

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

**Northwest Carpenters Facility  
25120 Pacific Highway South  
Kent, Washington  
January 24, 2008  
9:00 AM**

**Draft Minutes**

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**MEMBERS PRESENT**

Kerry Carpenter, Samaritan Healthcare	Rodger Benson, Chair, MA Mortenson Company
Dave Marberg, University of Washington	Tom Balbo, Ferguson Construction, Inc.
Eric Smith, Vice Chair, University of Washington	Phil Lovell, Turner Construction NW
Christy Trautman, King County	Mike Shinn, Shinn Mechanical
Penny Koal, General Administration	Darron Pease, Pease & Sons, Inc.
John Mannix, Spokane Public Schools	Dan Chandler, P.E., AIA, Olympic Associates Co.
Bob MacIssac, Port of Seattle	Paul Berry, Harris & Associates
Gary Arndt, P.E., Parametrix	Jim Anderson, Burton Construction, Inc.
Jonathan Hartung, SHKS Architects	Rick Benner, Western Washington University
Keith Schreiber, AIA, Schreiber Starling & Lane Architects	Fred Tharp, WSDOT
Peg Staeheli, SvR Design Company	Miriam Israel Moses, Rebound

**MEMBERS ABSENT**

Tom Peterson, Hoffman Construction Co of WA	Jim Cameron, Cameron-Reilly, LLC
Gary Baldasari, AIA	Darlene Septelka, Landon Construction Group

**STAFF, GUESTS, PRESENTERS**

Robyn Hofstad, GA	Jerry Schlatter, WSU
Bob Dixon, GA	Mike Leonas, WSU
Cheri Lindgren, Puget Sound Meeting Services	Keith Bloom, WSU
Karen Barrett, JLARC	Steve Hall, City Manager, City of Olympia
Dick Goldsmith, AWP/PHD	Rick Dougherty, Project Manager, City of Olympia
Robynne Thaxton Parkinson, JD, DBIA	Court Olson, Olympic Associates Co.
Chuck Hartung, WSCTC	Subir Mukerjee, Asst. City Manager, City of Olympia
Chris Eseman, LMN Architects	Jane Kirkemo, Director of Admin Svcs, City of Olympia
Daniel Johnson, WSCTC	Tom Morrill, City Attorney, City of Olympia
Bruce Ziegman, Executive Director, FVRLD	Rita Levesque, Project Manager, FVRLD
Dennis Sword, Construction Manager, FVRLD	Patty Duitman, District Operations Manager, FVRLD
Sian Roberts, AIA, Miller/Hull	Steve Burdick, Killian Pacific

**Welcome & Introductions**

Chair Rodger Benson called the Capital Projects Advisory Review Board (CPARB) Project Review Committee (PRC) meeting to order at 9:00 a.m. A quorum was present.

*CPARB PRC DRAFT MINUTES*

*January 24, 2008*

*Page 2 of 22*

Chair Benson welcomed new members Fred Tharp, Washington State Department of Transportation (WSDOT); Kerry Carpenter, Samaritan Healthcare; and Miriam Israel Moses, Rebound. New members shared their background and construction experience.

Chair Benson announced that Ms. Septelka will rejoin the PRC as a private sector representative.

Everyone present provided self-introductions.

*Mr. Schreiber arrived.*

**Approval of Agenda**

**Dave Marberg moved, seconded by Eric Smith, to approve the agenda as published. Motion carried.**

*Mr. Hartung arrived.*

**Approval of January 3, 2008 Minutes**

The following corrections were requested to the January 3, 2008 minutes:

- Within the third line of the first paragraph on page 6, change “million” to “billion”
- Change “Jim Marberg” to “Dave Marberg” within the first sentence at the top of page 2
- Correct references from “Phil Lowell” and “Mr. Lowell” to “Phil Lovell” and “Mr. Lovell”
- Correct references from “Rick Brenner” and “Mr. Brenner” to “Rick Benner” and “Mr. Benner”

**Bob MacIssac moved, seconded by Christy Trautman, to approve the January 3, 2008 minutes as amended. Motion carried.**

**Other Business – Bylaws**

Ms. Hofstad distributed copies of new language within Article 5, Officers, of the bylaws approved by the PRC at the last meeting. Discussion followed concerning Section 2, Vice Chair, specifically the text, “during that period.”

**Miriam Israel Moses moved, seconded by Penny Koal, to eliminate “during that period” from Section 2. Motion carried.**

*Mr. Mannix and Mr. Anderson arrived.*

**Public Comments**

There were no public comments offered at this time.

Chair Benson announced that members not serving on panels are welcome to leave after the Design Build (DB) Best Practices Training.

Chair Benson recessed the meeting from 9:13 a.m. to 9:20 a.m.

**Other Business – Bylaws, Continued**

**Miriam Israel Moses moved, seconded by Gary Arndt, to approve the bylaws as amended. Motion carried.**

**Project Application Review for General Contractor/Construction Manager (GC/CM) – Washington State Convention & Trade Center (WSCTC) – 800 Pike Conversion Project**

(Panel Chair Bob MacIssac, panel members Rodger Benson, John Mannix, Gary Arndt, Rick Benner, Darron Pease, Phil Lovell, and Peg Staeheli.)

Panel Chair Bob MacIssac welcomed Washington State Convention & Trade Center representatives and described the project review procedures. Panel members provided self-introductions.

Chuck Hartung, Project Manager, introduced Daniel Johnson, Administration Services Manager and Chris Eseman with LMN Architects. A PowerPoint presentation was provided. Mr. Hartung introduced the project and provided an overview of the 800 Pike project in downtown Seattle bordered by 8th and 9<sup>th</sup> Avenues, and Pine and Pike Streets. The space was built as part of the 2001 expansion of the WSCTC. He pointed out the shell area proposed for conversion. Building elevations were presented. Active retail space is located within the lower floor. He identified the truck bridge on top of the facility that crosses Pike Street. Five floor plates currently exist. A slide showing the exhibition space on level 3, and program section layout, were reviewed. The overall facility contains approximately 135,000 square feet. There are no changes proposed to the current exterior shell. Program layout diagrams were reviewed.

The project budget totals nearly \$37.5 million, which represents what's left from a \$58 million appropriation from the Legislature. Mr. Hartung outlined budget components. Estimated project construction costs including \$1.9 million in sales tax and design contingency total \$23,958,000. A total of \$3.2 million is available for reallocation and \$5 million represents a 15% contingency. Land costs are fixed. Remaining funds will cover professional services, equipment and furnishings, and contract administration costs.

Mr. Hartung outlined the project design and construction schedule. The team has entered into the schematic design phase. The overall design will proceed through the end of the year with 100% Construction Documents (CDs) completed at the end of 2008. Selective demolition will occur at the end of the year. The WSCTC typical down time runs from mid November to January 10. Construction will span 15 months and run through May 2010 followed by a three-month closeout period.

The owner is in the process of selecting the architect. The WSCTC team has not at this time augmented project or construction management teams. The concept is to initiate augmenting the teams now, and hire part-time consultants to begin the schematic design process. Mr. Hartung reviewed the owner's planned GC/CM procurement process of issuing a Request for Proposal (RFP) to interested parties immediately following approval by the PRC and notifying a short list of firms concurrent with the request for final proposal documentation. Sealed proposals are due February 27, 2008 and firms on the short list will be interviewed the same day. Proposals will be opened following the interviews and scored and ranked. The team will then negotiate GC/CM pre-construction services during the first or second week in March.

