

State of Washington
Capital Projects Advisory Review Board (CPARB)
Project Review Committee (PRC)

APPLICATION FOR PROJECT APPROVAL
TO USE THE
GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM)
OR DESIGN-BUILD (D-B) ALTERNATIVE CONTRACTING PROCEDURE

The CPARB PRC will only consider complete applications: Incomplete applications may result in delay of action on your application. Responses to Questions 1-8 and 10 should not exceed 20 pages (font size 11 or larger). Provide no more than six sketches, diagrams or drawings under Question 9. **(Note: A Public Body that is certified to use the GC/CM procedure and is seeking approval to use this procedure on a GC/CM project with a total project cost of less than \$10 million is not required to submit information for Questions 7 or 8.)**

1. Identification of Applicant

- (a) *Legal name of Public Body (your organization): Mason County Public Utility District No.3*
(b) *Address: c/o Olympic Associates Company, 701 Dexter Avenue North, Suite 301, Seattle, WA 98109*
(c) *Contact Person Name: Court Olson Title: Owner's Representative*
(d) *Phone Number: 206-674-6117 Fax: 206-285-4371 E-mail: colson@olympicassociates.com*

2. Brief Description of Proposed Project

Please describe the project in no more than two short paragraphs. (See Attachment A for an example.)

Mason County PUD #3 currently holds a few adjoining parcels of land in an area approximately five miles north of the City of Shelton. The proposed project involves a development of 13.4 acres of this property for the purposes of moving most of their current administration, engineering, operations, vehicle storage, shops, and material warehouse functions to one single site. See Attachment A for the project site plan.

Because the planned site adjoins a PUD power substation and because there is a well on the site that can satisfy water needs for the planned buildings, and because the property sits on gravel soil that would support a septic type sewage system, utility services at the site will be largely self contained. Only communications lines must be brought to the site.

3. Projected Total Cost for the Project:

Note: By law, the D-B contracting procedure cannot be used unless the total cost of the project is over \$10 million. Although there is no total project cost requirement for using the GC/CM contracting procedure, every applicant must provide the information requested in Question 3.

A. Project Budget

<i>Costs for Professional Services (A/E, Legal etc.)</i>	\$ 3,400,000.00
<i>Estimated project construction costs:</i>	\$28,000,000.00
<i>Equipment and furnishing costs</i>	\$ 800,000.00
<i>Off-site costs</i>	\$ 0.00
<i>Contract administration costs (owner, cm etc)</i>	\$ 400,000.00
<i>Other related project costs (briefly describe) 8.4% WSST</i>	\$ 2,352,000.00
<i>Total (with sales tax & contingency)</i>	\$34,952,000.00

Note: The above budget outline does not include renewable energy project features for which funding is being sought from the federal stimulus package. The potential scope of such renewable energy features is currently being developed. If a photovoltaic roof module plan was extended to all new roofs in this project, for example, because the project includes

large roof areas covering vehicles and equipment, as well as enclosed buildings, these enhancing features could potentially add another \$2.5 to \$3.0 million dollars to the above project budget.

B. Funding Status

Please describe the funding status for the whole project.

(If funding is not available, please explain how and when funding is anticipated)

Mason County PUD #3 has already obtained bond funds in excess of seven million dollars to begin this project. Because of their good credit rating, they anticipate little difficulty in obtaining additional bond funds for the project. However, it is their preference to avoid debt service that will make a rate increase necessary. Consequently, for purposes of adding renewable energy efficiency features to the project such as photovoltaic roof modules, and also to reduce the need for or prevent a debt service level that would require a rate increase, the PUD is seeking partial federal stimulus funding support for the project. While lack of stimulus money will not kill the project, it could enable added features such as covered materials storage yard and renewable energy elements.

4. Anticipated Project Design and Construction Schedule

Please provide:

- The anticipated project design and construction schedule, including (1) procurement; (2) hiring consultants if not already hired; and (3) employing staff or hiring consultants to manage the project if not already employed or hired. *(See Attachment B for an example schedule.)*
The current (optimistic) anticipated project completion is January, 2011, as shown in Attachment B.
- If your project is already beyond completion of 30% drawings or schematic design, please list compelling reasons for using the GC/CM or D-B contracting procedure.
[Project design is only conceptual at this time]

5. Why the GC/CM or D-B Contracting Procedure is Appropriate for this Project

Please provide a detailed explanation of why use of the contracting procedure is appropriate for the proposed project. Please address the following, as appropriate:

For GC/CM projects:

- If implementation of the project involves complex scheduling, phasing, or coordination, what are the complexities?

