

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE
Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington
March 27, 2008
9:00 AM**

MEMBERS PRESENT

Darlene Septelka, Landon Construction Group
Christy Trautman, King County
Penny Koal, General Administration
Bob MacIssac, Port of Seattle
Gary Arndt, PE, Parametrix
Jonathan Hartung, SHKS Architects
Keith Schreiber, AIA, Schreiber Starling & Lane Architects
Tom Peterson, Hoffman Construction Co of WA
Rodger Benson, Chair, MA Mortenson Company
Tom Balbo, Ferguson Construction, Inc.

Phil Lovell, Turner Construction NW
Mike Shinn, Shinn Mechanical
Darron Pease, Pease & Sons, Inc.
Gary Baldasari, AIA
Paul Berry, Harris & Associates
Jim Anderson, Burton Construction, Inc.
Rick Benner, Western Washington University
Fred Tharp, WSDOT
Miriam Israel Moses, Rebound

MEMBERS ABSENT

Dave Marberg, University of Washington
Eric Smith, Vice Chair, University of Washington
John Mannix, Spokane Public Schools

Peg Staeheli, SvR Design Company
Dan Chandler, PE, AIA, Olympic Associates Co.

STAFF, GUESTS, PRESENTERS

Robyn Hofstad, GA
Cheri Lindgren, Puget Sound Meeting Services
Jim Dugan, Program Manager – GC/CM, Gig Harbor
Darrell Winans, Treatment Plant Operator, Gig Harbor
Rob Karlinsey, City Administrator, Gig Harbor
Jeff Langhelm, PE, Senior Engineer, Gig Harbor
John Burk, PE, Project Manager, Parametrix
David McBride, PE, Design Engineer, Parametrix
Lorne McConachie, Architect Principal, Seattle Public Schools
Nancy Callery, Architect Project Manager, Seattle Public Schools

Ron English, Deputy General Counsel, Seattle Public Schools
Donald King, DKA Program Manager, Seattle Public Schools
Don Gillmore, BEX Program Mgr, Seattle Public Schools
Mike Finnegan, Operations Manager, Seattle Public Schools
Chuck Clegern, Asst. Program Mgr, Seattle Public Schools
Robert Evans, Project Manager, Seattle Public Schools
Rita Levesque, Project Manager, FVRLD
Dennis Sword, Construction Manager, FVRLD
Sian Roberts, Architect, FVRLD
Danielle Mangiameli, Olympic Associates
Nicole Brown, Olympia Associates
Frank Berg, CM Consultant

Welcome & Introductions

Chair Rodger Benson called the Capital Projects Advisory Review Board (CPARB) Project Review Committee (PRC) meeting to order at 9:03 a.m. A quorum was present. Everyone present provided self-introductions.

Mr. Peterson arrived at 9:04 a.m.

Approve Agenda

Jonathan Hartung moved, seconded by Darron Pease, to approve the agenda as presented. Motion carried.

Approval of February 28, 2008 Meeting Minutes

Miriam Moses moved, seconded by Tom Balbo, to add, “The PRC acknowledged the outstanding job that the Recording Secretary does with transcribing the meeting minutes” following approval of the January 24, 2008 meeting minutes on page 2. Motion carried.

Miriam Moses moved, seconded by Tom Balbo, to change “knowledge” to “experience” within the sixth line of the last paragraph on page 2 and approve the February 28, 2008 meeting minutes as amended. Motion carried.

Mr. Schreiber and Mr. Anderson arrived at 9:10 a.m.

Public Comments

There were no public comments.

Washington State Convention and Trade Center (WSCTC) 800 Pike Conversion Project Review

Chair Benson reported CPARB Chair John Lynch contacted General Administration’s (GA) legal counsel regarding the PRC’s responsibilities and auditing role for project application approvals. He reported he receives calls on a monthly basis regarding Alternative Public Works (APW) projects and whether they were approved by the PRC. The January 24, 2008 PRC minutes reflected a strong suggestion that the WSCTC hire an owner’s representative with General Contractor Construction Manager (GC/CM) experience. The subsequent Request for Proposals (RFP) excluded that requirement. There is no process when public owners do not follow through with recommendations suggested by the PRC. The PRC must be more diligent when screening and approving APW projects and/or certifications. Requests should be denied when an application does not meet the requirements of the law or when members do not believe the chance for success is good. Applicants can resubmit revised proposals.

Ms. Koal asked whether public owners are required to provide CPARB with a report on APW projects. Chair Benson replied there is a requirement. However, GA has not implemented the data collection program at this time. Most of the audit occurs at the end of a construction job and before it’s known whether a project is successful.

Members provided the following feedback:

- Conditional approvals should be treated with caution. When an owner does not incorporate recommendations offered by the PRC, it could put the project in jeopardy. Chair Benson advised that the PRC is not able to condition project or certification approval.
- Is it possible to refer the issue of contingent approval back to CPARB? Public owners are not releasing the Request for Qualifications (RFQ) until after a project is approved by the PRC. Is it possible for the PRC to review the RFQ?
- Invite the WSCTC to come back to the PRC to discuss why follow through wasn’t completed. It’s too late once a precedent has been set.
- Does the PRC have the authority to ask WSCTC to come back and explain its actions?
- It doesn’t hurt to ask the WSCTC to talk to the PRC.