A project organization chart, including support services, was presented. Mr. Hartung described the team's construction management understanding, particularly Mr. Christison's project and procurement type experience. He emphasized the team has worked together for approximately 20 years. Legal and project management teams have remained consistent.

Mr. Hartung reported WSCTC is equating its experience in recent projects on the convention center side, combined with his and Mr. Christison's experience with the GC/CM process. A unique aspect is that that the convention center has seen a lot of development since completion of the initial project in 1988. The projects have not been direct Design Bid Build (DBB) projects. At one point through the process, there were three

contractors and three architecture firms. The team managed the overall process and was successful in completing the expansion in 2001.

Mr. Hartung provided additional details regarding the relationship of the demolition contractor to the GC/CM. The A/E firm will be represented on the selection committee. Both the project and construction managers will be engaged in the RFP process. It is expected that the team will use sub-bidding prior to negotiating the Maximum Allowable Construction Cost (MACC). However, there are some finish packages that will not be bid prior to setting the MACC.

Mr. Hartung explained why the GC/CM contracting procedure is appropriate for the WSCTC project.

Panel Chair MacIssac thanked Mr. Hartung for the presentation.

Mr. Benson said the project is a good candidate for the GC/CM delivery model. A concern is whether the team meets the criteria within the Revised Code of Washington (RCW), such as having successfully completed a GC/CM project within the last five years. He asked who on the team has completed a GC/CM project, acted in a project management role, and who will be on-site or around the project that possesses relevant experience. Mr. Hartung replied he has not directly managed a GC/CM project. He explained that his construction management and negotiation experience at the convention center is equivalent to the GC/CM process. A full time construction coordinator will be involved at the onset of development to assist with issues and interface with contractors. Consultants with scheduling expertise will be sought. He said he has negotiated numerous change orders but would like to also have a part-time expert change order person on staff. There will be people on site managing both the design and construction processes. Project candidates are required to have GC/CM experience.

Mr. Lovell spoke about the proposed accelerated procurement process and particularly how to encourage subcontractors to bid the work if ranked scores are low. Mr. Hartung said WSCTC will publish the ranked scores if required. A short list will help generate proposals. Quality applicants are expected to submit proposals in the initial phase. Applicants will be required to provide a submittal prior to interviews. An advantage of the accelerated process is applicants will have a decision quickly. The team understands the process is short and wants to make it as simple as possible.

Mr. Lovell said proposals require a fee submittal, specified general conditions, and what's defined as negotiated support services or reimburseables. All team members need to have a clear understanding of each component. Each element needs to be spelled out in the RFP. GC/CM experience is needed from the onset to implement the process based on the statute. Mr. Hartung replied WSCTC plans to use the University of Washington's documentation as the framework. The team is currently reviewing the general conditions, and the RFP has been drafted.

Discussion ensued about negotiated pre-construction services. Mr. Hartung explained the document is being drafted and will be issued with the request for final proposals. An allowance amount will be included. A schematic design is already laid out, and a meeting schedule and cost estimates have been established.

Panel Chair MacIssac asked whether the architect will be involved in the proposal reviews. Mr. Eseman affirmed their involvement. The architects have considerable GC/CM experience.

Mr. Benner asked whether WSCTC plans to use a dispute resolution board. Mr. Hartung affirmed that is the plan.

Mr. Benson said he's not comfortable with the owner's level of GC/CM experience. The GC/CM delivery model is significantly different compared to other projects the team has completed. If the PRC approves the project application, he encouraged WSCTC to add construction management services to the project team, include a stringent requirement for GC/CM experience in the RFP criteria, and bring someone on board who can provide guidance throughout the entire project.

Panel Chair MacIssac said the GC/CM Alternative Public Works (APW) methodology requires more management than DBB. The earlier the GC/CM is engaged in the process, the better.

Ms. Staeheli said problems can occur with reimburseables. An advantage is the WSCTC team has been together for 20 years, which is rare in the public sector. It's a characteristic the PRC should recognize that might override other factors.

Mr. Lovell commented that the team's subconsultants have extensive GC/CM experience. The owner needs someone (support service person) that brings nuts and bolts knowledge. He agreed the team is solid and possesses construction experience.

There were no public comments.

Several panel members indicated support for the project application provided the RFP include criteria for construction applicants to possess GC/CM experience. Additionally, having someone directly on the owner's side with direct GC/CM knowledge to assist them through pre-construction services as well as construction management is important. WSCTC should make it clear to participating GC/CMs that they are dealing with an accelerated schedule and are risking their time, money, and resources compared to a traditional prephase approach.

**Rodger Benson moved, seconded by John Mannix, to approve the WSCTC project application for GC/CM for the 800 Pike Conversion Program. Motion carried unanimously.**

Chair Benson recessed the meeting from 10:03 a.m. to 10:23 a.m.

### **Design Build (DB) Best Practices Training**

Chair Benson welcomed Robynne Thaxton Parkinson, J.C., Design Build Institute of America (DBIA). Ms. Parkinson provided a PowerPoint presentation on "DB Project Delivery." She reviewed her legal background in the DB and construction arenas. She reported that she has been with the DBIA since 2002 and serves on a task force revising DBIA documents, has represented the DBIA on CPARB's Expansion and Industry-Wide Subcommittees, and assisted with revisions to APW legislation. The presentation will focus on the fundamental changes to DB and how parties must work together. The DBIA represents both private owners and contractors.

Ms. Parkinson reviewed DBB characteristics and responsibilities of the owner, designer, and contractor in Washington State. She referred to the SPEARIN doctrine. It says the owner warrants the plans and specifications provided to the contractor. Courts continue to look at the information the owner provides to the design builder. The SPEARIN doctrine is heavily in play with DBB. The owner warrants that the design is sufficient for the purposes in which it is intended. The owner sits between the architect and contractor. Washington's Economic Loss Rule applies which provides a strict chain of contract. She outlined an example of a standard negligence warranty and emphasized that strict liability under SPEARIN is not the same as

negligence. Often, owners are caught in the middle of the liability gap. She outlined how the process has evolved into DB.

A DB basic structure flow chart was presented and reviewed. The design builder is responsible for professional and trade subcontractors and suppliers. General contractors are much better at accepting risk than architects primarily due to bonding requirements. Risk always equals money. Under the "entity" (joint venture, contractor led, designer led partnership) are the contractors and designers reporting up through the entity. The risk shifts to the design builder to provide a design that meets the owner's program and the architect's professional standards. The design builder is also liable to ensure the structure is built as approved by the parties. She emphasized the project has not been designed when the contract is signed. A maximum price is established based on assumptions. If assumptions change during the course of the project the price will and should change. Significant risk is shifted to the design builder based on assumptions the parties need to disclose to have a solid DB project.

The DB contractual relationship was outlined. Characteristics and responsibilities of the owner and design builder were reviewed. There is much disagreement as to what constitutes 30% design. Typically 30%-35% is considered bridging. Beyond that, it's usually considered design assist or draw build, which is a different process.

Mr. MacIssac asked if an architect is precluded from the DB portion if they provides assistance through the first process. Ms. Parkinson replied there is nothing in Washington's statute that precludes the bridging architect from being part of the bidding team.

Chair Benson said most of the time owners have precluded architects from being part of the bidding team because it does affect the interest of other parties to complete with someone that has an advantage. Ms. Parkinson agreed it will decrease competition and potentially increase the liability of the architect or design team.