ANSWER:

(1) Our first reason for seeking GC/CM is due to complex scheduling and phasing that is currently anticipated for this project.

Due to the current status of the project design, site work needs to begin in the summer months of 2009 before the full project design can be completed. Also, in order to avoid winter weather concerns, building foundations work should also begin before the entire building design is completed. Therefore, for least cost solutions, construction work will have to be contracted in phases.

In addition to the weather related phasing constraints there are additional phased funding constraints. Some of the project scope of work appears likely to be funded in later phases. Funding of renewable energy enhancements, and quite probably funding of one or more of the buildings in the total campus plan may be dependant upon obtaining federal stimulus funds. While application for such funds has recently

been made, the process for distributing such funds (and therefore obtaining a specific amount of funding) is still under development by the new federal administration and congress. Consequently, the federal stimulus funding stream is as yet unscheduled and not quantifiable. With added federal stimulus funding, the complete project scope would be able to grow beyond the PUD's current funding restraints. Given the federal funding schedule variable, the project design team and construction schedule need to be ready to rapidly adapt and take advantage of federal funding that would allow future scope changes. Depending on the funding schedule, such changes may occur even after site grading and utilities work and perhaps even after foundations work has already begun on this project.

FYI, outside of Federal stimulus sources, renewable energy options may still be pursued, subject to the Board of Commissioners approval. Renewable energy funding typically takes a different bond track that employs CREB bonds. Therefore, with or without Federal stimulus funding, there will be a separate funding track for the renewable energy systems employed in the project.

(2) The second justification for seeking GC/CM delivery has to do with the complex technologies that the PUD is considering with the project. In Olympic Associates Company experience with photovoltaic systems, experience suggests that such systems will likely be separately packaged and bid after design details have been coordinated with the building design and the building subcontractors (especially electrical subcontractor). Coordination of these new technologies into a project will require a full design and construction team approach.

- *If the project involves construction at an existing facility that must continue to operate during construction, what are the operational impacts on occupants that must be addressed? (Please identify functions within the existing facility which require relocation during construction and how construction sequencing will affect them. As part of your response you may refer to the drawings or sketches that you provide under Question 9.) [Since existing facilities can remain operational during construction at the new project site, this concern does not apply.]*
- *If involvement of the GC/CM is critical during the design phase, why is this involvement critical?*

ANSWER: Having a GC/CM on board the project team early in the design process to help carefully plan and estimate the cost of various possible additive scope packages that could develop out of federal stimulus funding, depending on the amount of that additional funding, is critical. Even if no stimulus funding is eventually realized, the GC/CM needs to be on board to help plan for phased construction work packages that are in harmony with the changing weather seasons, and with the renewable energy features that will likely be integrated after construction is underway. Therefore, for both reasons (1) and (2) listed above under project phasing, the GC/CM is critical to the maximum potential success of this project.

- *If the project encompasses a complex or technical work environment, what is this environment?*

ANSWER: See part (2) under the phased scheduling discussion above.

- *If the project requires specialized work on a building that has historical significance, why is the building of historical significance and what is the specialized work that must be done?
[The historical building concern does not apply to this all new construction project.]*

For D-B projects:

- If the design and construction activities, technologies, or schedule to be used are highly specialized and a D-B approach is critical in developing the construction methodology or implementing the proposed technology, (1) What are these highly specialized activities, technologies or schedule, and (2) Why is D-B critical in the development of the methodology or the implementation of the proposed technology?
- If the project design is repetitive in nature and an incidental part of the installation or construction, why is the design repetitive and incidental to the installation or construction?
- If regular interaction with and feedback from facilities users and operators during design is not critical to an effective facility design, why is regular interaction and feedback not critical?

