

**CAPITAL PROJECTS ADVISORY REVIEW BOARD
PROJECT REVIEW COMMITTEE - PANEL
Northwest Carpenters Facility
25120 Pacific Highway South
Kent, Washington
July 24, 2008
9:00 AM**

Meeting Minutes

MEMBERS PRESENT

Charles Davis, Evergreen Healthcare	Peg Staeheli, SvR Design Company
Eric Smith, Vice Chair, University of Washington	Dave Marberg, University of Washington
Dan Chandler, PE, AIA, Olympic Associates Co.	Penny Koal, General Administration
Keith Schreiber, AIA, Schreiber Starling & Lane Architects	

MEMBERS ABSENT

Tom Peterson, Hoffman Construction Co of WA

STAFF, GUESTS, PRESENTERS

Robyn Hofstad, General Administration	Edward Peters, Capital Projects Director, ESD
Bob Dixon, General Administration	Debra Born, Design & Construction Mgr, ESD
Cheri Lindgren, Puget Sound Meeting Services	David Van Galen, Project Designer, INTEGRUS Architecture
Jim Petrich, Project Manager, INTEGRUS Architecture	

Welcome & Introductions

Chair Eric Smith convened a panel of the Capital Projects Advisory Review Board (CPARB) Project Review Committee (PRC) at 10:00 a.m. Chair Smith welcomed Edmonds School District (ESD) representatives.

Project Application Review for General Contractor/Construction Manager (GC/CM) – Edmonds School District – Meadowdale Middle School Replacement Project

(Panel Chair Peg Staeheli, panel members Charles Davis, Eric Smith, Dan Chandler, Keith Schreiber, Dave Marberg, and Penny Koal.) Panel members provided self-introductions. Panel Chair Staeheli described the application review process.

Chair Smith noted the panel will evaluate two primary criteria of whether the project is suitable for the GC/CM delivery model as outlined in state law and whether the team is prepared to be successful.

Edward Peters, Capital Projects Director, Edmonds School District (ESD), introduced school district representatives. A slide of the existing Meadowdale Middle School (MMS) was presented. The school was built in 1961. The building is depreciated and functionally obsolete. The initial plan was a Design Bid Build (DBB) project.

Jim Petrich, Project Manager, INTEGRUS Architecture, described current site conditions consisting of steep slopes, a residential community to the south, access and traffic limitations, and unstable soils in the center of the property. A larger issue is to maintain school operations during construction. The preferred location for the new building requires demolishing the existing gym, music, and technology buildings. The central kitchen also

provides food services to three other schools. Three options were presented to the school board. A picture of the site scheme selected by the school board was displayed.

David Van Galen, Project Designer, INTEGRUS Architecture, presented a picture of the draft schematic design. Site organization includes preserving groves of trees, retaining the existing track, avoiding unstable soils, and providing for student and traffic circulation. The building is organized around a central commons/library area, personalized learning communities, outdoor learning and socialization spaces, and community access.

Mr. Van Galen reviewed the phasing strategy. The new building will be constructed adjacent to the main building while the school continues to operate on the site. Phased construction will be necessary to maintain PE/Athletics and Music and Technology programs during construction. He outlined the location of the new gym. Access during construction was reviewed.

Debra Born, Design and Construction Manager, ESD, reviewed constructability challenges to include the school remaining operational during construction, limited on-site parking, and stormwater. An existing detention pond must be maintained during construction.

Ms. Born reviewed the benefits and values of using the GC/CM delivery model:

- Maintaining school operations during construction.
- Available construction duration in the schedule is feasible but constrained.
- Scheduling and phasing complexities.
- Washington Sustainable School Protocols (WSSP) would benefit from advance planning with a GC/CM on board.
- Management of the Maximum Allowable Construction Cost (MACC).
- Risk reduction.
- Schedule development and management to ensure project success.
- Quality assurance.

Mr. Peters reported three special consultants will augment the district team and include Richard Prentke, Legal Counsel, Perkins Coie; Keyline Associates; and a cost advisor. The team has worked together on several projects including Lynnwood High School in Snohomish County.

Mr. Peters provided answers to questions previously submitted by panel members summarized below.

