

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE
Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington
January 3, 2008
9:00 AM**

Draft Minutes

MEMBERS PRESENT

Jim Paapke, Clallam County Public Hospital
Dave Marberg, University of Washington
Eric Smith, Vice Chair, University of Washington
Penny Koal, Department of General Administration
Christy Trautman, King County
Bob MacIssac, Port of Seattle
Rick Benner, Western Washington University
John Mannix, Spokane Public Schools
Peg Staeheli, SvR Design Company

Tom Peterson, Hoffman Construction Co of WA
Rodger Benson, Chair, MA Mortenson Company
Tom Balbo, Ferguson Construction, Inc.
Gary Baldasari, AIA
Mike Shinn, Shinn Mechanical
Jim Anderson, Burton Construction, Inc.
Phil Lovell, Turner Construction NW
Keith Schreiber, AIA, Schreiber Starling & Lane Architects

MEMBERS ABSENT

Darlene Septelka, King County
Jim Cameron, Cameron-Reilly, LLC
Darron Pease, Pease & Sons, Inc.
Paul Berry, Harris & Associates

Jonathon Hartung, SHKS Architects
Gary Arndt, P.E., Parametrix
Dan Chandler, P.E., AIA, Olympic Associates Co.

STAFF, GUESTS, PRESENTERS

Nora Huey, King County
Jim Burt, King County
Stan Hummel, King County
Valerie Gow, Puget Sound Meeting Services
Linda DeBoldt, Seattle Public Utilities
Rodney Eng, City of Seattle
Linneth Riley-Hall, City of Seattle

Dick Goldsmith, AWP/PHD
Karen Barrett, JLARC
Susan Peterson, King County
Fred Aigbe, Seattle Public Utilities
Robyn Hofstad, GA
Liz Kelly, Seattle Public Utilities
Roland Orr, GA

Welcome & Introductions

Chair Benson called the Project Review Committee (PRC) meeting to order at 9:04 a.m. Everyone present provided self-introductions.

Approval of Agenda

Eric Smith suggested adding a discussion on the City of Seattle's request for certification.

Jim Paapke moved, seconded by Mike Shinn, to approve the agenda as amended. Motion carried.

Approval of October 25, 2007 and November 29, 2007 Meeting Minutes

Dave Marberg moved, seconded by Jim Paapke, to approve the October 25, 2007 and the November 29, 2007 minutes as presented. Motion carried.

Public Comments

There were no public comments.

Review of Certification Application Instructions

Chair Benson distributed information pertinent to the discussion. It's likely the Capital Projects Advisory Review Board (CPARB) will resolve the issues through some proposed changes in legislation. The PRC discussed adding some language to clarify members want applicants to have general contractor/construction (GC/CM) experience for GC/CM applications and design-build (DB) experience for design-build certification applications. Members reviewed the proposed change to the instructions to applicants addressing the request.

Penny Koal questioned referencing a House Bill rather than the RCW. Roland Orr advised that staff will check on the revision and affected legislation.

Phil Lowell asked whether the change is to ensure applicants justify why they should be certified. Chair Benson said the issue initially arose during the review of the Washington State University (WSU) application. WSU contended the application language was nebulous and was indicative of an "either/or" scenario to qualify for DB. The CPARB is recommending some legislative changes to strengthen the language. After the Seattle School District's application was denied, representatives from the school district expressed some concerns that the instruction to the applicants wasn't as clear as it should be.

Dave Marberg asked whether the PRC can apply the language at this time. Chair Benson acknowledged the proposed legislation is not a change in the statute, but simply a clarification in the instruction to the applicants and that the change can apply immediately.

Penny Koal moved, seconded by Eric Smith, to adopt the proposed language and revise the reference from House Bill 1506 to RCW 39.10, citing the appropriate sections. The new language states:

"For the purpose of its evaluation, the PRC will be looking for general contractor/construction manager project experience for general contractor/construction manager certification applications and design-build project experience for design-build certification applications."

Motion carried unanimously.