6. Public Benefit

In addition to the above information, please provide information on how use of the GC/CM or D-B contracting procedure will serve the public interest. For example, your description must address, but is not limited to:

- How this contracting method provides a substantial fiscal benefit; or
- How the use of the traditional method of awarding contracts in a lump sum (the "design-bid-build method") is not practical for meeting desired quality standards or delivery schedules.

ANSWER:

As outlined above in Section 5, this project has the potential to evolve into a larger total scope than the baseline PUD funding will allow, due to the possible availability of federal stimulus funds. The details outlined in the stimulus bills currently being resolved between the two federal houses of congress strongly suggest that this project could at least in part qualify for additional federal stimulus funds. Having a GC/CM on board allows the project Owner and design team to develop and maintain a flexible multi-faceted project scope while the total project funding evolves during the design and construction process. Maintaining such project scope flexibility is not practically feasible with a lump-sum traditional design-bid-build method of project delivery.

Additional public benefit is expected in that GC/CM delivery allows the prequalification of subcontractors prior to bidding. Subcontractor prequalification is a tool that appears especially attractive to the PUD in these challenging times of business decline as we face the very real potential of businesses failing during the course of this project execution.

7. Public Body Qualifications

Please provide:

- A description of your organization's qualifications to use the GC/CM or D-B contracting procedure.

The Mason County PUD#3 does not have experience in alternative project delivery methods. Consequently, they have hired Olympic Associates Company to manage the GC/CM and other project management responsibilities, based upon knowledge of their work on other projects.

OAC's team leader for this project is Court Olson. Court is supported by OAC Managing Principal, Dan Chandler. Through the course of this project Court will work closely with Terry Peterson, Director of Engineering for the PUD.

Court Olson holds the Design-Build Institute of America Professional Designation which verifies his professional training and expertise in design-build project delivery. His is also a U.S. Green Building Council LEED Accredited Professional, and a SAVE Associate Value Specialist. Court started his career with three degrees in Civil Engineering and Construction Management. Before joining Olympic Associates as a project management consultant, Court had twenty-two years of project management and estimating experience working for northwest general contractors where he was involved in some alternative delivery projects, both GC/CM and Design-Build.

In his general contracting experience, Court was estimator and project manager for GC/CM and design-build projects. Since joining Olympic Associates early in January of 2002, he has been the lead managing consultant for four design-build projects:

- *Olympia City Hall, Olympia Washington*
- *A Public Facilities District project: Three Rivers Convention Center, Kennewick, WA*
- *A small private business headquarters: Pacific Northwest Equipment Headquarters, Kent, WA*
- *A non-profit association's office building: Washington Public Utility Districts Association Headquarters, Olympia, WA*

Court was a selection committee member for the City of Bellevue's City Hall GC/CM selection in 2003. As a citizen observer he witnessed the City of Bellevue's problems with the GC/CM method. Court has managed other GC/CM projects since, including the Trace Lofts projects in Seattle (2006-2008), and the East Shore Unitarian Church expansion project (1999-2001).

- A **Project** organizational chart, showing all existing or planned staff and consultant roles. *Note: The organizational chart must show the level of involvement and main responsibilities anticipated for each position throughout the project (for example, full-time project manager). If acronyms are used, a key should be provided. (See Attachment C for an example.)*

See ATTACHMENT C for project Organization Chart.

- Staff and consultant short biographies (not complete résumés).

Court Olson and Dan Chandler resumes are attached.

- Provide the **experience and role on previous GC/CM or D-B projects** for each staff member or consultant in key positions on the proposed project. (See Attachment D for an example.)

See ATTACHMENT D for Olympic Associates experience and role on prior projects.

- The qualifications of existing or planned for project manager and consultants. *Note: For design-build projects, you must have personnel who are independent of the design-build team, knowledgeable in the design-build process, and able to oversee and administer the contract.*

Please see Attachment D and attached resumes for Olympic Associates.

- The qualifications of an interim project manager until your organization has employed staff or hired a consultant as the project manager. Also indicate whether sufficient funds are available for this purpose and how long it is anticipated the interim project manager will serve. *Note: This information is required only if your organization has yet to select a project manager at the time of application.*

[There is no interim manager since Olympic Associates was hired.]