Mr. Smith commented it is a bad practice from the owner's point of view.

Ms. Parkinson said there are reasons for bridging documents. The pros and cons vary widely.

A slide illustrating shifting risks was presented. The more information and design an owner provides, the more risk the owner accepts. The more information the design builder provides the higher the design builder's risk. Each DB project is prescriptive in nature to convey what the owner wants.

Discussion followed about reasons for using bridging documents, performance criteria, and when permitting comes into play with bridging documents. Ms. Parkinson said she would ask an owner why they felt they needed to do bridging and the intent of the bridging documents. She described a Mortenson Construction case involving bridging documents for the purposes of bidding. Requesting more information from bidders lowers the competition. If an owner decides to use bridging documents, the best practice is the information is intended to provide a snapshot to price the contract and not to view it as the end all, be all. Bridging documents do not come into play for permitting purposes. Permitting will occur at the CD stage. The design builder is responsible to ensure the CDs are permitable.

Ms. Staeheli asked about codes change. Ms. Parkinson said if laws change prior to when the contract is signed, it's the design builder's responsibility. If the law changed after the contract was signed, it's a change in conditions and the owner's responsibility.

Mr. Marberg asked why owners use bridging documents and assume a higher level of risk. Ms. Parkinson replied because the owner doesn't want to relinquish control of the design.

Discussion followed about how to deal with the situation when an owner decides to insert information after the contract is signed. Ms. Parkinson explained an advantage with DB is everyone works with the owner from the onset to define the design.

Ms. Moses asked if costs can fluctuate when using bridging documents. Ms. Parkinson said not necessarily. There are many other factors that will affect cost compared to whether or not there are bridging documents. A more likely change in cost occurs when an owner doesn't have a clear idea about what they want, an owner who changes the design midstream, or an owner that wants to retain control over the design. Changes after the job is priced or bid will impact the project's cost. She described a trend management program.

Chair Benson said one common factor with successful GC/CM and DB projects is when owners take the time upfront to think through and communicate what they want or they bring a consultant on board to work through the details.

Mr. Berry commented that change is inevitable. An owner can allocate funds not yet committed to cover changes or gaps and identify a process when questions emerge. Ms. Parkinson emphasized that contract documents will change. All of the approved documents become the contract documents that define how the project will be built. Having a program in place to track and document changes is important.

Mr. Benner said the DB delivery model isn't necessarily quicker or less expensive compared to another methodology. It's another mechanism an owner can use if they understand the risks and responsibilities involved. Ms. Parkinson replied that statistically DB is faster but not necessarily cheaper; however, fewer change orders occur. Mr. Benner said that is not how the DBIA markets the option to the construction industry. Ms. Parkinson added that significant owner involvement from the beginning to the end of a project is important. The owner has to have someone with the expertise and knowledge to guide him or her through the process.

Ms. Parkinson reported between 50-60% of federal government projects are DB. Typically, there is a difference between how the two are contracted. Private projects are not done with a hard money bid. Ms. Staeheli said DB in the private sector is very different compared to the public sector.

Mr. Smith suggested the PRC focus on two key criteria when reviewing DB projects: is the project right for DB based on statutory requirements and good business practices and whether the owner's team is capable of executing the project successfully.

Ms. Parkinson said an integrated DB team operates with a spirit of collaboration. Communication is key.

Criteria for DB projects were reviewed. One criterion is construction activities, technologies, or schedules that are highly specialized in developing the construction methodology or implementing the proposed technology.

Mr. Chandler said DB is applied to a myriad of cases and the current statute could be broadened.

Other DB criteria include the following:

*CPARB PRC DRAFT MINUTES*

*January 24, 2008*

*Page 8 of 22*

- When the design is repetitive in nature and an incidental part of construction
- Regular interaction is not necessary
- Construction of parking garages regardless of cost
- Construction of pre-engineered metal buildings or prefabricated modular buildings regardless of cost

Members discussed the DB criteria. Ms. Parkinson emphasized that Washington's DB laws are the most prescriptive in the country as far as limiting the types of projects allowed. The PRC should consider whether there is a benefit to use DB, and whether the owner is prepared to handle the obligations associated with a DB project.

Ms. Parkinson reviewed a general description for the DB Request for Qualification (RFQ). The RFP process as outlined in statute was reviewed.

Members discussed design competition, factors that lower competition, and the honorarium. When an owner requests a redo design competition, it limits competition and shifts risk to the design builder. The requirement to provide a MACC was removed from the statute. That change indicates a change in philosophy, which was intentional to allow flexibility to provide a Guaranteed Maximum Price (GMP) or how to price a particular project.

Mr. Smith suggested panels reviewing the two DB project applications should focus on the owner's definition of how to set the price, and how far along the design needs to be before selecting a design builder. Ms. Parkinson added that how to compensate people and deal with decreased competition are also important considerations.

Chair Benson recessed the meeting from 11:42 a.m. to 11:50 a.m.

Ms. Parkinson reported an owner must provide sufficient information to the design builder or the owner must be flexible with its contingency to address design issues and changes. An owner must understand associated environmental and permitting issues as those components are typically unpredictable and carry big costs. Occasionally the responsibility shifts to the design builder in the private sector. However, within the public sector, permitting must be in place unless the owner provides for a significant contingency. Shifting responsibility for the land from the owner to a design builder will result in considerable cost increases, which is not necessarily in the public's best interest. Owners must establish an underlying plan and communicate the plan during design. If an owner wants to let go of the design and shift risk, design builders are happy to assume the legal responsibility because they can manage the risk. One reason to use DB is that a design builder can do it better, have enhanced ideas, innovate, and save money.

A slide discussing percentage of design as included in or required by DB in the RFP was presented. The more design an owner provides in the RFP process, the more the owner is responsible for the design. Ms. Parkinson described the difference between prescriptive and performance specifications. The more prescriptive the specifications, the more risk an owner assumes. Information provided by the owner is important as to what risk they take and bring back. Risks specific to DB include a competitive procurement process, design versus performance specifications, single point of responsibility, duties of good faith dealing, and establishing the price.

Chair Benson asked about examples of projects that are not good candidates for DB delivery. Ms. Parkinson said she recommends an owner conduct a risk analysis summary report. Risks are best suited to the party who can manage price or insure a risk. General conditions of a contract cost money. The amount of insurance a

design builder is asked to provide costs money. Bonding requirements cost money. The owner needs to understand these things before asking for a price. There are pros and cons to the DB procurement. A basic building with nothing particularly unique is not a good candidate. Because the statute limits the DB alternative delivery, projects are likely specialized and DB provides an advantage over a basic DBB project.

Chair Benson recessed the meeting from 12:10 p.m. to 12:19 p.m.

**Project Application Review for DB – Washington State University (WSU) – Phase 3 – Martin Stadium Renovation Project**

(Panel Chair Dave Marberg, panel members John Mannix, Keith Schreiber, Christy Trautman, Jim Anderson, Tom Balbo, Dan Chandler, and Bob MacIssac). Panelists provided self-introductions. Panel Chair Marberg described the application review procedures.

Jerry Schlatter, AIA, Associate Vice President, Mike Leonas, Project Manager, and Keith Bloom, Director – Construction Services, provided self-introductions. Mr. Leonas clarified that WSU uses a handbook of professional practices describing DB delivery. WSU develops a schematic design with one architect or consulting firm. That schematic design becomes the basis for the DB design. WSU will then typically hire another consulting team to complete the design and construction. That is the process WSU will use for the Martin Stadium Phase III project.