PRC Elections – Bylaws Review

Chair Benson distributed information on a proposed change to officer elections of the PRC. He suggested considering an adjustment in how elections are conducted by having the PRC elect a new Vice Chair annually with the Vice Chair automatically assuming the Chair position the following year. The proposed change is to ensure incoming Chairs are provided with the experience and exposure for up to a year prior to assuming the position of Chair. Officer positions are elected each year.

Tom Peterson moved, seconded by John Mannix, to revise the second paragraph under Article 5, Officers, of the PRC Operating Bylaws to state, "The officers elected at the PRC's first regular meeting are to serve until June 30, 2008. Thereafter, the Vice Chair shall assume the position of Chair and an election for a new Vice Chair shall be held. Thereafter, on the first day of July each subsequent year, the Vice Chair shall assume the role of Chair and a new Vice Chair shall be elected."

A friendly amendment was offered to remove the second sentence in the first paragraph under Article 5, Officers, stating, “At its last regular meeting in 2007, and in subsequent calendar years, the PRC is to elect these officers for the following year.” Makers of the motion agreed to the friendly amendment.

Members discussed the two-year commitment.

Motion carried unanimously.

Application Pipeline Review

Roland Orr provided an update on pending applications before the PRC.

WSU is applying for DB project approval to renovate Martin Stadium to add 1,700 outdoor seats and approximately 600 indoor seats. The estimated construction cost is \$35.6 million. Total project cost is estimated to be \$42 million.

The Port of Vancouver Regional Library District is requesting project approval of a GC/CM project for a new main library in downtown Vancouver, WA. The library will be 90,000 square feet. The District plans to have a GC/CM contract by February 2008 with construction beginning in June 2009 for completion by October 2010. The estimated construction is \$23.4 million with a total project cost of \$37.6 million.

The City of Olympia is requesting approval for a DB project for a new City Hall on 4th Avenue. The building will be approximately 89,000 square feet. The contractor is anticipated to be hired in February 2008 with construction beginning in March 2009 followed by completion in May 2010. Construction cost is \$29.5 million with a total project cost of \$39.5 million.

Chair Benson referred to the discussion during the WSU DB certification, which was denied by the PRC. He said he sensed from the discussion that not all members are as experienced in DB as they are with GC/CM. He offered the suggestion of inviting someone from Design-Build Institute of America (DBIA) to brief members on best practices in DB.

Mr. Lowell agreed and noted that everyone needs to understand the primary difference between the levels of responsibility, particularly from a liability standpoint. For instance, the City of Seattle’s application includes GC/CM and DB organizational charts, which are essentially the same. The application doesn’t include one entity as a DB entity, and that’s the basic premise of DB.

Members agreed to invite a representative to attend and provide training in the morning followed by application review in the afternoon. Keith Schreiber asked whether the instructor would consider the applications for submittal and use them as models for the discussion. A suggestion was offered to have the representative remain during the meeting for the actual review of the applications.

A caution was offered that the instructor might be biased toward DB. Mr. Lowell suggested contacting John Lynch for a possible contact. Mr. Smith said although he doesn’t disagree that there could be some bias, it would still be helpful to have someone. Chair Benson added that the legislation requires the committee to consider two things – whether the project is appropriate for DB and whether the owner has management capability. Everyone has opinions and it’s up to the committee to weigh them in consideration of the source and use the information to benefit the process.

Tom Balbo recommended contacting Darlene Septelka as a possible instructor.

Discussion Prior to Review of City of Seattle Application

Chair Benson reported there has been much discussion about the committee's first application from a public agency requesting DB and GC/CM certification. The City of Seattle has a number of departments/agencies, each with varying amounts of personnel experience. The PRC is facing an interesting situation. The request is not necessarily unique as there will be other agencies requesting similar consideration. Since there have been many questions about what the committee should do in this situation, the PRC received a verbal opinion from the Attorney's General Office indicating the PRC cannot give conditional approval. The City's request is for certification of both GC/CM and DB. The PRC cannot approve one and disapprove another.

Peg Staeheli commented that an agency could opt to submit for certification for separate departments within an agency.