- *Which entities will be reconciling the estimates at Design Development (DD) and Construction Documents (CDs)?* The GC/CM cost estimator and INTEGRUS Architecture will provide estimates for each phase. The owner's cost advisor will review the estimates. Two estimators will reconcile the estimates. The GC/CM, ESD, and architect have to agree and understand each reconciliation at every phase.
- *Do you intend to require that not only the company, but also the core GC/CM site team – the project manager, superintendent, and the M/E engineers at the very least – demonstrate past hands-on GC/CM experience? If so, how much? What level of projects?* The GC/CM section of the organizational chart will be filled in. The Request for Qualifications (RFQs) will ask about GC/CM experience, experience with occupied schools and public bidding. The team agrees that GC/CM experience is important for a successful project.
- *You have three weeks listed for subcontractor bids and buyout – both phases. That may be a reasonable amount of time for the simpler Phase 1 project, but likely isn't enough time in the Phase 2 section. Do you intend to pre-qualify mechanical and electrical (M/E) subcontractors for this project? The current statute*

allows major subs to join the team early so that they can assist with constructability issues, coordination, value engineering, estimating, and market conditions. Is Phase 2 a good candidate for early M/E? The proposed schedule includes a placeholder that could be extended without affecting the overall timeline. GC/CMs do their buyouts over different periods of time. The owner and GC/CM will work through the project schedule. Specific to the selection of subcontractors, the team will consider pre-qualifying M/E subcontractors and intends to discuss that matter with the GC/CM. It's critical to obtain good constructability review of M/E through design. The owner is willing but skeptical about bidding all M/E work at the end of DD. The drawings at that point typically are not well developed. The owner is willing to discuss bidding all M/E work at the end of DD with the GC/CM but is not willing to commit to it at this point. It was noted that a goal is to build the rest of the team.

Mr. Marberg asked which teams will assemble the early estimates. Mr. Peters replied INTEGRUS and the GC/CM at each phase. The two estimates will be reviewed, reconciled, and confirmed. Mr. Marberg said a concern is estimators telling the owner what the owner wants to hear. Mr. Peters said he's worked with Sharon Kennedy, Robinson Company, for 15 years. Ms. Kennedy has often told him things he didn't want to hear. The owner intends to augment the team with a cost advisor to evaluate GC/CM and INTEGRUS cost estimates.

Mr. Marberg said it's also important the superintendent and project manager on site possess GC/CM experience. Otherwise, key people begin to approach the project as a general contractor job. Mr. Peters agreed. The owner plans to ask about GC/CM experience when hiring additional staff and will follow up with reference checks.

In response to a request from Panel Chair Staeheli, Mr. Peters provided additional information regarding the cost estimators' skill sets and the proposed process to reconcile construction costs.

Mr. Schreiber asked how the current gym and new gym are tied into the phasing plan. The schedule shows a three-month overlap between Phases 1 and 2. One of the diagrams indicates the new gym is completed and usable prior to Phase 2 commencing. Mr. Peters replied that the existing gym must be maintained during construction. Phase 2 will need to begin as soon as possible.

Mr. Van Galen reported the owner wants to begin construction of the new building (Phase 2) while Phase 1 work is underway. Mr. Schreiber commented that there is more occurring on the diagram than reflected. He asked how the new buildings are interconnected. Mr. Van Galen confirmed the buildings share most utility connections. He pointed out the location of the main and auxiliary gyms and the utility component.

Mr. Schreiber said it's unclear from the diagrams how the project will benefit by the GC/CM delivery. Mr. Peters said construction of the new building must begin before completion of the entire design. There is insufficient time between now and September 2011 to complete all the work if the schedule doesn't overlap. The owner would like to avoid having two general contractors working on the same site simultaneously.

Mr. Smith asked Ms. Born to expand on her role with the project and her project manager experience at the University of Washington (UW). Ms. Born described her experience with two GC/CM projects and involvement with the GC/CM selection processes for other projects. She said she has a good understanding of the role of the GC/CM and how to interact with GC/CMs.

Mr. Peters reported the owner didn't hire Ms. Born until design development. She has been engaged with the plan reviews. Ms. Born added that she will be involved in project oversight, the selection process, and will interact with the GC/CM during the reconciliation process.

Mr. Peters displayed a copy of the GC/CM manual Ms. Born developed.

Discussion ensued on the working relationship previously established between Ms. Born and Mr. Peters.

In response to a request by Ms. Koal, Mr. Peters provided additional details on the team's relationship with Hainline Associates for project management support services and Hainline's GC/CM and private sector construction experience.

Mr. Chandler asked whether the ESD considered temporary relocation options. Mr. Peters said clearing the site and turning it over to the general contractor is an option; however, moving students off site would be an enormously unpopular alternative politically. The school board expressed strong interest for not disrupting existing operations if there is another option.