Chair Benson said the scenario could have been avoided if the PRC denied the application because the owner lacked GC/CM experience. He asked that panel leads summarize comments and document recommendations in the letter to the owner. Comments provided and reflected in the minutes were not included in the WSCTC approval letter.

Mr. Benner said part of the PRC's mission is to ensure projects are successful. The committee wants to be respectful of project schedules and timeframes, both of which were factors when approving WSCTC's project application. The PRC should not be viewed as impeding the APW process. The owner is risking failure of a project when not following guidance offered by the PRC.

Mr. Hartung commented that both the WSCTC and Fort Vancouver Regional Library District (FVRLD) presentations were strong in terms of the ownership team. However, both lacked GC/CM capability. The panel denied the FVRLD project and approved the WSCTC proposal, which is inconsistent.

Mr. Baldasari said if the PRC is unable to grant conditional approvals, an application should be denied if the owner doesn't meet requirements outlined in the statute.

Mr. Tharp supported denying a request not meeting minimum requirements. The owner could approach CPARB if it disagrees with the committee's decision.

Mr. Balbo said it's important to create a paper trail and document observations and concerns in the letter to the applicant.

Mike Shinn moved, seconded by Tom Peterson, to direct Chair Benson to write a letter to the WSCTC inviting them to attend the April PRC meeting and provide an explanation to the panel on why WSCTC did not follow recommendations provided by the PRC. Motion carried.

Mr. Peterson suggested the committee should not avoid denying approval of project applications not meeting the requirements.

Chair Benson said the PRC cannot rescind project approval for the WSCTC proposal or change what has occurred. Mr. Lynch was unsure whether PRC or the CPARB has the authority to ask WSCTC to return to the committee.

Discussion ensued on panel chairs notifying owners about fatal flaws or gaps in applications prior to the meeting. Chair Benson reviewed complaints he's received from members of the public regarding WSCTC's subsequent actions following project approval by the committee.

Ms. Koal suggested sending a copy of the WSCTC letter to the CPARB as well.

Ms. Septelka commented that it appears WSCTC's RFQ was tailored to hire a certain person.

Chair Benson recessed the meeting from 9:38 a.m. to 9:45 a.m.

Project Application Review for GC/CM - City of Gig Harbor – WWTP Modifications Project

(Panel Chair Tom Balbo, panel members Jim Anderson, Jonathon Hartung, Bob MacIssac, Christy Trautman, Fred Tharp, and Miriam Israel Moses.) Panel Chair Balbo described application review procedures. Panel members provided self-introductions.

Jim Dugan, Parametrix, Gig Harbor's Project Manager, provided a PowerPoint presentation on the project. The request to use the GC/CM model is specific for the City's Wastewater Treatment Plan (WWTP) upgrade project. Gig Harbor has one WWTP and 50% growth demand on a system that is near operational and hydraulic capacity. Future capacity commitments are in place. Phase 1 must be completed by fall 2009.

Mr. Dugan reviewed project challenges:

- The City has limited resources.
- The engineer of record is not a Design Build (DB) engineer.
- The plant must remain operational at all times.
- The operator must have access at all times.
- The project is multi-phased and phase dependent.
- Future side sewer connections are critical to the revenue base of Gig Harbor.
- Construction must commence by summer.

Mr. Dugan reported the Design Bid Build (DBB) delivery method will not meet the needs of the project.

Mr. Dugan displayed an aerial map of the WWTP. Multi-phased improvements include on and off shore piping. He reviewed Phase 1 and 2 Scope of Work (SOW) components. Phase 1 and 2 design is approximately 30% completed and includes permitting. To meet the August target date, 90% design must be completed by June. The Maximum Allowable Construction Cost (MACC) needs to be negotiated in July to meet phasing needs.

An isometric view of the plant was displayed as well as a plan view. Mr. Dugan reviewed implementation complexities of scheduling, phasing, and coordination to meet increased capacity commitments by the end of 2009. The project has a compressed construction schedule and overlapping phases and improvements must be constructed while maintaining plant operation. Mr. Dugan reviewed the proposed strategy and delivery method. The DBB delivery does not provide Gig Harbor with sufficient time to meet the fall 2009 objective. He cited reasons for selecting the GC/CM methodology.

Mr. Dugan reported Parametrix was selected because of its recent and relevant GC/CM experience with the Tacoma School District (TSD) and the City of Tacoma. He reviewed Parametrix's role and strengths. Parametrix has worked successfully with the engineer of record previously, which is an additional benefit. Parametric also has WWTP experience.

Mr. Dugan displayed an organizational chart. Team members in attendance provided self-introductions. The owner anticipates hiring counsel to assist with GC/CM contracting and associated issues.