Members exchanged opinions on whether that option could be considered for Seattle's application.

Mr. Lowell said members discussed the issues several months ago. He asked about the option of notifying agencies that perhaps for the first several years, agencies should consider submitting project-specific applications for approval rather than an overall agency approval, unless the agency can demonstrate experience and structure. Mr. Marberg said he doesn't believe that it's the agency that is the problem; rather it's the application process that has some glitches. There are some departments within the applicant's agency that have much experience. The blanket request should only be for those organizations that have a stellar track record. He agreed with Mr. Lowell that it's not necessary for agencies to submit an application based on a global approach.

Ms. Staeheli said the issue will come before the committee again. It's important to clarify the application requirements to avoid wasting both the committee and the applicant's time. Mr. Balbo asked whether it's possible for the committee to issue a white paper on general guidelines for an agency to consider. Chair Benson said he prefers adjusting and clarifying the application instructions.

Rick Brenner cautioned that higher education has some of the same issues and perhaps the committee shouldn't be that specific about each agency's capability because the question is whether a department has or doesn't have the necessary experience. Mr. Lowell said most of the questions that are hazy could be solved by informing the agency that the PRC wants to look at projects independently until the PRC is satisfied that the agency has the necessary organization for a project that includes all the necessary parameters to conduct an appropriate CG/CM or DB project. The PRC should discourage agencies applying to the committee with a global approach unless the agency clearly has a track record including audit findings that establishes that record.

Mr. Smith said he will be looking for a centralized oversight and control mechanism in place that has been demonstrated and used successfully by the agency to ensure only those departments, only those project managers, and those entities within the agency have the capability. Additionally, there should be an oversight process.

Mike Shinn suggested the issue could be addressed through the application. The application could include more information. Chair Benson suggested an alternative is to eliminate the combined application and have an application for each contracting method.

Dick Goldsmith commented that he was involved in the development of the application. There was no thought about rejecting the entire application if the agency didn't qualify for both contracting methods. The goal was developing an application to make it economical and more efficient for an agency to submit. Perhaps the PRC should revise the application to approve one or the other method rather than rejecting the entire application because the applicant doesn't satisfy the criteria of one method. He said he disagrees with the AG's opinion that if the PRC doesn't approve both the GC/CM and DB methods, the application is denied. It's not fair to the applicant.

Ms. Staeheli questioned whether an agency's efficiency is really fair to the general construction industry in that the PRC is evaluating efficiency, but maybe it doesn't provide adequate time for the committee to evaluate two projects with two different sets of issues. For agencies that are submitting projects at that scale, it would be better for them to separate the projects. It may not be a good idea to render blanket approval.

Mr. Peterson asked whether anyone knows whether the City of Seattle intends to have separate approvals. He suggested asking the City about what they are envisioning in the application process.

Mr. Mannix spoke in support of considering the application as two separate applications because it clarifies the process and forces consideration of DB separate from GC/CM as well as concentrating on areas of strength in each of the applications. Chair Benson said the application contains an organizational chart that addresses both applications.

Members suggested speaking to City representatives about the global approach and the committee's struggle with the issue. Mr. Marberg said there's no directive indicating the committee can't approve one method and deny another.

Members offered varying comments. Mr. Shinn pointed out the importance of the agencies properly completing the applications and documenting the expertise. If an agency doesn't have the structure, the agency shouldn't undertake the work. Gary Baldasari offered that there is structure between GC/CM and DB, but then there are some agencies that have qualified departments and some that don't have the qualifications. There were suggestions about winnowing unqualified applicants while most members agreed the application is somewhat muddy and unclear. Mr. Baldasari suggested scheduling a work session with agencies that have pending applications to assist them through the application process. Mr. Peterson disagreed as there are sufficient resources for agencies to complete the application. Chair Benson said he was surprised at the lack of effort most agencies have undertaken in preparing the application. Most agencies have never attended a PRC meeting to view the process.

Chair Benson recessed the meeting for a break from 9:55 a.m. to 10:15 a.m.

