that consisted of team members lacking GC/CM experience and a number of changes related to foundation work.

Mr. Smith added that a number of public sector projects went through a difficult time a few years ago with huge spikes in market conditions. The GC/CM process allowed UW to work through the challenges, which would not have been possible without a partner under contract with the same interest and commitment to the project.

Mr. Chandler asked how many different construction firms have participated at UW. Mr. Palewicz named several (Turner, Hoffman, and Mortenson). Discussion ensued about smaller jobs that might be appropriate for the GC/CM APW delivery method. Mr. Palewicz said the smallest job that comes to mind was \$17 million. Mr. Chandler asked what percentage of work consisted of GC/CM compared to DBB in the last five years. Mr. Nygaard replied approximately 80% GC/CM and 20% DBB. At any time, UW has more than 300 projects on the books. UW has processed over a 1,000 projects in the last 10 years, 19 of which were GC/CM.

Ms. Yang conveyed that the change in the law to allow GC/CM under \$10 million is a welcome amendment.

Ms. Staeheli asked how the GC/CM process addresses sustainability and/or LEED requirements. Mr. Smith said an advantage is the owner can identify LEED and sustainability strategies when developing design documents. Mr. Palewicz added the request for final proposal includes requirements that the contractor is responsible for LEED documentation.

Discussion ensued on public hearings required for APW projects and data collection requirements.

Ms. Septelka announced after further reflection that she should recuse herself from voting on the application.

There was no public comment concerning the certification application.

***The committee voted unanimously to approve public body certification for UW.***

Chair Benson announced that the certification application is approved. Written confirmation will be provided within the next 10 days.

Chair Benson recessed the meeting from 3:35 p.m. to 3:45 p.m.

### **Final Review of Public Comments & Confirmation of Final Determinations**

Conversation about confirmation of final determination followed. Chair Benson asked Mr. Paapke to summarize reasons for denying Skyline's project application. He asked that members send copies of formal communications to Mr. Orr for record keeping purposes. Mr. Paapke requested copies of each panel member's evaluation form.

### **Application Review Post Mortem**

Chair Benson complimented the committee. Mr. Smith commended the eight-member review panel.

Mr. Chandler commented that the committee was provided with two excellent certifications presentations.

Mr. Benson said the purpose of the PRC is to ensure APW delivery is used for appropriate projects coupled with appropriate leadership.

Ms. Septelka stated Skyline did demonstrate that its project would benefit from GC/CM. She said she hopes the owner resubmits the project.

Mr. Paapke said it's difficult for small hospitals to possess GC/CM experience. Small hospitals can hire outside expertise, which provides an opportunity to mentor someone inside the organization. It's a way smaller rural hospitals can use GC/CM successfully. Chair Benson conveyed that 90% of questions had to do with the people involved in the job. Only 5% of the presentation addressed qualifications.

Mr. Mannix suggested clarifying presentation expectations or separating it into two pieces, such as providing an overview of the project or agency, followed by directly answering questions posed by the committee. Chair Benson said he could combine similar questions submitted by members for certification reviews. The panel chair could do the same thing for individual project reviews. Additionally, clarify in the letter the questions an owner should address in its presentation. Members agreed to schedule one hour and 15 minutes for each certification and/or application request. Conversation followed about how to schedule multiple panels on the same day.

Chair Benson referred members to a proposed meeting date schedule. He asked that members notify him by the first of the month if they're not able to attend the meeting.

Mr. Paapke said it's important to debrief. He suggested conducting the business portion of meetings after application and certification reviews.

Ms. Septelka commented that WSU representatives spent considerable time sharing pictures compared to discussing lessons learned. Chair Benson said the instruction letter could provide guidance about the presentations and the review process.

Most members preferred morning meetings beginning at 9:00 a.m.

Members complimented Mr. Paapke in his role as panel Chair.

Ms. Deakins suggested that panel leads ask if there are members that should recuse themselves.

Discussion ensued about CPARB or PRC members presenting on behalf of respective employers. Ms. Septelka said it can be awkward. Ms. Staeheli added that it has not been an extensive problem with other boards she's served on. Mr. Chandler said it's likely he will participate as part of the Nine-Mile Falls School District project.

Ms. Koal agreed with Ms. Deakins that Mr. Lynch is a Division Director and by virtue of his position, it makes sense he would be a presenter for GA projects.

***A majority of members agreed not to make a change to the process related to CPARB or PRC members presenting on behalf of respective employers.***

### **Set Next Meeting Agenda**

Ms. Deakins reported regular meetings will be included in the state meeting register and posted on the website.

**Jim Paapke moved, seconded by Dan Chandler, to approve meeting dates established for August 2007 through October 2008.**

Posting dates in the state register does not satisfy public notice requirements.

**Motion carried unanimously.**

Chair Benson said he's received a request from JLARC for scheduling a briefing before the committee. Ms. Deakins said it's important for JLARC to meet with CPARB in the fall, as CPARB is driving the data collection function.

Chair Benson reported the next meeting is scheduled for August 23, 2007 at the Northwest Carpenters Facility (unless scheduled otherwise). Mr. Smith asked members to notify him or Chair Benson if they are unable to attend the August meeting.

**Adjournment**

With no further business, Chair Benson adjourned the meeting at 4:13 p.m.

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Rodger Benson, Chair

Prepared by Cheri Lindgren, Recording Secretary  
Puget Sound Meeting Services