Mr. Burk reported 75% of his time will be dedicated to the WWTP project.

Mr. Dugan noted that he, Mr. Thompson, and Mr. Burk reside in Tacoma and live close to the project site. He reviewed Mr. Burk's and Parametrix's extensive GC/CM experience and knowledge. Parametrix has a history of critical high profile public projects.

The WWTP project totals approximately \$18 million. Funding sources include an \$11 million Public Works Trust Fund (PWTF) loan, a state capital budget appropriation of \$1 million, and \$3 million in revenue bonds. The owner hopes for a cost reduction through the value engineering process to make up the difference.

Next steps including key milestones were outlined.

Mr. Dugan provided answers to questions previously submitted by panel members. If the GC/CM market does produce a contractor, a different delivery method will impact the proposed schedule.

Mr. Dugan advised that the proposed 12-month construction schedule is based on the equipment delivery schedule.

Mr. McBride reported Gig Harbor has procured the centrifuge equipment. Other purchases related to the expansion, such as fusers and walkway equipment, have been delivered. The City will look to the GC/CM to help refine the construction schedule. Mr. Dugan added that pre-purchasing equipment is a critical component. Another important element is sequencing onshore and offshore outfall connections.

Mr. MacIssac asked about the status of the RFQ and RFP processes and if the intent is to issue them both in the same document. Mr. Dugan replied that a draft RFQ has been prepared. The owner will release a final RFQ immediately following approval by the PRC. Mr. MacIssac commented that the schedule is tight for hiring a GC/CM. Mr. Dugan responded that the team will carefully select the partner to help guide the next steps. The owner has worked with two attorneys over the last 10 years. Both attorneys possess GC/CM experience and are interested in doing the work.

Discussion followed concerning Mr. Dugan's direct involvement in the project. Mr. Dugan said he is able to dedicate the time needed to manage the GC/CM process.

Mr. Tharp asked Mr. McBride and Mr. Burk to describe their GC/CM experience. McBride reported he does not have specific GC/CM experience. He said he has experience in the DB arena and is currently the construction manager for the City of Buckley's \$10 million treatment plant upgrade. He described his construction management experience with Orting and McCleary's WWTPs. Mr. Burk reported he does not have experience with the GC/CM delivery. However, he has been the City's engineer and owner's representative on treatment plant upgrades. Mr. McBride added that he's worked with Parametrix for 15 years and with Mr. Burk on several projects.

In response to a question from Mr. Tharp, Mr. McBride said the equipment purchased is not part of the construction budget.

Ms. Moses asked whether Mr. Dugan is the only team member with GC/CM experience. Mr. Dugan confirmed his GC/CM experience and described the environment and his experience with the City of Tacoma and TSD.

Discussion ensued about reasons Gig Harbor might have to fall back on a DBB delivery method. Ms. Moses said one reason the City determined the GC/CM methodology is because of scheduling and phasing needs. The WWTP is a good candidate for GC/CM. Mr. Dugan agreed the City concluded GC/CM was the best delivery method based on schedule and phasing complexities.

Panel Chair Balbo asked about the percentage of the project related to mechanical piping and electrical. Mr. McBride replied that piping constitutes 50% of the project. The other 50% relates to general site work, concrete, basins, and buildings.

Panel Chair Balbo asked whether the owner has considered focusing the RFP towards a mechanical contractor rather than a general contractor. Mr. Dugan replied the option was discussed.

Mr. MacIssac commented that 3% of the total budget for contract administration for the owner's construction manager appears low for the project. Mr. Dugan said the Stadium High School project attracted 2.5-2.75%

while the two City of Tacoma projects were also below 3%. There is a design and bidding contract process separate from the construction process. The contingency can be adjusted as needed.

Ms. Trautman asked the team to review current projects involving Parametrix. Mr. Dugan reported he is the principal with the Tacoma office and does not have direct project related responsibilities outside of the WWTP venture. The remainder of his time (.5-1.5 days per week) is spent on managerial activities. Ms. Trautman asked whether Gig Harbor will extend his hours on the contract. Mr. Dugan replied that initially, the project will require 100% of his time.

Rob Karlinsey, City Administrator, Gig Harbor, confirmed the City is willing to extend Mr. Dugan's hours on the contract.

Mr. Hartung pointed out that the PRC is motivated to help teams gain project approval. Unfortunately, the documents are not reflective of the information contained in the presentation. He asked about project impacts if Gig Harbor is asked to revise the presentation, make commitments in writing, and resubmit the application next month. Mr. Dugan said delaying a month will significantly impact the project schedule if the City is unable to source for a GC/CM contractor on a parallel track. Mr. Hartung commented that Gig Harbor is late in applying to the PRC and that the project team lacks GC/CM experience.

Panel Chair Balbo asked for comments from the public.

Mr. Shinn commented on the need for sewer systems.