Public Body Certification Review for GC/CM & DB – City of Seattle

Chair Benson outlined the review process and introduced Rodney Eng, Assistant City Attorney, City of Seattle, Liz Kelly, Director, Strategic Asset Management, Seattle Public Utilities, and Linneth Riley-Hall, Director, Purchasing and Contracting Services, City of Seattle.

Members introduced themselves. No members recused themselves from voting.

Ms. Riley-Hall provided the introduction and overview of the City of Seattle's interest in certification of DB and CG/CM. The City will accept certification for either of the contracting methods but would like approval for both methods.

The City needs to efficiently manage upcoming projects that are under active consideration for GC/CM and DB. They include the North and South Transfer Station Rebuilds and Chester Morse Water Pumping Facility. The City's 2008 – 2013 Capital Budget totals \$4 million for the next six years. The City needs to use different kinds of contracting methods to efficiently manage its projects. The City needs to have flexibility in how it delivers the projects.

Ms. Riley-Hall reviewed some previous projects using different contracting methods:

- Cedar Water Treatment Facility – DB
- Tolt Water Treatment Facility – DB

Ms. Kelly reviewed Seattle's DB guiding principles:

- Specify Performance Standards
 - integrated vendor teams respond
- Encourage Technical Innovation
 - Use competition in innovation & price
- Assign Risk to Part Best Able to Manage it

Some of the lessons learned include:

1. Early strategies, philosophies, process definition
2. Use the processes and the contract to align private sector interests with those of the City
3. Risk Allocation

Ms. Kelly reported for the Tolt Water Treatment Facility and other DB projects; the City intends to engage the marketplace in a fair, open, and transparent manner to understand how well their interests will line up with the City's interests to determine risk allocation. It doesn't make sense to allocate all the risk to the private sector because the City will end up paying for it.

Ms. Kelly commented on the importance of partnering on projects, being clear in terms of performance standards and documents, and how to measure those standards.

Ms. Kelly displayed some photographs of the City's successful projects.

Mr. Eng reported the City has a significant amount of experience in the GC/CM contracting method. The City has completed five GC/CM projects:

- Seattle Public Library
- Seattle Aquarium
- Landsburg Diversion Dam – Fish Passage Facilities
- Seattle City Hall
- Seattle Justice Center

Mr. Eng noted the City determines the appropriateness of using GC/CM for projects. Not every facet of the industry has experience in the GC/CM contracting method. It would be difficult to undertake some transportation projects using GC/CM when the contracting community is not in tune to the give and take required for a GC/CM project. Many of the City's projects will never use the GC/CM method because they do

not meet the criteria. When the City considers a project method, a full array of options is considered in addition to GC/CM.

Ms. Riley-Hall reviewed how the Department of Purchasing and Contracting Services oversees contracts for all City public works projects. When a City department has a project, the project is forwarded to the department to help determine the appropriate contracting method for the project. The department assists the project sponsor to identify resources for the specific contracting method. The City is developing a form for City departments to complete for alternative public works, which demonstrates that the department can perform the alternative works process whether it's DB or GC/CM. The form will either be approved or rejected after review with the Law Department, and others within the City who have experience.

Mr. Eng responded to questions forwarded from the PRC. Many of the questions overlap. During the selection of pursuing a DB or GC/CM project, the City undertakes an experienced process. The City of Seattle is a single entity and the certification must be for the City and not for each department. The request is whether to grant a city-wide certification to a city where only some departments undertake DB or GC/CM projects. The City has two answers to the issue of certification. The first is whether the City makes the appropriate selection, does the City examine the project correctly and decide whether it's an appropriate project. The second element is the staffing of the project and whether it's appropriate. The PRC's concerns appear to be more towards the staffing of a DB project in a department that hasn't previously completed a DB project, and similarly how will the City staff a GC/CM project if the department doesn't have the expertise.