Mr. Schlatter emphasized WSU was certified for the GC/CM methodology earlier in the year. The proposed project is part of a master plan for the Martin Stadium renovation. Construction of Phases I and II, which total \$24 million under a GC/CM contract, should be completed by early summer. The Athletic Department believes Phases III and IV provided a unique opportunity for the private sector to participate. Phase IV consists of an end zone condition for the future. WSU's Department of Capital Planning and Development (DCPD) has met with the Athletic Department, alumni, and advisory committee. The project is funded by donor contributions from the private sector, bonding, and cash. Phase III totals approximately \$42 million.

Mr. Schlatter provided answers to written questions submitted by panel members in advance of the meeting, summarized as follows:

- ***Sounds like the project may be better qualified for the GC/MC process rather than DB.*** WSU believes DB is more effective to preserve project timeline, schedule and cost. The General Contractor (GC) and A/E are on the same team to resolve design and construction issues with the owner. The owner is hoping the team will provide some creativity. GC/CM is not the best approach given funding, visibility, and the need to respond quickly to market conditions.
- ***How much of the design has been completed by HOK and others? Will they remain involved in the process in the future and, if so, at what capacity?*** WSU worked with HOC and other firms on earlier phases. WSU knew it wanted to go a different direction with Phases III and IV. There is no reason to carry on with that team. DCPD plans to represent the owner's position.
- ***Please discuss what risk the DB contractor will face and what will be done to help mitigate those risks.*** The most significant risk is the structural specialization and schedule restraints. A DB team can minimize risk, which is an important aspect of the overall project. WSU will remind the design builder that they are responsible for risk going into the job, and that DB is a different approach. Constraints consist of the university's isolated location in Pullman, weather, and labor supply.
- ***Have you polled likely contractors?*** Yes. WSU has a stable of capable contractors. At least three are willing to entertain the project, which are on site doing work now.

*CPARB PRC DRAFT MINUTES*

*January 24, 2008*

*Page 10 of 22*

Slides showing composites of Phase I (south edge of stadium), Phase II (east end of building), and Phase III (proposed schematic and elevation) were presented. Phase III includes 7,200 square feet of building area that will seat a minimum of 1,800-2,000. Seating is broken into outdoor club (1,100 seats), indoor club (145 seats), 30 loge boxes (150 seats), 16 suites (288 seats), and the President's box and Athletic Director's box. The owner is open to creativity that will be measured against the schematic design. Development criteria, specifications, and program requirements will be documented before initiating the project.

Mr. Leonas responded to written questions submitted by panel members prior to the meeting concerning budget. He acknowledged that following the format prescribed in the application was confusing. The total budget does not include a \$2 million allocation from the school board. Direct construction and general conditions makes up 67% of the overall budget. Budget components, including direct construction cost and contingencies were examined.

Mr. Schlatter added that the contract price totals approximately \$38.9 million.

In response to the question, *does WSU plan on paying the short list proposers a stipend for document development*, Mr. Leonas replied that the is owner is advertising the stipend as part of the RFQ.

Mr. Bloom reported project construction will span at least one football season, possibly two. The current construction schedule spans 28 months with a three to four month window for football. Coordinated design needs to support an integrated construction schedule to ensure the stadium is fully functional during the football season. A restriction concerns lights, as they need to be removed and replaced before the next season. Pending PRC approval, the owner is ready to go to work next week. WSU expects to select a design build team by mid-July and establish a GMP by early August. Construction will commence in January 2009 and run through May 2010.

In response to the question, *does WSU see a need to hire an outside DB consultant*; Mr. Bloom replied WSU is keeping the option open. An organizational chart was provided and reviewed.

Mr. Schlatter clarified WSU does not anticipate hiring a DB consultant at this time. If outside expertise is required, it will likely be accommodated by peer review for structure, schedule, value engineering, and energy.

Mr. Marberg asked what percentage of the design WSU intends to have completed before hiring the DB contractor and how much risk WSU is willing to assume. Mr. Schlatter said schematic design is complete. Applicants will be asked to match or better the design. Physical on-the-ground parameters are known. Approximately 60 feet behind the building is available for lay down. Reconstruction will occur under a separate contract.

Mr. Marberg asked whether WSU's contractor pool has substantial DB experience. Mr. Schlatter replied that there are three major firms active on campus possessing considerable DB experience.

Mr. Marberg asked at what point in the project WSU will set the price once the design builder is brought on board. Mr. Schlatter replied the expectation is to sign a contract in August to accommodate financing. At that point the owner will know the GMP and whether or not the athletic department has generated sufficient cash for the project. Award is anticipated in early 2009. WSU plans to bring on the DB contractor as soon as possible.

*CPARB PRC DRAFT MINUTES*

*January 24, 2008*

*Page 11 of 22*

Mr. Schreiber asked if giving proposers 5-6 weeks is adequate time to address critical structural elements and driving WSU's decision to use the DB delivery. Mr. Schlatter answered a proposer is currently on-site and another is working next door. There is a good possibility the two could share the same structural engineer and architect.

Mr. Schreiber commented that Lawrence Harrison, a project manager with DCPD and central to the proposed organizational chart, has no DB experience. Mr. Schlatter responded it's his job to ensure the job is done right. He said he has an open door policy, has completed many successful APW projects, and is comfortable with the proposed arrangement. Mr. Harrison recently completed a GC/CM project in the tri-cities, and is well qualified to deliver this project with some coaching.

Mr. Chandler asked if applicants will be asked to give a GMP at the proposal stage (July). Mr. Schlatter answered yes. Mr. Chandler asked if WSU plans to use a GMP rather than a lump sum. Mr. Schlatter replied the intent is to use GMP and to consider it when the contract is signed. A challenge is whether funding components do not come together in August it will have to be open book. Mr. Chandler asked if it will be clear at the RFQ stage whether the job advances or not is subject to funding. Mr. Schlatter answered yes.

Mr. Chandler asked if WSU has considered the amount of the stipend. Mr. Schlatter said it is a minimum of \$150,000. The team is comfortable with negotiating the amount.

Mr. Chandler asked if WSU views GC/CM as an option if there isn't much interest from contractors to bid the project. Mr. Schlatter said it depends. If the university receives one proposal and the design builder understands the project, then WSU will probably be comfortable. All the parties are focused on DB.

Mr. Anderson asked the team to respond to question #5, which was submitted prior to the meeting. Mr. Bloom said WSU is evaluating the University of California's system. California's DB documents are extensive. Mr. Schlatter added WSU is approaching the project as an AIA program – bridge design. The team will use the AIA program, those from other state agencies, and WSU's existing DB and GC/CM processes to develop a usable document.

Mr. Balbo asked if the RFP will include detailed program and performance criteria. Mr. Schlatter affirmed criteria will be included and WSU will refer to existing standards. Athletics has a long list of program requirements.

Mr. Balbo said what about other risks WSU might shift to the DB team in addition to errors and omissions. Mr. Bloom said the DB team will be responsible for the risk of the design. The DB team will own the work product. As the owner, WSU will take control of the documents. The design builder is responsible for structural calculations. Mr. Schlatter added he anticipates assigning a liquidated damages risk clause. All risk will be shifted to the DB team.