Discussion ensued on the "not applicable" answer to question #10 on page 9 of the application involving audit findings. Mr. Karlinsey said the State Auditor's Office (SAO) audits Gig Harbor's operations on an annual basis. There have been no audit findings against the City concerning random projects selected by the SAO for auditing over the last 10 years. Ms. Moses asked if the Greater Tacoma Convention & Trade Center (GTCTC) and Stadium High School projects were audited. Mr. Dugan indicated they both were audited.

Ms. Septelka asked Mr. Dugan to describe the roles he played in the Stadium High School and GTCTC projects. Mr. Dugan explained that in both cases, he managed the design team and design process throughout the projects. He was on site through construction as the design manager and contract administrator for the design role in the GC/CM process.

Mr. Lovell asked if the owner has considered or discussed assessing the marketplace to identify mechanical contractors capable of acting as the lead contractor and subcontracting to another general contractor for concrete and/or site work. Mr. Dugan said it was considered. The owner has not solicited feedback from the marketplace.

Mr. Peterson commented that the proposed WWTP project is appropriate for the GC/CM delivery model. There are some flaws in the experience. The schedule should be flawless with no problems. He referred to two other WWTP projects involving Everett and Brentwood, which experienced budgeting problems. Gig Harbor should consider a contingency plan of DBB if the project is approved and the owner is not successful in hiring a GC/CM. He agreed with Mr. Hartung that Gig Harbor presented the request late in the process.

Mr. Hartung asked if anyone with Parametrix has GC/CM experience on the owner's side rather than design. Mr. Dugan answered no. Mr. Hartung said the statute requires the PRC to evaluate the experience on both the design and owner sides. He expressed concerns about approving the application. The project is appropriate for GC/CM, but the owner lacks experience to manage the GC/CM contract. He said he would like the City to return with some GC/CM experience.

Mr. Dugan noted the questions and concerns are legitimate. He asked the panel to consider that 100% of the parts for the two Tacoma projects completed successfully were not in place. Those on the Architect/Engineer (A/E) side had no GC/CM experience. The owner's GC/CM had limited experience and stumbled as the Tacoma projects hit the ground. What worked was the combination of the team members coming together and filling the gaps. The best chance to ensure success of the project is the GC/CM delivery method.

Panel members provided the following feedback:

- Mr. Dugan's level of involvement and the owner should be held accountable for what has been conveyed, particularly that more time and money is available that will allow Mr. Dugan to participate fully in the project.
- Other concerns relate to the tight schedule, limited GC/CM experience on the construction side, preparation of documents, and the applicant waiting too long to start the process.
- The applicant has discussed the issues that may or may not be reflected on paper. There is no question that the team is capable. However, the function of going through the review process is to protect public owners, the public process, and transparency. A critical component missing is adequate legal counsel to guide the team.
- The application does not meet all the criteria in the statute.
- The PRC cannot approve or disapprove applications based on contingencies or subject to certain conditions.

Tom Balbo moved, seconded by Miriam Israel Moses, to disapprove the City of Gig Harbor's project application for GC/CM for the WWTP modifications project. Motion carried unanimously.

Chair Benson advised the team that Gig Harbor is welcome to reapply at any time. The owner will receive written notification of the panel's decision within 10 days.

Panel Chair Balbo suggested the owner's legal counsel review the RFP to ensure it meets statute requirements prior to releasing the RFP.

Chair Benson recessed the meeting at 10:54 a.m. to 11:04 a.m.

Project Application Review for GC/CM - Seattle Public Schools – Denny Middle School/Chief Sealth High School Projects

(Panel Chair Keith Schreiber, panel members Tom Peterson, Darlene Septelka, Darron Pease, Fred Tharp, and Phil Lovell.) Panel Chair Schreiber described application review procedures. Panel members provided self-introductions.

Don Gillmore, Building Excellence (BEX) Program Manager for the Seattle School District, reported the \$140 million Denny Middle School/Chief Sealth High project is the largest within the BEX Program. Each project team represents 25 years of experience in the construction field and APW methods.

Mr. Gillmore provided a PowerPoint presentation and introduced team members.

Mr. McConachie, Architect, Principal, Seattle Public Schools, provided a project overview and outlined existing and future components. The old Denny school will be demolished and a new school constructed. Sealth will be renovated, including the gymnasium.

A galleria is proposed to connect Sealth with the new Denny Middle School (DMS).

Project 1 consists of a hard money bid (\$8 million) for selective demolition, HAZMAT, seismic improvements, rough grading, and erosion control on the existing Sealth site. The work will span 10 months.

Project 2, Phase 2A, is the GC/CM component for renovation of the existing Sealth and gym buildings, new kitchen, new commons and support spaces, and new custodial and loading areas. A number of code improvements are required for Sealth. The construction budget totals \$26 million. There is a two-year window to complete the project. Additional enhancements include new service drives and parking, entry courtyard, and landscaping.

Parallel to Phase 2A is Phase 2B of Project 2 to complete the new DMS. Construction spans 18-24 months and the budget totals \$48 million.

Project 3 is a \$3.5 million bid for remodel of the old Denny site (HAZMAT, demolition, new play fields) anticipated to take three to six months.