One of the questions asked is whether the City transfers personnel between departments. Mr. Eng reported that it's a possibility. The City's history in DB and GC/CM reflects that much reliance is placed on consultants to assist the City. The City manages the project but uses consultants to complete the project. Mr. Eng said he and four other attorneys have experience in GC/CM projects and collectively provide knowledge to the City's departments. There is a good level of communication between departments as well as informal and formal training opportunities for employees on alternative public works.

Chair Benson acknowledged the City has much DB experience in Seattle Public Utilities (SPU) projects. He asked about circumstances where the City would use DB for a non-SPU project. Mr. Eng replied that historically, when comparing the number of DB and GC/CM projects, there are many reasons for why the City gravitates away from DB. There are rare occasions when DB is appropriate. Most of the DB projects are SPU projects because there is the opportunity for innovation and creativity because of the type of project.

Mr. Lowell referred to the organizational chart and said he's interested in the area of oversight and upper management relative to projects and how the City operates. There is quite a list of project managers and executive administration with a number of layers. He asked how the City handles partnering, teamwork, or formal teamwork exercises or structure regarding projects, and does the City utilize an independent third-party dispute resolution structure, person, team, consultant, or individuals for that purpose. Additionally, he said his question relates to the very well spoken power and legal experience within the legal department. He asked if that power and experience is used to enhance or support the process or is it used for contracting purposes only. Finally, the organizational chart does not reflect positions for outside service consultants. He asked if there is a provision within the City's management executive structure to assign or allow an equal management person between the entities that are contracted.

Ms. Kelly referred to the support services consultant and said the consultants are hired as needed and assist the City's project manager. There is no placement within the organizational element between the contractor and the City. Mr. Lowell said it appears that the project manager speaks to the contractor or the design entity while the consultant appears to sit on the sideline and consult in a private room. Mr. Eng added that it depends on

the project and on the experience of City staff. The City has projects where consultants were involved with the contractors while City staff was in a support role because of what the project needed.

Mr. Eng said dispute resolution is a standard part of the City's contract both at the DB level and through GC/CM. Dispute resolution does not just apply to the contractor. The contract includes a mediation process. Depending on the project, there have been instances of dispute resolution boards. It depends on the project and what the entities involved in the project want.

Mr. Eng responded to the question regarding partnering. He described an example of the partnering involved in the Tolt and Cedar facilities.

Mr. Peterson asked how the City handles several projects with limited staff experience and resources. Mr. Eng said the primary role would likely be by a support services consultant with support from the Law Department, and it might mean not pursuing the project as a DB project because of the number of internal decisions that have to be made prior to releasing a Request for Proposal (RFP). There are internal decisions in terms of the type of project that should be pursued.

Mr. Peterson referred to the flow chart on the decision process and asked who makes the decision to hire a consultant. Mr. Eng said ultimately, the decision is made through an agreement involving the department.

Mr. Smith referred to the PRC's central questions about control and oversight and decision-making in terms of the method selected. He asked Mr. Eng to provide more information about the decision process and in those circumstances where projects are selected for DB, how the City reached consensus to pursue that method. Mr. Eng addressed how the decision is rendered. The department obtains budget approval for a project, which is then assigned to a department. The department explores contracting options. At that point, others become involved. During the department's discussion, the Law Department is consulted. Mr. Eng cited the Chester Morse Water Pumping facility as an example of the process. Discussions includes looking at the critical aspects of the project, what will make it an easy or difficult project, design options, whether an Environmental Impact Statement (EIS) is required, permits, and other issues. At some point, the delivery method is determined viable or removed from consideration.

Linda DeBoldt, Director, Engineering Branch, Seattle Public Utilities, spoke to the executive level of oversight and decision-making. The decision to pursue a DB or GC/CM or Design-Bid-Build (DBB) is done at the project level. At SPU, management processes and decision-making mechanisms are available to take a recommendation from the project team to the management chain of decision-making. Fred Aigbe is the Manager of the Alternative Contracting Unit within the Engineering Branch and is the lead for the evaluation of the two projects (North & South Transfer Station Rebuilds & Chester Morse Water Pumping Facility). Mr. Aigbe forwards a recommendation to the Director, Engineering Branch, as well as the Executive Management Team to make a decision on large capital projects for contracting methodology, budget, and delivery method. Each department within the City does things somewhat differently, but the City has a formalized decision-making processes for these kinds of issues. The contracting mechanism is one important aspect of the process.