- A brief summary of the construction experience of your organization's project management team that is relevant to the project.

Please see discussion above.

- A description of the controls your organization will have in place to ensure that the project is adequately managed.

Mr. Olson is currently in the process of establishing project controls and reporting systems to effectively manage, the scope, schedule and budget for the projects. Court will utilize OAC's standard project budgeting tools and project management websites to manage communications and monitor progress. Budget tracking tools will establish the overall detailed budget to be approved by the Mason County PUD#3 Commissioners and then track actual expenses and forecast future costs. Schedule progress will be tracked against the master schedule.

- A brief description of your planned GC/CM or D-B procurement process.

The public utility district is planning on utilizing a modified AIA121/CMC owner agreement along with modified AIA201 general conditions developed in close coordination with outside legal counsel. In addition, the district is planning on a comprehensive Pre-Construction Services scope of work and General Requirements (Division 01) that will be coordinated thoroughly with the modified AIA documents for the GC/CM construction procurement within Washington State.

Preparation of the GC/CM RFP and selection process will be based on an OAC standard form and modified with the latest lessons learned from other public owners. This process will include selection criteria, interviews, and final selection evaluations.

The roles and responsibilities of the owner, construction management consultant, architect and the GC/CM are defined and coordinated through a number of responsibilities and contractual requirements.

Management of the scope, phasing, and budget of the project is of the utmost importance to the team in administering and controlling the project. Regular cost estimates will be completed by the architect and GC/CM throughout the process will be completed and reconciled at each major design phase.

Upon agreement of MACC, the project manager along with the GC/CM, will regularly evaluate the documents to determine the changes to the project which could adversely affect the MACC as set forth in the agreement. At every level of design the design team will forward a list of all changes which have been made to the project to determine impacts, however, by thoroughly analyzing changes as we go impact should be minimal.

- Verification that your organization has already developed (or provide your plan to develop) specific GC/CM or D-B contract terms.

[See above]

8. Public Body (your organization) Construction History:

Provide a matrix summary of your organization's construction activity for the past six years outlining project data in content and format per the attached sample provided: (labeled Att. 'E')

- Project Number, Name, and Description
- Contracting method used

- Planned start and finish dates
- Actual start and finish dates
- Planned and actual budget amounts
- Reasons for budget or schedule overruns

Mason County PUD#3 has had only minor construction activity in the last six years, involving substation construction and facilities maintenance.

9. Preliminary Concepts, sketches or plans depicting the project

To assist the PRC with understanding your proposed project, please provide a combination of up to six concepts, drawings, sketches, diagrams, or plan/section documents which best depict your project. In electronic submissions these documents must be provided in a PDF or JPEG format for easy distribution. Some examples are included in attachments E1 thru E6. At a minimum, please try to include the following:

- A overview site plan (indicating existing structure and new structures)
See Attachment A for the Site Plan
- Plan or section views which show existing vs. renovation plans particularly for areas that will remain occupied during construction.
[This does not apply]

Note: applicant may utilize photos to further depict project issues during their presentation to the PRC

10. Resolution of Audit Findings On Previous Public Works Projects

If your organization had audit findings on any project identified in your response to Question 8, please specify the project, briefly state those findings, and describe how your organization resolved them.

Mason County PUD #3 has had no audit findings on previous Audit Reports.

Caution to Applicants

The definition of the project is at the applicant's discretion. The entire project, including all components, must meet the criteria to be approved.

Signature of Authorized Representative

In submitting this application, you, as the authorized representative of your organization, understand that: (1) the PRC may request additional information about your organization, its construction history, and the proposed project; and (2) your organization is required to submit the information requested by the PRC. . You agree to submit this information in a timely manner and understand that failure to do so shall render your application incomplete.

Should the PRC approve your request to use the GC/CM or D-B contracting procedure, you also understand that: (1) your organization is required to participate in brief, state-sponsored surveys at the beginning and the end of your approved project; and (2) the data collected in these surveys will be used in a study by the state to evaluate the effectiveness of the GC/CM or D-B process. You also agree that your organization will complete these surveys within the time required by CPARB

Name (please print) *Court Olson, Olympic Associates Company*

Title: *Owner's Representative*

Date: *March 2, 2009*