Mr. Evans reviewed the proposed schedule for all contracts. A GC/CM can assist the owner with design, pre-construction sequencing, and construction work. The schedule recognizes gaps between the Project 1 contractor completing work and the start of the GC/CM contract. Early steel and mechanical packages were reviewed in the schedule for Project 2.

The budget was presented. Total cost of all construction is \$127.3 million. The proposed budget provides for GC contingencies and negotiated items, as well as the owner's contingency and sales tax.

Mr. Evans outlined why the GC/CM delivery model is proposed:

- Size of the project and contractor capacity
- Market conditions
- Project complexity (multiple phases and bid packages, completion of partial Building C within the first year, concurrent mechanical/electrical systems, and an occupied site in the final year).

Mr. King reviewed the team organizational chart and each member's GC/CM experience.

Mr. Finnegan reported the owner has a family of coordinated documents for GC/CM that has been improved based on lessons learned from previous processes. New Revised Code of Washington (RCW) requirements have been incorporated.

Mr. Gilmore said the school district finds that Denny Sealth is an ideal candidate for GC/CM, the project team is qualified and experienced, and the district has the proper resources and controls.

Mr. Evans reviewed responses to written questions and comments previously submitted by panel members.

Ms. Septelka asked whether the team is also managing the other two projects. Mr. Gillmore replied that Mr. Evans will work on the GC/CM project while a second project manager will work on both Phase 1 and Phase 3. In-house staff can also pick up some of the work. The project will be divided into a remodel and new construction. The GC/CM might want their superintendents for both and the project managers could be divided up in that manner. There is a gap between the first phase and the GC/CM component. Both project managers, along with their assistants and administration, will work on Phase 2 when Phase 1 is completed.

Mr. Gillmore responded to questions and explained that DKA/Heery controls both the BEX 3 and BEX 2 Programs and he is responsible for the overall BEX program. Mr. Finnegan and Mr. Clegern work on the operations side. Mr. King added there are different project managers for each of the schools. Ms. Septelka commented that the team is working on several projects at the same time. Mr. Gillmore reported Nathan Hale and Garfield have separate project managers. Denny Sealth project managers are 100% dedicated to the project. Two project managers, a full time assistant project manager, and an administrative assistant will be assigned to the Denny Sealth site.

Mr. King explained that 50-75% of his time is dedicated to the BEX program, of which Denny Sealth is a component that will encompass at least 50% of that time. Mr. Finnegan and Mr. Clegern's time will increase as the design phase winds down and the construction phase picks up.

Mr. Pease asked if Mr. Evans is the lead project manager for the Denny Sealth project. Mr. Evans replied that's correct.

Mr. Lovell thanked the team for clarifying some of the issues he raised in writing. However, a major concern is from a contracting, contractor risk management, and responsibility standpoint. If the substantial work associated with the Phase 1 lump sum component is not completed properly it could severely impact Phase 2. Mr. Gillmore explained the same process was used for two other successful projects involving Madison Middle and South Shore High Schools. A Phase 1 at West Seattle High School was also similar to the Denny Sealth proposal. A goal is to make the projects attractive for a lump sum bid or GC/CM. The pad established for construction of the new building will be cement treated and the entire building will be surveyed following demolition and HAZMAT. The surveys will be part of the bid documents for the second phase of work. Rough work will be completed for seismic reinforcement. Utilities will be in place for the second contractor. The process worked well previously and must be well managed.

Mr. Lovell asked if the commons building joining the two schools and including the new kitchen will be on line when classes start in fall 2010. Mr. Gillmore replied that is the schedule. Mr. Lovell asked if the proposed schedule allows sufficient time for construction of the new kitchen servery and for securing the necessary building and operational permits. Mr. Gillmore replied that 10 other high schools have major production kitchens. The commons is a simple structure while the kitchen is complicated. If the kitchen is not completed on time there is a central kitchen located five miles away to provide food to the Denny Sealth site.

Mr. Tharp asked how the owner anticipates schedule recovery if faced with schedule delays. Mr. Gillmore said providing incentives to complete the project on time are possible. He outlined the advantages associated with the Sealth component, which is a simpler project compared to Denny. Mr. McConachie added that Denny can be delayed because there is an existing building. Sealth students will move to an interim site. Worse case scenario is that students would remain longer at the interim location while the project is completed. Mr. Tharp acknowledged that the owner has contingencies. He said he's interested in whether the team will use a "carrot" or "stick" approach. Mr. Clegern added a preferred option is selective overtime to meet the schedule.

In response to a request by Mr. Peterson, Mr. Evans provided additional details concerning his project management negotiation experience in Ohio. Ohio uses a multi-prime issue approach, which transfers most of the scheduling and estimating to the general contractor and primes (subcontractors). A separate construction manager is typically hired. He said he was responsible for working with both the general contractor and construction manager to negotiate change orders or schedule recovery to meet school requirements. He said he is experienced working with multi-prime situations. He described his role on a specific parking garage renovation project for a hotel group. His job as the project manager was to work with the general contractor. The general contractor was responsible for most of the construction and hiring the architect. The general

contractor turned the project back to the company using a lease back methodology. The owner has since duplicated the process twice.