Mr. Schreiber said agency approval versus project approval is two different things. The City must have had some discussion internally as to how the City decided to pursue the three projects as project approvals rather than agency approval thereby giving blanket approval to a department that has never done it before. He asked for more information on the factors that led to the decision as an agency versus project approval and whether there is any impact to the City.

Mr. Eng said it speaks to the bigger picture. The City has a large capital project budget. The City believes that the statute allows for certification of public agencies that have demonstrated an ability to render these types of decisions. The City wants the ability to have the flexibility internally to run the process and render a decision on the best delivery method.

Mr. Marberg said it appears the Department of Executive Administration is really the department that has the final vote. He asked about the staff of the department and how many are involved in rendering the final decision. Additionally, it appears as though project managers transfer from planning and design to construction. He asked how the City handles the construction management of GC/CM projects.

Ms. Riley-Hall replied that the Executive Administration Department does not have a Public Works Board. All projects are reviewed by the Contracting Department process. The department consults with the Law Department and the sponsoring department to determine if there are any red flags associated with the project. The departments have a Capital Cabinet group that reviews projects monthly and provides feedback as well. The City has various resources and mechanisms that are undertaken before a project is approved for alternative public works.

Mr. Aigbe reported for GC/CM projects, staffing is matched to the required skills necessary for project delivery. He said his department's prominent role is to drive the process for the planning requirements and overall coordination but staff must also have support from the design engineer, who has been deemed skilled and qualified to assist in the design requirements and design review. Similarly, the construction division is tapped for competent persons for the construction program.

Mr. Marberg asked whether the City uses internal staff or construction management firms. He asked how the library and justice center projects were managed. Mr. Aigbe said the City looks at internal skills and the employee pool as well as availability. Every organization uses an outside resource for several reasons because they lack the capacity or the capability. Depending on the situation, if the right skill is lacking, the City seeks outside assistance to provide the support the City needs.

Mr. Eng provided information on the consultant who provided construction management for the library project. For the justice center, the majority of the construction management was by a consultant with a component completed by the City. It varies on both the department's skills and workload.

Chair Benson said when the PRC receives a project application for consideration, the committee has two elements to measure – whether the project is appropriate for GC/CM or DB and whether the applicant has the expertise, either internally or hired to manage the process. In a project application, the process is essentially easy for the PRC to consider because the project applicant can document either in-house expertise or consultant expertise who is under contract. In a certification application the applicant says they may not have the expertise in-house and may hire consultant support. However, there's no commitment by the applicant. Chair Benson said that's the issue that he is struggling with. He asked Mr. Eng to address how the committee should handle that concern.

Mr. Eng replied since 1994 and until 2006, there was no PRC and there were only a limited number of jurisdictions allowed to pursue GC/CM or DB projects. The City of Seattle was one of the agencies that were allowed to pursue alternative contracting. Completed projects by the City show that the selected delivery method was appropriate. Projects did not encounter problems associated with improper project or construction management. There was no oversight by the PRC. He offered that the history of the City should be considered. The committee should consider the City's success record. The City believes that it has proven to

everyone that the City can handle the responsibility and that the City's history shows that the City can handle the responsibility.

Ms. Kelly added that the City believes it's capable of making the decision and has the oversight for these types of projects. The City also believes it's a more efficient way to plan and deliver projects without having the additional burden of another layer of project approval.

Mr. Baldasari asked for identification of the departments responsible for the DB and GC/CM projects. Mr. Eng reported the two DB projects are SPU projects; SPU has completed one GC/CM project. Fleets and Facility has completed five GC/CM projects, Seattle Center has completed two projects, and one was a \$6 million to \$9 million demonstration project. The library project was completed. Seattle Parks has completed one project.