Mr. Mannix said he's struggling with the concept and understands that the more information the owner provides to the design builder, the more risk an owner assumes. Mr. Schlatter explained he's been involved in major projects where WSU has laid out a system for construction. Contract documents include language similar to, "as bidder on this job, it is your responsibility to assume it." Mr. Leonas added WSU will provide schematic, program, and related information. During that time, proposers have an opportunity to come to the owner and recommend changes. It's a collaborative effort.

Mr. Balbo asked what is so specialized about the design or construction elements that qualify the project for DB. Mr. Schlatter explained the understructure of the building is unique as well as its proximity to the building to the west. There is piling in the ground. Elevator shafts could be slip form, which has not been previously constructed on campus. Mr. Bloom added that construction will be ongoing through the football season with fans having access to the facility. Another challenge is pulling major television lights before construction begins and having them back in place on a structure that might not be completed for the next football season. A reliable design builder can assist with that element.

Mr. Balbo asked how the DB method will minimize fiscal risk of increased cost. Mr. Schlatter said the DB model will minimize fiscal risk to the university.

Discussion ensued about the GMP and factors that can impact price over time and whether WSU plans to address inflation in the RFP or contract documents. Mr. Schlatter said the budget provides for \$1 million to address GMP contingencies. Inflation will be addressed.

Ms. Trautman pointed out that shifting risk to the design builder will increase costs to the university. She asked what percentage of points the owner is assigning to cost versus technical information that will be evaluated. Mr. Schlatter said criteria are defined. If WSU is asked to compromise the criteria, there are savings in that regard. He acknowledged the university will be fortunate to get the job done at the projected estimate.

Ms. Trautman asked if WSU will consider innovative ideas that may cost more money. Mr. Schlatter said the university will entertain an innovative idea if it meets or beats the estimate.

Discussion followed about an expected level of sustainability performance. Mr. Schlatter replied WSU has not explored Leadership in Energy and Environmental Design (LEED) certification for the project and probably won't because it's not required. However, the university will consider whether the project is certifiable. Mr. Bloom added WSU will entertain all opportunities.

Mr. Marberg said the more the owner tries to control the design and construction, the more risk the owner assumes. He asked if the WSU team is willing to turn a great deal of control over to the design builder. Mr. Schlatter said the university is willing to turn a great deal of the control over to the design builder as long as the design builder follows WSU's design standard criteria. Mr. Bloom added that WSU is a code authority and employs a full time certified building official on staff.

Panel members deliberated the request. Additional comments are summarized below:

- The project application is a good opportunity for DB. There are unique coordination issues with regard to structural engineering and schedule, which are critical to the job. WSU knows what it wants to achieve.
- WSU's administration and alumni are driving the DB method of delivery. The owner states DB will provide a substantial fiscal benefit.
- Structural design is open to innovation. A concern is the proposed five-week timeframe; however, the university believes potential proposers are familiar with the concept of the stadium structure and budgeting restraints.
- It should be recognized that in this case, the GMP could be fully qualified.
- There is adequate time in the overall schedule to accommodate design and get the price under control.
- Initially there were many areas of the project more suited to GC/CM, such as interfacing with the existing building, foundation, continuous operations, and specialized lighting. However, structural steel comprises

40% of the total project. It's fiscally prudent to utilize DB because of the potential loss of income to build the stadium.

- Public agencies should have tools for procurement and design. Concurrently, agencies should have experience with all the tools. This project is new for WSU. The university has a great deal of success with major structures it has built and it is believed WSU will be successful with a DB project of this type.

Conversation followed about continued escalating prices for steel. Mr. Balbo reported steel prices have increased 3% since January 1, and will increase another 3% on February 1. There is no answer about what will happen to steel prices in June. He suggested incorporating language allowing the owner and contractor to develop a shared risk based on market factors.

There were no public comments.

Ms. Parkinson offered additional comments to the WSU team. More than likely, applicants will rely on bridging documents as a foundation to establish assumptions based on the short timeframe for responses. WSU is encouraged to balance the schedule versus shifting all of the risk. It is probable the university will accept the risk for the bridging documents because of the short timeframe. Ms. Parkinson indicated she would follow up and provide contact information to WSU concerning architects who have successfully completed bridging documents.

**Keith Schreiber moved, seconded by Tom Balbo, to approve WSU's project application for DB for Phase 3 – Martin Stadium Renovation Project. Motion carried unanimously.**

Chair Benson recessed the meeting from 1:19 p.m. to 1:33 p.m.

**Project Application Review for DB – City of Olympia – Olympia City Hall Project**

(Panel Chair Rodger Benson, panel members Gary Arndt, Eric Smith, Peg Staeheli, Christy Trautman, Jonathon Hartung, Penny Koal, and Phil Lovell.) Panel Chair Benson described the project application review process. Panelists provided self-introductions.

Dan Chandler, Olympic Associates Company (OAC), reviewed background information about his firm. He introduced an agenda. A PowerPoint presentation was provided.

Steve Hall, City Manager, City of Olympia, explained the City has had three City halls in its 150-year history, two of which are in use. The City Council unanimously approved the old Safeway parcel in downtown Olympia as the future site for a new City Hall, which is the Council's number one priority. It's a critical project that needs to be delivered on time and within budget. Mr. Hall described the evolution of the City Hall project which has included four programming studies and two conceptual designs.

Currently, Olympia government is housed in 13 buildings in the downtown area. Olympia is spending \$500,000 to lease buildings that don't meet the City's needs. The intent is to provide better customer service to Olympia residents, more effective government services at a single location, and an opportunity to invest in the downtown. Olympia began working with a local team of architects, engineers, and contractors a year ago to pursue a lease-purchase approach. Unfortunately, that team was unable to put the financing together and withdrew. Consequently, an opportunity to pursue DB through this process fit nicely with the best way to produce the project. Considerable discussion has occurred on how the building will look, feel, and function. The design proposes a unique customer service approach consisting of self-help kiosks in the lobby area and one-stop shopping. City Hall will serve as a hub for information services for the Fire Station and Parks

Department. A map showing the current City Hall site and the proposed Safeway site was displayed. The efficiency rating of the current City Hall facility is 46%. The Safeway site is located only a few blocks away from the current location of City Hall. Infrastructure is in place that makes fast track construction easier. A slide showing the Safeway building was displayed. Mr. Hall reported old, vacant buildings are often turned into "Dollar Stores," which does not match the Council's vision for downtown.

Mr. Hall reviewed an organizational chart. Olympia hired K&L Gates to provide legal counsel, as well as a group of consultants to ensure the project follows the DB process. City Project Manager Rick Dougherty has dealt with dozens of complex projects.

Court Olson, Senior Project Manager, OAC, introduced Mr. Dougherty, Assistant City Manager Subir Mukerjee, Director of Administrative Services Jane Kirkemo, and Tom Morrill, City Attorney. Mr. Olson said the presentation should answer written questions submitted by panel members prior to the meeting. He reviewed his DB experience spanning more than 20 years and how OAC approaches DB projects. Slides showing the Three Rivers Convention Center in Kennewick and Washington PUD Association Headquarters in Olympia, both DB projects delivered by OAC, were shared. The RFP OAC produced for the Three Rivers Convention Center project was displayed. The RFP resulted in three good proposals. The project was successful and has since won several awards. The PUD headquarters was a relatively small project consisting of 12,000 square feet. OAC assisted the owner to define what they wanted.