Mr. Peterson asked if the projects described were lump sum contracts. Mr. Evans replied that they were and that they were DB projects. He said he acted as the owner's representative for one project and worked for the construction manager in another.

Discussion ensued on Mr. Evans' qualifications and multi-prime construction manager experience in Ohio with Heery.

Mr. Schreiber invited public comments.

Mr. Shinn asked about the mechanical equipment that the owner anticipates purchasing for the project. Mr. Gillmore said the school is implementing a new sustainability directive. The building will no longer have air conditioning other than where it's required. The plan is to purchase what used to be unit ventilators (vertical units that are ducted) for each of the classrooms for both the high and middle schools as a package.

Discussion ensued about the impacts of the warranty if the units are not used for a year. Mr. Gillmore advised that the warranty will be addressed in the specifications and bid. Mr. Shinn described a situation at Garfield High School where the contractor stored the apparatus because the job was not ready for the mechanical equipment. Storing the equipment requires a controlled environment, which requires a cost. He asked whether the owner will save money by early acquisition. Mr. Gillmore said it was the GC/CM's option to purchase the equipment at Garfield. The owner did not dictate when the equipment should be purchased. If it restrains the GC/CM in any way to pre-purchase the mechanical equipment, the GC/CM can recommend an alternate purchasing plan.

Mr. McConachie pointed out the library locations for Sealth and Denny on an overhead as requested by Mr. Baldasari.

Mr. Benson acknowledged Mr. Evans' construction/project management experience in Ohio. However, he said it appears Mr. Evans does not have Washington State GC/CM experience, which is different. He asked Mr. Evans to elaborate further on his relationship and interaction with Mr. Finnegan and Mr. Clegern, and to help him understand what he believes is unique about the GC/CM procurement process starting with the selection of the GC/CM and trade contractors. Mr. English explained that the intent is to educate the entire team. Approaches include conducting a seminar on the GC/CM process and laws and using experiences and lessons learned with Nathan Hale. The RFP's will be released separately by a month. The contracting community will be looking at both projects. Interviews will be conducted two to three weeks separately. Bidders for Nathan Hale will not propose for the Denny Sealth project. Local contractors were hired to conduct a phasing analysis, which was completed several weeks ago. Those local contractors will be invited back to propose. Both teams will be meeting throughout that process. Everyone will work together as the project moves forward. Mr. Gillmore added he and Mr. Evans will meet at least weekly.

Mr. Evans reviewed the difference between the firm's relationship with the lump sum contractor and his relationship with the GC/CM and working with the contractor to bring the major trades in early with the design phase.

Mr. Shinn asked about the package affecting the Sealth roof. Mr. McConachie said Sealth will be opened up with Phase 2.

Discussion followed on the Phase 1 lump sum project to be completed before the GC/CM is hired and the two components associated with Phase 2. Mr. McConachie said completing Sealth and construction of the new Denny school are combined under the GC/CM contract.

Members offered the following comments during their deliberation of the request:

- Mr. Evans is not experienced working with a negotiated contractor. However, Mr. Finnegan, Mr. King, and other team members can bring Mr. Evans up to speed on how that interplay should work. The project is appropriate for the GC/CM delivery model.
- Mr. Evans does not have specific GC/CM experience in Washington State. He is surrounded by a good team. The Seattle School District is experienced and has learned much through the BEX Programs on how the process works. Mr. Evans should reach out to the team for support on a daily basis if necessary and ask for assistance.

Mr. Arndt arrived at 12:14 p.m.

- The team needs to recognize and assist in bringing Mr. Evans up-to-date on Washington State's GC/CM process.
- It is incumbent to engage the GC/CM in the mechanical and steel pre-packaging decisions.

Tom Peterson moved, seconded by Fred Tharp, to approve Seattle Public Schools application for GC/CM for its Denny Middle School/Chief Sealth High School projects. Motion carried unanimously.

Chair Benson recessed the meeting from 12:16 p.m. to 1:09 p.m.

Mr. Berry arrived at 1:01 p.m. The following members were in attendance during the afternoon session: Rodger Benson, Tom Peterson, Darlene Septelka, Rick Benner, Gary Arndt, Mike Shinn, Gary Baldasari, Penny Koal, Christy Trautman, Tom Balbo, and Paul Berry.

Project Re-Application Review for GC/CM - Fort Vancouver Regional Library District – New Main Library Project

(Panel Chair Gary Baldasari, panel members Gary Arndt, Rick Benner, Mike Shinn, Paul Berry, and Penny Koal.) Panel Chair Baldasari described application review procedures. Panel members provided self-introductions.