Mr. Baldasari asked whether Seattle Department of Transportation (SDOT) has completed any DB or GC/CM projects. Mr. Eng said SDOT has not completed any DB or GC/CM projects.

Mr. Shinn said he worked on the Tolt project. Ms. Kelly said the City's contract was with a firm that was formed to permit, design, build, and operate the facility on a long-term basis. Dillingham Construction was a contractor to the firm. Mr. Shinn inquired about the Landsburg Dam Fish Passage project. Ms. Kelly said it was through a GC/CM contract with the services of a support services consultant to assist the City and Matt McDougal was the successful bidder on the project.

Ms. Staeheli inquired about the Capital Cabinet and asked whether it's a department or located within the Contracting Department. Ms. Riley-Hall said the Capital Cabinet is comprised of City Department heads and reports to the Mayor's Office. Ms. Staeheli asked for clarification on their role as it's not clear on the flow chart how a project manager receives a decision from the Capital Cabinet.

Ms. Riley-Hall said it depends on the interest in the project and it's also an opportunity for the department to learn what other resources are available for the project as well as partnership opportunities.

Ms. Koal asked whether the Department of Executive Administration approves all alternative public works projects. Ms. Riley-Hall said the process will involve all alternative public works projects that will be approved by DEA. In the past, the Council approved the projects prior to the new legislation. DEA will now review all requests for alternative public works. Ms. Koal asked how many are approved and disapproved. Ms. Kiley-Hall said it's a relatively new process and at this time it's difficult to say. Mr. Mannix asked whether the process is a consensus or whether DEA or the Law Department has final authority and whether there is an appeal process for the department. Ms. Riley-Hall said DEA and the Law Department make the final decision. Mr. Eng said the goal is work on a consensus basis.

Ms. Riley-Hall reported the department is establishing the process in consultation with the Law Department. Several employees have attended the two-day class for GC/CM and DB and Mr. Eng and Ms. Kelly have provided training throughout the City. Mr. Eng said the City has identified employees who have the experience in GC/CM and DB.

Ms. Kelly spoke to the issue of knowledge retention and cited the movement of employees from one department to another. City employees change positions for advancement. She said she has also been consulted by other departments within the City considering alternative public works and she has provided over 100 presentations nationwide.

Chair Benson invited public comment. There were no public comments.

Mr. Lowell said in terms of taking all the information in consideration, he said he is impressed with the City in terms of the City continuing to maintain contact with the industry and using expertise of professionals within the industry to assist the City in its projects. It's highly appropriate to utilize all the resources that are available. He said the information answers the question regarding the issue of certification in terms of the City working through a methodical process in selecting a team for a project; it is a good formula to bring complex GC/CM or DB before the PRC. He said he accounts for the City's successful completion of GC/CM and DB projects. But based on the DB experience, he questions whether the PRC should issue carte blanche global approval for that delivery method.

Mr. Smith said the PRC needs to consider the purpose of the PRC and CPARB. He said his concern is about getting a better handle on the City to demonstrate they wouldn't put the process and the expectations of the committee that developed the PRC at risk by allowing someone not qualified to undertake a DB or GC/CM project. The conversation and discussion have revealed some good points. Mr. Smith said he's persuaded that the City's mechanism for its decision-making and oversight process is appropriate especially combined with the City's successful track record. He said he supports approval for both DB and GC/CM based on the City's track record, and Mr. Eng's involvement on the CPARB.

Chair Benson reported he had some concerns about the ability to transfer intellectual capital and experience specifically with respect to SPU to other parts of the City. SPU's expertise and track record speaks well of the City. He said he can't ignore the City's years of success in making good decisions. The City understands the need for the right expertise on the team and has demonstrated the willingness to hire consultants.

Ms. Staeheli said the one area of concern is the formality of the management plan and rationale for alternative public works projects. It appears to be somewhat loose at the moment but that it could be because the process is fairly new within the City. The caveat is that within DEA, there is no specific person or group determining how the decision will be rendered. She said procedurally, she would like the process to be cleaner.