Reasons to pursue the DB procurement method include fast schedule, conducive to the City's LEED and high energy efficiency goals, Olympia citizens and the Council support the strategy, DB limits budget "creep" risk, reduces dispute risk, reduces city management time and effort, and will provide best value. An estimated budget was reviewed at a total cost of \$39.5 million.

An overview of the DB schedule was reviewed. Selection is expected in July 2008. Design will commence in May and run through December 2008. Construction is expected to begin in August 2008. The target is to complete the project in December 2009.

Panel Chair Benson inquired as to why DB is the best APW option to deliver the City Hall project. Mr. Hall said it's important to begin the project as quickly as possible. A year ago, the lease-purchase alternative seemed the best method. However, Olympia did not have access to the DB method at that time. After that team was unable to put the financing together and withdrew, the City determined DB would ensure the project was completed on time and within budget. Olympia has determined what it needs in terms of a LEED certified building, special features for the police department and customer services areas, and wants to put the program in the hands of an experienced design A/E team.

Panel Chair Benson asked what risk the owner is taking on with DB compared to other delivery models (developer delivered building, GC/CM, or DBB). Mr. Morrill said the developer-delivered building is a different concept in terms of risk because the developer assumes all the risk. The City is not obligated to pay any construction costs with a lease-purchase arrangement. The City is only obligated to lease the building, which was a nice idea. The City assumes much more risk with the DB process. By purchasing the property, the City is obligated to clean the site and issue traditional bonds rather than developer-financing. DB offers a more streamlined process for the developer. Mr. Hall added that Olympia will rely on a good intensive process upfront to define the program with contingencies for changes.

Mr. Lovell asked whether the team has a specific program for the facility on the Safeway site. Mr. Morrill said the City has a layout of required spaces for department functions. However, it's not overlaid on the Safeway

site. Mr. Olson said the team will not produce bridging documents. The site will be left as is following cleanup for the DB team to orient, organize, and compress the program into space that the design builder determines.

Mr. Smith acknowledged the price includes a life cycle analysis for one year of energy costs, which means some level of engineering is required to answer that question. He asked what is involved in the analysis and at what point in the process will analysis be conducted. Mr. Olson replied the PUD project was complicated in terms of space and engineering requirements. The City Hall building is much larger with more departments and different types of spaces. Giving proposers additional time will ensure DB teams can complete the analysis. Mr. Morrill said the goals are to meet time and budget constraints, provide a cooperative and fair process, as well as ensuring the design builder is satisfied.

Discussion followed about the energy piece of the cost that requires some engineering and assumptions for consumption of the various programs. Mr. Olson explained the owner will likely need to provide plug load and user demand assumptions to level the playing field.

Panel Chair Benson said a myriad of questions will emerge in the process. He asked how the owner will communicate changes to design builder teams. Mr. Hall explained that the City initiated programming work on the prior building that included employee and customer input. The framework for employee feedback concerned critical issues such as security, customer service, and technology, all of which have been defined in words and documented. The previous developer applied the feedback and developed a program. The City's executive and support staff teams have met and evaluated how it all works. The program can be communicated to the design builder and will be spelled out in the RFP. Mr. Olson said the RFP is not the "final say." There will be an opportunity for input from design builders and answers will be distributed to all proposers.

Ms. Staeheli said Olympia has a strong sustainability goal and LEED ethic. She asked what LEED the team is striving for, how the City defines sustainability, and how that will be conveyed in the materials. Mr. Olson explained that the City has been focused on site selection. The Council approved the Safeway site a week ago. The team has not had time to develop the total program. Olympia is conscience of the life cycle cost concerns and is interested in good energy performance. Where that takes the City on the LEED spectrum has not been determined. It's likely the team will target LEED Gold with an option for LEED Platinum. Mr. Hall indicated the Council wants LEED Platinum and wants City Hall to be the second certified platinum building in the state. Budget is a factor. LEED points will help minimize future costs.

Mr. Chandler stated the challenge and notoriety of LEED Platinum status is very attractive and will help attract competent contractors and designers.

Mr. Morrill added the DB methodology is attractive to the LEED process.

Ms. Staeheli said it's important that the City Hall complex conveys that the City is working for the community. The community isn't going to care about adjacencies but will care about how the building looks inside and functions. Mr. Hall conveyed those considerations are also critical to the Council. Staff has spent considerable time evaluating the customer service aspect. The building needs to say the public is welcome and city government "lives here." Customers get the first floor. He agreed City Hall is a building for the public.

Discussion followed about whether the City can fit the program within the site. Mr. Hartung asked the team to describe how it will approach criteria. Mr. Olson explained energy criteria will be performance based. The

spatial areas are fixed as minimums. A host of criteria will apply for each space to determine finishes, audio and visual characteristics, acoustical characteristics, the amount of power and data outlet capability, and security. The owner will not specify structural systems with the exception of emergency awareness. Criteria will be defined in RFP documents.

Panel Chair Benson asked how the owner will make the process attractive to design builders. Mr. Olson answered Olympia will provide a substantial honorarium. The team has initiated conversations with potential design builders. Panel Chair Benson commented that proposer resource capacity is key and an honorarium is very important. He suggested Olympia should make many contacts to encourage design builder response.

Mr. Chandler said another goal is to ensure the City's DB process is clearly defined. The honorarium should be larger and LEED certification could be an attractive component.

Ms. Staeheli said allowing sufficient time is important for a design team to meet sustainability requirements. The proposed schedule is tight and aggressive. The team should be receptive to input from proposers. Mr. Olson reported three architectural firms have expressed interest in the project.

Mr. Lovell asked if the Safeway site will require environmental remediation. Mr. Morrill advised that it will. A scoping document and an assessment were completed based on available information. There are no outstanding zoning or use questions.

Discussion ensued about the proposed budget and the 10% owner contingency, whether a breakdown of the contingency will be provided to proposers, and the difference between the design development contingency in the \$2.9 million owner's contingency and design development contingencies contained in the \$29.5 million design and construction component. Mr. Olson said a breakdown will not be provided to proposers. The distinction depends on how the design development contingency is defined (owner, design builder). Design development concerns conditions that change in terms of design or design parameters in the course of executing DB.

Ms. Koal asked how the team will facilitate changes that need to be made quickly. Mr. Hall said the City Hall project team includes two Councilmembers. The project team will meet weekly. Changes will be filtered through the project team. The project team will forward recommendations to the Council.

Conversation followed about identifying a GMP within 70 days, qualifications, assumptions, building in an escalation factor, and allowing proposers additional time to prepare RFPs if necessary. Mr. Hall emphasized that the City is willing to spend more time on the front end. Mr. Olson said one reason for hiring a design builder mid or late summer is developing a design by the end of the year that enables the builder to pursue large bulk of buyout at the end of the year. Much of the price increases occur the first of the following year.

There were no public comments.

Additional comments from panel members are summarized below:

- The owner has done a nice job of surrounding themselves with outside expertise, and has presented a well thought out plan about how to execute the project. There are concerns about the amount of time allocated to competitors to work through creativity options.

- OAC is capable of executing a DB project. The owner was complimented about understanding its risks with the DB methodology. Controls are in place. The member feels confident the team can deliver a successful project.
- The owner has researched public issues and programming needs. It is critical to define a more complete and accurate program and/or proposal.

Mr. Hall thanked the PRC for its time. The City knows what it wants, has a good understanding of what the City can afford, and has put together a team that will deliver a successful project. Cost and time are important and is why the DB process is the best fit for the new City Hall project.

