

**CAPITAL PROJECTS ADVISORY REVIEW BOARD  
PROJECT REVIEW COMMITTEE - PANEL  
Northwest Carpenters Facility  
25120 Pacific Highway South  
Kent, Washington  
September 25, 2008  
9:00 AM**

**Meeting Minutes**

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**MEMBERS PRESENT**

Charles Davis, Evergreen Healthcare  
Eric Smith, Chair, University of Washington  
Tom Peterson, Hoffman Construction Co of WA  
Gary Arndt, PE, Parametrix

Gary Baldasari, AIA  
Rick Benner, Western Washington University  
Darron Pease, Pease & Sons, Inc.  
Christy Trautman, King County

**STAFF, GUESTS, PRESENTERS**

Robyn Hofstad, General Administration  
Richard Linehan, Superintendent, White Pass School District  
Dax Logsdon, Sr. Project Manager, Construction Services Group

John Crook, JFC Architects  
Mike Currie, Project Manager, Construction Services Group  
Cheri Lindgren, Puget Sound Meeting Services

**Welcome & Introductions**

Chair Eric Smith convened a panel of the Capital Projects Advisory Review Board (CPARB) Project Review Committee (PRC) at 9:05 a.m. Chair Smith welcomed representatives from the White Pass School District (WPSD).

**Project Application Review for GC/CM – White Pass School District No. 303 – White Pass Jr/Sr High and Elementary Schools**

(Panel Chair Tom Peterson, panel members Gary Arndt, Gary Baldasari, Rick Benner, Darron Pease, Eric Smith, Christy Trautman, and Chuck Davis). Panel Chair Peterson described the application review process. The panel will evaluate two primary criteria to determine whether the project is suitable for the GC/CM delivery model as outlined in state law and whether the team is prepared. Panel members provided self-introductions.

Richard Linehan, Superintendent, WPSD, reported the campus was constructed in 1951. Taxpayers approved a bond in May 2008. He described his school district construction background. The location of the work in Randle is in a remote rural area. It's critical to the success of the construction project to develop a successful team. The General Contractor Construction Manager (GC/CM) model will ensure a successful project and deliver the best product to taxpayers.

Mike Currie, Project Manager, Construction Services Group (CSG), reported the White Pass Junior/Senior High and White Pass Elementary schools occupy the same site. The high school project is front-funded. Construction will begin prior to the Office of Superintendent of Public Instruction (OSPI) releasing state funds in July 2009. The elementary school is not front funded and work cannot begin until state matching funds are released.

Mr. Currie reviewed a site plan of the current campus configuration. A new high school will be built around the existing gym structure. Both schools share a common heating plant built in 1951, septic systems, and utilities. The district also plans to make other site improvements to include another covered transportation area and reconfiguration of the sports fields.

Pictures of the high and elementary school campuses were provided. The high school structure has never been renovated. The GC/CM contracting method is appropriate because the projects are complex, complicated, and phased. Students and staff will occupy the buildings during construction with multiple student relocations required. Additionally, the schools share facilities and site features.

The project is located in a remote, high elevation area, which impacts construction schedules because of cold winter temperatures and snow. The local work force is limited. The projects could be completed using the traditional Design Bid Build (DBB) delivery. However, GC/CM will provide additional opportunities such as taking full advantage of the construction season, initiating site work early, compacting the schedule, attracting more bidders, reducing risk management involving old buildings and unknown conditions, and benefitting taxpayers, staff, and students.

Funds available for both projects total approximately \$24.1 million consisting of an \$18.5 million bond issue and a \$5.6 million state match. Budget element costs for professional services, contract services, and construction, equipment, and offsite costs were reviewed. Design contingencies have been identified.

A construction schedule for both projects was reviewed. Construction documents are completed. GC/CM services consist of two distinct phases involving preconstruction and construction. It's critical to develop a team relationship between the owner, designer, owner's representative, and the contractor. The GC/CM model promotes a collaborative environment. WPSD budgeted \$175,000 for preconstruction services. Two or more bid cycles are anticipated. Some early work is anticipated that could include site work in the March/April 2009 timeframe. Large bid packages will help identify the Maximum Allowable Construction Cost (MACC). GC/CM services during construction were reviewed.

The GC/CM team components were presented and include the school district, legal counsel, architect, CSG, and a cost estimator. Mr. Currie pointed out approximately 65% of his time is currently allocated to the Othello School District projects until 2009 with additional full-time employee (FTE) support from CSG. Approximately 35% of his time will be devoted to the WPSD projects through schematic design, design development, and construction documents transitioning to 50% during construction with additional FTE support from CSG. Ultimately, his time will be split between the Othello and White Pass construction projects.

The project team was outlined on a flow chart.

Mr. Currie reported the team has demonstrated experience in K-12 construction. The team has successfully managed \$2.5 billion in DBB and GC/CM school projects.

Discussion ensued on the Othello project that began in July and the proposed strategy to recruit and hire a GC/CM to work in the Randle area. Mr. Logsdon said the industry is aware WPSD is seeking GC/CM project approval from the PRC. Two contractors (Lydig and Sherman) expressed interest in the work. Another contractor, WLK Construction of Spokane, might be interested as well.

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Mr. Smith reported he contacted the Othello School District (OSD). The OSD is very satisfied with the GC/CM process. He referred to the schedule included in the WPSD project application and noted it reflects setting the MACC at design development followed by construction documents and awarding the construction contract. He asked whether the schedule was modified. Mr. Currie said the MACC in the initial schedule reflects a recommendation for the school district's MACC and not the Guaranteed Maximum Price (GMP). A GMP will then be negotiated after 90%. He noted Othello bid 17 of the 40 bid packages before establishing the GMP.