Mr. Marberg said he is convinced the City is capable of receiving certification based on the City's history of successful projects and by the serious attention the City renders in its decisions for GC/CM and DB.

A supermajority of the committee (16-1) voted to approve City of Seattle's certification application for GC/CM and DB.

Chair Benson left the meeting.

Application Review Post Mortem

Members discussed the review process of the application.

Ms. Staeheli commented that if the committee is going to continue receiving combined applications, more time is needed for the applicant. The committee's questions appeared to lead to the answers from the applicants. The applicants should have presented their case with the committee having more time to ask questions. She suggested allowing another 30 minutes. Additionally, the applications should be revised. She said she conducts interviews with public agencies for long-term contracts. The agencies must be held to the same criteria that they require of the consultant community. The applicants should have been more diligent in their response. The application should be revamped as it seemed as though the committee was drawing the applicants through a process when the committee should expect the applicants to be prepared.

Mr. Schreiber said the decision hinged upon whether or not the City had the ability and expertise to make the decision. Part of that didn't come across in the application and it wasn't evident until the question and answer session that he understood the City has a review body.

Mr. Lowell agreed. If the City feels it needs consultants, there is no reason for the City not assembling the team and appearing before the PRC. For DB projects, the City should be undertaking that process. It's much better for major projects and for agencies that particularly rely on consultants to have the PRC meet the team and the project and then act on it.

Vice Chair Smith said as a public agency representative, the law was specifically set up to allow public agencies that have the demonstrated experience, not to have to come before the PRC. The law was a compromise for agencies that have successfully used alternative public works. Mr. Lowell said he's not questioning the decision. However, the questions need to be asked.

Bob MacIsaac suggested it would be beneficial to have the applications separated for each method. It would have made it easier for the committee to evaluate. The combined application created some difficulty in evaluating the request.

Mr. Mannix agreed separate applications are preferable. He also suggested considering separate applications for project applications and an application for agency certification because the committee is considering different aspects and criteria. For agency certification, the committee wants to know what the agency has in place that takes the place of the PRC in terms of oversight and review. Those questions are different when the committee is considering a project application.

Ms. Koal said it would have been easier to have separate applications.

Mr. Marberg said it's part of the committee's responsibility to explore whether the applicants have the expertise regardless of their application. There are agencies that are much better at managing the projects rather than filling out an application.

Mr. Shinn shared that he voted no because of a bad experience. The Landsburg Dam Fish Passage project that Seattle indicated was a successful project was a total scam on GC/CM. Mr. Shinn described his experience as a subcontractor and how he lost money on the project. He said he couldn't accept the City saying that they oversee their projects, when his experience is that they don't.

Mr. Peterson agreed separating the applications would be beneficial. He noted if had to make a decision based only on the application, he would have voted against certification.

Vice Chair Smith said it appears based on the committee's feedback that the application needs to be revised.

Mr. Lowell recounted two similar discussions by the committee. He asked why it wouldn't be appropriate for somebody to call the applicant prior to presenting to the committee to share what the committee's concerns will be. Vice Chair Smith reported he called Mr. Eng prior to the meeting and conveyed the committee's concerns.

Set Next Meeting Agenda – January 24, 2008

- Project Application Review & Decision – Washington State University
- Project Application Review & Decision – Vancouver Library

- Project Application Review & Decision – City of Olympia
- DB Professional to review DB process
- Discussion of certification application, instructions, and attachments.

Members agreed to schedule the agenda in the following order:

- GC/CM panel
- Training
- Two DB panels

Vice Chair Smith advised he will work with GA staff and Chair Benson to work on the application and provide an update at the next meeting.

Mr. Paapke reported the meeting is his last meeting. The Association of Washington Public Hospital Districts is seeking a replacement for his position. He commented on the committee's great work and commitment. He said he enjoyed working with the committee. He will serve on the CPARB. A replacement is under consideration.

Adjournment

With there being no further business, Vice Chair Smith adjourned the meeting at 12:03 p.m.

Rodger Benson, Chair

Prepared by Valerie Gow, Recording Secretary/President
Puget Sound Meeting Services