**Phil Lovell moved, seconded by Christy Trautman, to approve the City of Olympia's project application for DB for its City Hall project. Motion carried unanimously.**

Chair Benson recessed the meeting from 2:35 p.m. to 3:00 p.m.

**Project Application Review for GC/CM – Fort Vancouver Regional Library District (FVRLD) – New Main Library Project**

(Panel Chair Rick Benner, panel members Gary Arndt, Paul Berry, Jonathan Hartung, Penny Koal, Mike Shinn, and Eric Smith.) Panel Chair Benner welcomed FVRLD representatives. He described the application review procedures. Panelists provided self-introductions.

Bruce Ziegman, Executive Director, FVRLD, described the proposal to construct a new main library in downtown Vancouver. It replaces the existing undersized facility. The new main library was made possible by voter approval in 2006. The measure also attracted a \$5 million anonymous donation. The library wants to partner with Killian Pacific and the Riverwest project to construct a 90,000 square-foot library space on four floors, including a mezzanine and basement on top of a shared 900-space parking garage. Two hundred of the 900 spaces are designated for library patrons. The new library is part of a new multi-use development, which includes a civic plaza, 17,000 square-feet of retail space, a "boutique" hotel, a condominium tower with 200 single-family residences, and 100,000 square feet of office space in addition to the parking garage.

Mr. Ziegman introduced team members Sian Roberts, AIA and Principal in Charge for Miller/Hull, Rita Levesque, Project Manager – New Buildings, FVRLD, Dennis Sword, Construction Manager and owner representative, Patty Duitman, District Operations Director and lead negotiator, FVRLD, and Steve Burdick representing Killian Pacific. Mr. Ziegman reviewed the team's construction experience and respective roles in the project.

Ms. Roberts provided a PowerPoint presentation. Miller/Hull is experienced with the DB delivery method. The new library is a good project for DB. The owner wants to build relationships with the developer and design teams. Ankrom Moisan is the architectural firm working with Killian Pacific. The Riverwest project has a contractor on board.

An aerial photo of the surrounding vicinity was displayed. The proposed site was pointed out on the vicinity map and an architectural site plan was shared. Development components and associated complexities were reviewed. It's important to coordinate with the developer, understand the plaza design, and incorporate the library's influence on the plaza pattern. Site design status drawings were reviewed.

A schedule reflecting the GC/CM component was presented and examined for the library and Riverwest projects. The schedules are beginning to coincide. Completion of schematic design is expected in late April,

which provides adequate time to issue the RFQ and RFPs and conduct interviews prior to schematic design costing. Cost reconciliation occurs at the end of each phase. Library construction will commence immediately following Riverwest's garage construction. The schedule is generous. There is time for the library's GC/CM to coordinate with the contractor for the Riverwest project.

Ms. Levesque elaborated on the owner's knowledge about the GC/CM process, the owner's experience, and team construction background. She stated she does not have GC/CM or APW experience. Her expertise is in commercial real estate. She outlined her experience as the library's representative, project manager for a number of different real estate developers, assistant project manager for both a general construction and a subcontracting company, and her experience in negotiating contracts and subcontracts primarily for DB. She said she will work with the design and in-house project teams and the GC/CM on a day-to-day basis to ensure the library project remains on track in terms of schedule and budget. The Cascade Park and Battleground Library projects are on parallel paths. Groundbreaking is scheduled for the second quarter of 2009. A general contractor will be hired for both of the projects through the design phases. The budget will be closely monitored. The MACC will be negotiated at 90% CDs.

Mr. Sword described his construction management background and public works experience. He said he's worked for the library for more than 22 years as a Facilities Manager and has worked as a commercial carpenter and general contractor. He said he does not possess GC/CM experience and is looking forward to gaining that knowledge. He shared that he's familiarized himself with the 2005 Joint Legislative Audit and Review Committee (JLARC) report and plans to attend a GC/CM study group session next week. Although GC/CM is a different delivery method, it's not that much different compared with other construction methods.

Ms. Roberts attested to the detail oriented nature of the owner's team. She noted the project will involve a huge collaborative effort. Library staff is addressing collection and functionality of book layout and building logistics. She said she is pleased with the progress of the other two library projects. The Cascade Park project is a venture between the FVRLD and the City of Vancouver and its Parks and Recreation Department. The Battleground project is unique and is possible with the developer providing the core and shell. The developer is also discounting land costs.

Mr. Berry said the project structure is clearly a valid candidate for GC/CM. The PRC must determine whether there is adequate expertise and resources available to successfully deliver the project. He said he respects the work of Miller/Hull. However, the role of an architect and an architectural firm in the GC/CM process is very different compared to the owner's role. GC/CM documents are project-specific. He expressed concerns about the owner's understanding of the mechanism and how to apply it. Ms. Levesque said the owner would like to rely heavily on the guidance of Muller/Hull, but will assume the responsibility for developing the documentation. The team understands the complexity of the project and why the library is requesting to use the GC/CM delivery model. Selecting a general contractor starts by prequalifying to ensure proposers come to the table with the skill level needed for the process. A short list of respondents will be determined and the RFP issued accordingly. A detailed evaluation review process will be modeled after Miller/Hull. At that point, Ms. Duitman will step in and assist with the negotiating process to clearly identify preconstruction services, fees, and general conditions to ensure proper coordination between the owner's general contractor and the developer's general contractor. Costs will be reconciled at the end of each phase. The MACC will be established at 90% with the construction phase immediately following.

Mr. Berry expressed concerns about the nature of the RFQ and RFPs that will result if the library doesn't already have contract documentation clearly defined.

*CPARB PRC DRAFT MINUTES*

*January 24, 2008*

*Page 19 of 22*

Mr. Benner pointed out that the schedule was changed to address that issue.

Mr. Hartung asked what specific experience Miller/Hull has with assembling CDs and pre-built conditions for GC/CM projects. Ms. Roberts said Miller/Hull will not put together “division zero” or the actual contract between the owner and contractor. Miller/Hull will develop the drawings and specifications. The library system does need to address, research, and provide those details.

Discussion followed on the owner’s legal firm and the process to develop the contract and identify conditions.

Mr. Shinn asked whether the library will be constructed on top of the parking garage and whether the developer will build the residential tower. Mr. Burdick affirmed that is the plan.

Mr. Shinn asked if the contractor has been selected. Mr. Burdick reported HA Anderson was selected as the GC/CM for those components. The garage will consist of four quadrants separated by sizeable joints. The library will sit on one of the quadrants. The condo tower, hotel, and office building will occupy the other three quadrants.

Discussion ensued about which construction components will pay prevailing wages. Mr. Burdick explained that it is one of three projects in the state that was awarded lift funding. The City of Vancouver is using that mechanism and will be part owner of the garage. The garage will be constructed with union jobs at prevailing wage rates. He said he’s unsure how much of the off-site work consists of prevailing wage work.

Mr. Shinn asked if the condo tower will consist of concrete or wood construction. Mr. Burdick replied that the condo structure will be of steel and glass construction. Mr. Shinn asked if HA Anderson is constructing that piece as well. Mr. Burdick replied yes. Mr. Shinn asked what type of contractor arrangement is anticipated. Mr. Burdick said a GMP is anticipated.

Ms. Roberts added the garage will be financed by the city. Mr. Burdick explained once the garage is constructed, the City will purchase its portion (900 spaces of which 300 will be segregated for condo residents). The remaining 600 spaces will be owned jointly between the developer and the City of Vancouver. It is a private job. The City will buy its portion upon substantial completion. Ms. Roberts added it’s a private project with a contract based on a GMP.