Mr. Baldasari asked whether WPSD released an advertisement for a GC/CM. Mr. Currie replied that the advertisement is ready for release pending PRC's decision.

Discussion ensued on the notice to proceed timelines.

Mr. Arndt pointed out that 100% of Mr. Currie's time is assigned to two other projects through 2010. Mr. Currie explained that most of his time is devoted to the Othello project. However, a project manager works with him several days a week. CSG is hiring another project manager to assist with GC/CM projects to enable him to allocate additional hours to the WPSD project. Ultimately, he said his time will be split evenly between the WPSD and Othello projects.

Mr. Logsdon reported the project managers are experienced and currently working for CSG in other areas of the state.

Mr. Benner asked how WSPD will respond if the state does not release a match for the elementary school. Mr. Currie said the district will move ahead with the GC/CM for the high school. Mr. Logsdon added that there is funding available to proceed with the design for the elementary school and to build the high school. The district will know by mid-2009 whether the state will fund the elementary school modernization work.

Mr. Benner asked whether Mr. Crook has attended GC/CM training. Mr. Crook indicated that he has not attended training.

Mr. Pease referred to bundling the projects and indicated the elementary school could be built by local contractors. He asked for more information on how the two projects are connected. Mr. Currie agreed the elementary school could be built by local contractors. The junior/high and elementary schools are separated by 300 feet. All site development will affect both campuses. The schools share a common heating plant. A new 12-inch waterline is required and the septic system needs to be replaced. It makes sense for one person to manage the entire project in light of sequencing the work between the two projects and taking advantage of space to transition students during construction.

Mr. Logsdon reported the campus includes a stand-alone wing housing the heating plant, which is part of the high school. That wing is required to house elementary school students. Ultimately, demolition of the wing and heating plant need to be part of the high school project to receive state match funds. WPSD has one opportunity to build the project. He referred to significant public support for the modernization work that will help revitalize the Randle community.

Discussion ensued on current commitments of Mr. Thomas and capacity to provide cost estimator services for the WPSD project.

Mr. Davis asked about the level of GC/CM experience of the project managers. Mr. Logsdon said the project managers have 10 to 15 years of construction experience and are familiar with OSPI and district processes. One of the project managers worked for OSPI during the development of the GC/CM pilot program.

Mr. Davis asked whether the school district will proceed with a DBB project if the PRC denies the application for GC/CM. Mr. Currie affirmed the district will move forward with the DBB delivery process.

Mr. Logsdon reported CSG carefully evaluates projects and benefits of the GC/CM process. The WPSD project is a good project for GC/CM.

Mr. Davis commented that utilizing the GC/CM delivery method will likely exclude a number of contractors who might be interested in the work. Mr. Logsdon explained that the team will work to educate local and smaller contractors on the GC/CM model and provide an opportunity to participate in the process, which is warranted by the community and school board.

Mr. Benner asked about the timing associated with the decision on utilizing the GC/CM delivery method. Mr. Logsdon reported the district has been working on a modernization proposal over the last 20 to 25 years. The project evolved over time as facilities aged. Mr. Currie added that utilizing the GC/CM concept emerged in July.

Mr. Benner expressed concerns for hiring a GC/CM contractor with limited experience. Mr. Logsdon responded that it's anticipated GC/CM contractors will apply. The goal is selecting the best contractor for the job to ensure success.

Mr. Currie commented that project success hinges upon his ability to assemble a project team to work with the GC/CM selected through preconstruction services, which might not be the actual construction contractor. The process has been successful in Othello and Lake Washington. The WPSD project will be successful even with a contractor that possesses little or no GC/CM experience as long as the contractor is a team player and participates in the design, which is important to ensure successful project completion.

Panel Chair Peterson asked whether Mr. Crook has participated in a negotiated environment. Mr. Crook advised that his company specializes in the DBB delivery method.

Panel Chair Peterson asked about the reporting scheme of the GC/CM. Mr. Currie advised that he will facilitate and manage the GC/CM process.

Mr. Davis asked for a description of the substantial fiscal benefits associated with using GC/CM. Mr. Logsdon reported that if WPSD is not required to demolish the high school wing and must separate the projects, the district will not receive state matching funds for the classroom wing. Construction of that element would come from local funds. It will decrease the scope of the project and impact the program. The state requires bundling the bid package. WPSD has one opportunity to present a set of plans to OSPI and bid the job. A separate component is not eligible for a state match.

Panel members discussed and shared their respective opinions on the application:

- Concerns with a majority of the project team lacking experience with the GC/CM delivery.
- The proposal is a good project for GC/CM.

- The district will likely spend more money using GC/CM. There are people in the community who could do the job through the DBB method
- Part of the team has not sought GC/CM training or knowledge. There are benefits and challenges associated with the GC/CM delivery, which have not been fully explored. The issue is whether the project is a good fit for the GC/CM model.
- The owner has only recently sought approval to use GC/CM. The architect has not had an opportunity to participate in training.
- The WPSD team should seek GC/CM training.
- It's not a perfect project, perfect location, or a perfect setup for contractors with GC/CM experience. Some of the team members are experienced.
- The GC/CM will help ensure a successful project. Funding requirements and the interrelationship between the two schools and site considerations are complicated. The GC/CM training hosted by Associated General Contractors (AGC) provides a good overview. Team members are encouraged to attend.

**Eric Smith moved, seconded by Chuck Davis, to approve the White Pass School District No. 303 project application for GC/CM for the junior/high and elementary schools. Motion carried. Rick Benner opposed.**

Mr. Linehan thanked the PRC. The White Pass community is engaged and very excited about the modernization project.

**Adjournment**

With there being no further business, Chair Smith adjourned the meeting at 10:09 a.m.

Prepared by Cheri Lindgren, Recording Secretary  
Puget Sound Meeting Services