Rita Levesque, Project Manager, Fort Vancouver Regional Library District (FVRLD), reported she and Mr. Sword attended the GC/CM training offered at the end of January. She identified team members added following the PRC's January 24, 2008 meeting. The owner quickly learned the need to define a good scope of services when considering a GC/CM consultant. The FVRLD retained Olympic Associates and is pleased with the company's performance to date.

Ms. Levesque reported Dan Chandler was unable to attend the meeting. The library's Executive Director Bruce Ziegman and Chief Operations Officer Patty Duitman are attending an out-of-state conference.

Ms. Levesque reviewed changes to the proposal since the library's initial application submittal. One change includes adding a GC/CM consultant to the team. Mr. Chandler has added a Portland component to assist the owner with the developer agreement, GC/CM selection, and project oversight. The Seattle office will also work closely with the library on the GC/CM selection, design phase elements, and cost accounting. Frank Berg and Mike Day both possess extensive GC/CM experience in Oregon.

Ms. Roberts presented an illustration of the Killian Pacific River West development (hotel, condos, office, retail, and library buildings) proposed for a full block centrally located directly off I-5. The developer has turned over a portion of the site to the library. An updated site plan was presented. Structured parking is no longer proposed under the library building. The library district and developer are working on a transfer of property so that the FVRLD will own the property under the new library. Drawings depicting the atrium stairs, and south and civic elevations were displayed.

Ms. Mangiameli distributed an updated project schedule. Ms. Roberts reported the developer's design team is focusing on a pro forma and a marketing plan. Work will begin on schematic design in April.

Ms. Brown reported she is the Senior Project Manager for the Kenmore City Hall project. Olympic Associates has completed the GC/CM selection process with Kenmore. She said she will assist Mr. Chandler with the RFQ and RFP preparation for the FVRLD venture. She described the RFQ components published for the Kenmore City Hall proposal, which was an extensive document. Scoring criteria and the interview process were reviewed. Olympic Associates intends to emulate the process used for Kenmore for the FVRLD project.

Ms. Brown addressed questions raised by the PRC at the January 24, 2008 application review session.

Mr. Berg reported on his experience with APW contracting in Oregon and how he is looking forward to the GC/CM process.

Ms. Levesque reiterated that the library is decoupled from the parking garage providing the district with flexibility and the freedom to proceed with design of the new library facility. The process is underway to define the precise site boundary for the library project leading to a development agreement with Killian Pacific. The agreement will set out timelines and time restrictions for both entities and clearly define which entity is doing and paying for what and when. Bond funds have been allocated for the FVRLD project. The library will move forward and build the facility. A dispute resolution plan will be defined within the development agreement and through a Memorandum of Understanding (MOU) with all parties (general contractors, subcontractors, engineers, utility departments) on site.

Mr. Berry asked whether the library plans to structure and manage contract documents and negotiate prior to executing the final construction contract and whether Mr. Chandler will act as the lead to ensure the contract documents are developed appropriately and negotiated with the contractor. Ms. Brown affirmed that is the intent. The consultant just completed contract negotiations with Kenmore City Hall. A solid contract has been developed by Dick Prentke that is specifically tailored for GC/CM.

In response to an additional comment from Mr. Berry, Mr. Berg acknowledged there are distinct differences between Oregon's Construction Management and General Contracting (CMGC) law and Washington State's GC/CM statute. Mr. Berg advised that his expertise is related to CMGC and that he will rely on Mr. Chandler for the GC/CM experience.

Mr. Benner commented that Mr. Chandler is well qualified. However, there is a concern in the number of projects he is currently managing and the time he will have for the library project. Ms. Brown advised that Mr. Chandler serves as a resource to his senior project managers and relies on the senior project managers to move projects forward. She outlined how she works significantly with the selected GC/CM representatives to negotiate the contract with Mr. Chandler providing oversight and serving in an advisory role.

Mr. Benner asked about the senior project manager assigned to the FVRD project. Ms. Brown replied that's she unsure of the assigned project manager at this time. Ms. Levesque said it's her understanding Mike Day will

play an active role as project manager. Ms. Roberts added that Olympic Associates, specifically Mr. Chandler's role, is limited to the GC/CM selection and contract negotiations. The company in Portland will provide an oversight role during construction and discussions with the developer. Mr. Chandler did not present a project manager and is not suggesting there will be a project manager, as the scope for Olympic Associates is fairly limited. Mr. Berg will be on site to monitor day-to-day activities. Ms. Levesque reported Mr. Chandler will monitor the process throughout including closeout documentation. Mr. Day will assist with project management. Mr. Berg will be responsible for construction management.

Ms. Koal asked who will serve as the day-to-day contact for pre-construction services. Ms. Levesque advised it will be Mr. Sword and Mr. Day with Mr. Chandler providing oversight. Ms. Roberts explained the benefit of the complex team. There are very few people in Oregon possessing Washington State GC/CM experience. Olympic Associates has the required expertise and will assign a person from Portland to the team to assist the library during the pre-construction and construction phases. Olympic Associates is able to provide the GC/CM experience to advance the project through the initial phase. Mr. Chandler is the principal in charge and more involved in the front-end work and will continue to act as the principal in charge during the remainder of the project. Mr. Day and his associates are included in Mr. Chandler's project management team.