Discussion followed regarding a strategy if the panel denies the ESD's application to use GC/CM for the MMS replacement project. Mr. Peters emphasized that the ESD would continue with the project and had initially considered a traditional DBB delivery.

Mr. Petrich said an important consideration is coordinating the work with the local jurisdiction as the project moves forward. It's more difficult to stretch out the schedule with the DBB strategy. A GC/CM typically understands an owner's needs and is committed to making a project work. A DBB contractor is more interested in getting the job done and is not as sensitive to owner issues.

Mr. Davis asked about the benefit of using the GC/CM model for the project compared to DBB.

Ms. Staeheli said she has completed a fair amount of GC/CM work for both the private and public sectors. The team has not described the benefits of a GC/CM related to the major site work. There are several site mobilization issues related to the project, particularly managing the stormwater component during construction, and an analysis of earthwork and fill conditions. Mr. Peters said the old ravine continues west. Ms. Staeheli said a concern with the GC/CM conducting an early investigation for unforeseen conditions is how it ties in with tracking phased MACC costs and scheduling. She asked whether existing fields will be impacted. Mr. Peters said the plan is to resurface the existing track. The grass fields will be renovated. Ms. Staeheli asked if the owner plans to use the sports fields for construction staging purposes. Mr. Peters indicated the owner prefers not to use the fields for staging purposes, but the topic is open for discussion. The preference is to take the fields out of service for the shortest period of time. The ESD expects the GC/CM to handle the site issues. The owner intends to make that clear from the beginning. Ms. Staeheli said the application package doesn't contain sufficient information to understand the sequencing issues of the site. Understanding that sequencing and ensuring the hierarchy is in place will be key in the GC/CM selection process. There appears to be a gap. Mr. Peters acknowledged Ms. Staeheli's comments.

Ms. Born said a traditional delivery method is appropriate for projects with a very clear scope and no schedule constraints or site complexities.

Discussion followed on the advantages of the GC/CM Alternative Public Works (APW) methodology rather than traditional delivery. Mr. Peters conveyed that the public is concerned with the appearance of fairness, fiduciary responsibilities, and wants to know things are done properly and with transparency.

Additional comments from the panel included:

- The proposed project definitely has its challenges – coordination and phasing – that qualify it for the GC/CM methodology.

- The application did not demonstrate a compelling case. The team's explanation of the complexities and site constraints helped. The project would benefit from a GC/CM in terms of the three-month overlap in the schedule and the gym component. The argument pertaining to technical integration and sustainability is not compelling. The site component is critical. Otherwise, it appears a DBB delivery is appropriate. GC/CM eliminates the risk of multi-contracts on the site. The decision rests on two issues - is three months enough and a compelling reason and risk avoidance with a GC/CM. The proposal is not straightforward.
- Staff is experienced and is prepared to handle the project. GC/CM is not a "silver bullet." The challenges on the cost side are huge. It may not be possible to reconcile the cost estimates. The phasing strategy to modernize the school is tough. It seems reasonable to give the applicant the benefit of the doubt when the team is prepared.
- The site constraints are problematic. GC/CM is not a panacea to transfer risk; however, having a building partner to help the design and project management teams understand site complexities and help to manage costs and escalation issues is valuable. The project meets the criteria of GC/CM and the law. Ms. Born is familiar with the GC/CM selection process. Mr. Peters has demonstrated an understanding of risk management, project complexities, scheduling, and cost issues. The team will be successful.
- The budget is adequate. The Guaranteed Maximum Price (GMP) will be higher compared to a hard bid for the same project.
- The GC/CM has a better chance to contain costs compared to the DBB method.
- The team provided an outstanding and straightforward presentation. The project qualifies for the GC/CM delivery for reasons already articulated. Keeping students on the site during construction will be a challenge. Parking will be a problem and perhaps the ESD could rent space for parking in close proximity to the site. Mr. Peters pointed out district property located north of the site that could be used for parking. Shared use will have to be worked out with the City of Lynnwood.

Mr. Schreiber pointed out that the owner presentations were very beneficial. He indicated he would not have supported the request based solely on the application submittal.

There were no public comments.

The panel unanimously agreed to approve the ESD's project application for GC/CM for the MMS replacement project.

Eric Smith moved, seconded by Dan Chandler, to approve the Edmond School District's project application for GC/CM for the Meadowdale Middle School Replacement Project. Motion carried.

Other Business

Ms. Hofstad advised that she will e-mail travel vouchers to panel members for processing.

Adjournment

Penny Koal moved, seconded by Eric Smith, to adjourn the meeting at 11:10 a.m. Motion carried.