Dialogue ensued about why it’s not possible to combine the private and public projects because of legal restrictions. Mr. Burdick said the library proposal is subject to Washington public bidding and prevailing wage requirements.

Mr. Smith expressed concerns about whether the owner understands the GC/CM delivery model. He asked how the team plans to put together a RFP that spells out to applicants how they will be evaluated, what the steps are, outlines scoring criteria, and explains how price and qualifications are ranked. Ms. Duitman replied that although the owner has not engaged in a GC/CM process, the process described is used for many projects. Components will be evaluated and the most important identified. The RFP will be clear so that applicants have an understanding of expectations and how they will be scored. A similar process is used internally for major purchases. The team understands the RFP process.

Members discussed the library’s expectations related to the GC/CM procurement and design construction processes and interaction between the GC/CM and developer. Ms. Duitman said the GC/CM will work collaboratively with the project team. It’s important to bring the contractor on early to address potential

problems and develop best solutions with the developer and project team. The architect, library staff, and general contractor are critical elements to the owner's team. Ms. Levesque added the library has an excellent working relationship with the developer. It's anticipated that the GC/CM will interact daily with the library team and weekly with the developer.

Mr. Berry asked if the owner believes the GC/CM process is no different compared to a traditional DBB process once construction starts. Mr. Sword replied that the construction itself is generally similar, but the GC/CM process is different. The dynamics between DBB and GC/CM methodologies are quite different.

Mr. Smith said it appears the GC/CM will be on board approximately a year before construction begins. He asked what contractual mechanism the owner will use to undertake the preconstruction phase. Ms. Duitman answered the team will probably begin with separate contracts - one that outlines expectations for the initial phases and another that identifies milestones, next steps, and a percentage of the MACC that are paid towards the initial part of the project to establish a total construction figure.

Discussion ensued about potential activities, including a design assist process throughout the preconstruction period, and construction dependencies between the public and private projects in addition to the parking garage.

Ms. Koal asked how the library's schedule could impact other development components and other related consequences. Mr. Burdick explained the library could move forward as a stand-alone component on the 3.8-acre site. The library and square are the two icons that make the project for the developer.

Ms. Roberts added one option is to build one component without the others. Another option is dividing the garage into quadrants and connecting the pieces later. There could be delays.

Panel Chair Benner solicited public comments.

Mr. Benson said he finds the project intriguing. It's probably the most complex job he's seen from a public owner and will present a challenge for any owner. Everything (criteria used for GC/CM selection, price, and qualifications of applicants) changes if the platform doesn't move forward and the schedule adjusts. There is the chance for limited competition. Coordinating work with a contractor who has control creates unbelievable segregation cost issues (private and public funding). The issue is what occurs if there is only one bidder. The panel is responsible to determine if a project merits the GC/CM delivery and whether the owner has a good chance of being successful using the methodology. It's not clear how the owner will address pertinent issues and could benefit from hiring a GC/CM consultant.

Ms. Moses agreed. She asked if the library will own the parking garage in its entirety. A representative answered no. Ms. Moses clarified that a prevailing wage job does not mean it is a union job. The proposal is complex.

An owner representative said the project will be very complex regardless of the GC/CM process. The team believes a GC/CM will be an asset to help the owner work through the issues.

Mr. Burdick said the developer has been urging the library to pursue the GC/CM delivery model. There are more pitfalls associated with DBB. He suggested the panel consider a condition of approval, such as the owner bringing GC/CM expertise to the team. Panel Chair Benner said the PRC is unable to render conditional project approval.

Additional comments from panel members on the library project are summarized as follows:

- There is no question the project warrants the GC/CM process; however, the team does not have the experience to execute the delivery. The FVRLD was strongly encouraged to find consultants experienced with the GC/CM process, bring a consultant on board, add contingency funds in the budget, and resubmit the application to the PRC.
- There are too many unknowns. The design is not far enough along. There is time in the schedule where the owner could come back to the PRC with additional information.
- The new library is an exciting project. A challenge is attracting competition. The owner needs someone with specific GC/CM State of Washington experience and it would be prudent to invest in that element upfront. The owner team is missing a key player – a very experienced GC/CM.
- There are specific owner responsibilities that are lacking. It could be a successful project with the right expertise. If the project goes wrong, it will go wrong in a big way.
- The library district should employ consultant expertise throughout the process. It's also the most complicated proposal the PRC has reviewed.
- A member indicated they could entertain approving the project with the right experience on board.
- This is a unique public/private venture.

Discussion ensued about HA Anderson filling the GC/CM role, potential conflicts of interest if a contractor represents both a private developer and public owner, separating costs, and if something happens who has the deep pockets. Mr. Berry encouraged the owner to disqualify HA Anderson from acting as the library's GC/CM. Those interested in the project will know they don't have to compete against that contractor.

**Paul Berry moved, seconded by Eric Smith, not to approve the Fort Vancouver Regional Library District project application for GC/CM for its new main library project. Motion carried unanimously.**

Chair Benson recessed the meeting from 4:16 p.m. to 4:25 p.m.

*A quorum is no longer present.*

#### **Application Review Post Mortem**

Committee members agreed the DB training and discussions were helpful. Additional comments are summarized below:

- Committee members understand risks associated with the construction industry.
- DB is not a process. There are a myriad of DB approaches that can be successful or that can fail. The law is written around one process. The statute could benefit from some cleanup language.
- There are political opinions for not expanding DB, but to tighten it up. Washington's statute is very restrictive.
- JLARC did not do a good job of evaluating DB. A few members agreed that both JLARC and CPARB focused on GC/CM during the last legislative session.
- Gaining an owner's project manager's perspective about DB would be beneficial.
- The PRC could convey to CPARB that the DB statute is difficult to work with.
- Not many public owners are interested in pursuing DB and owners are not eager to relinquish control over project design.
- Owner clients don't understand the DB process.

Discussion ensued about existing DB language, refining criteria to enable the PRC to more efficiently evaluate potential projects, and that more and more agencies are leaning towards developer delivered buildings for a variety of reasons.

Mr. Benner asked if the CPARB is discussing best value practices. Chair Benson said the CPARB's strategic plan includes best value practices for the 2009 legislative session.

**Application Pipeline Review**

Mr. Dixon reported it appears the University of Washington plans to submit a project application for DB for the Regional Scale Nodes Project.

**Set Next Meeting Agenda**

Ms. Moses asked whether the PRC is expected to comment or testify concerning CPARB proposed legislation. Chair Benson replied that testifying before the Legislature is the CPARB's responsibility.

Discussion followed about logistical challenges associated with several project review panels meeting at different locations to accommodate scheduling.

Mr. Berry said there have been prior discussions about sending panels to eastern Washington and other venues if needed. Chair Benson commented that sending eight members to Spokane is far more expensive compared to scheduling multiple panels to review applications on the same day at the same location. Mr. Berry suggested scheduling several panels on different days at the Department of General Administration building in Olympia. Chair Benson replied a change in the bylaws will be needed.

Mr. Benner added that the PRC has considered several owner certification applications requiring the entire committee's participation. It's rare for four application reviews to be scheduled during a meeting.

Members discussed the potential for dual panel locations and developing a streamlined process to reimburse PRC members for travel expenses.

**Adjournment**

**With there being no further business, Chair Benson adjourned the meeting at 4:50 p.m.**