Ms. Koal commented that the library team will have to be strong, as there will be many contractors and moving parts associated with mixed-use development on the entire site. Ms. Levesque agreed and indicated Killian Pacific supports the process. Having a GC/CM on board will be beneficial.

Discussion ensued on whether the library and mixed-use development will share utilities and/or foundation structures. Ms. Roberts explained the importance of understanding the phasing before designing the library. There is a buffer of approximately 15 feet between where the library wall ends and the parking garage starts. The intent is for the library design team to be able to move forward regardless of which component takes place first. Ms. Levesque said Miller Hull is addressing the utility issue by designing schematic placeholders for utility areas.

Panel Chair Baldasari asked how the "super block" was assembled. Ms. Levesque explained that the site is 3.75 acres and includes mixed use. Two historic residential buildings are being relocated and land marked. An auto dealership is in the process of constructing a new dealership and will be moving offsite. The developer has addressed land marking, which has been approved by the historical registry, the City, and the county. The library will be designed to Leadership in Energy and Environmental Design (LEED) Silver. The developer is considering LEED Certified Neighborhood. Andersen Construction is a union shop and the developer's GC/CM. The FVRLD GC/CM will be required to pay prevailing wages. Ms. Roberts said specific strategies for the building have not been determined.

Panel Chair Baldasari invited public comments.

Mr. Benson commented positively on the Library District's response to the PRC's concerns. Many projects in Vancouver are built by Portland contractors, few of which have Washington State GC/CM experience. He asked about the importance of having Washington State GC/CM experience in the selection criteria. Ms. Levesque replied the FVRLD should move forward with a Washington State GC/CM contractor. The library will structure its pre-qualification accordingly. GC/CM contractors in Portland have expressed an interest in the project.

Mr. Benson said he understands the library is relying on Olympic Associates for its Washington State GC/CM expertise through the procurement process and until an owner's GC/CM is hired. He asked if there's someone with firsthand GC/CM experience from the time the GC/CM comes on board who will be actively involved in the management of the project through the design phase and construction administration and, if not, how that

experience is translated from Olympic Associates to people on the ground working day-to-day and administering the contracts. Ms. Brown advised that Mr. Chandler will be involved with GC/CM procurement through the contracts. Mr. Chandler will work closely with Mr. Day and Mr. Berg to ensure they understand GC/CM criteria and that it's administered correctly.

Discussion followed on independent utility investments.

Mr. Balbo asked if the City's planning department required the developer to identify an entity such as the library as a condition for final project approval for the site. Ms. Levesque said she doesn't believe it was a condition. However, she said she wasn't involved in the negotiations. Donating the land to the library was an offer initiated by Killian Pacific. Ms. Roberts added Killian Pacific is anxious to remove the property from its tax rolls, which should occur within the next two months.

Panel members discussed and deliberated on a decision:

- One concern is Mr. Chandler's current involvement on a number of different projects.
- It's important that other members from Olympic Associates are familiar with the process. It's likely that contractors from the Portland area will respond more so than from the Seattle area.
- Appreciation for library restructuring its team. Mr. Chandler and Mr. Day have worked together previously and probably understand one another's strengths and weaknesses.
- It appears the team is solid.
- It will be important for the owner to ensure the Portland and Seattle team relationships are clearly defined, managed, and refocused and regenerated on an ongoing basis.
- Support was expressed for separating and isolating the library project from the overall development proposal, which will help the library venture stand-alone on its own regardless of what happens around it. Having Andersen as the GC/CM for the FVRLD project is discouraged because of potential conflicts of interest and other issues. The library should exercise caution with its contract structure.

Paul Berry moved, seconded by Penny Koal, to approve the Fort Vancouver Regional Library District's re-application for GC/CM for its new main library project. Motion carried unanimously.

Chair Benson recessed the meeting from 2:04 p.m. to 2:08 p.m.

Application Review Post Mortem

Chair Benson complimented the application review panels for their work.

Members discussed the intent of public comment, as most of the comments offered were questions. Chair Benson and Mr. Berry said it's up to the panel chairs to exercise judgment. Chair Benson said questions should be pertinent to the request under consideration.

Mr. Peterson suggested panel chairs should ask for public comments first. If time allows, panel chairs can provide the public with an opportunity to ask questions.

Application Pipeline Review

Mr. Benner reported he will be unavailable next month.

Chair Benson said it's possible the City of Gig Harbor will return next month with its WWTP modifications project.

Ms. Hofstad reported the *Ready by Five Early Learning Center* in Spokane has contacted staff about submitting an application for consideration at the committee's April meeting.

Ms. Hofstad reported staff will present additional information next month concerning an electronic voucher system to process quarterly travel reimbursement requests.

Adjournment

With there being no further business, Chair Benson adjourned the meeting at 2:22 p.m.

Prepared by Cheri Lindgren, Recording Secretary
Puget Sound Meeting Services