

**Capital Projects Advisory Review Board
Expansion Subcommittee Meeting, Draft Meeting Notes
“Get On It” Conference Room, Kilroy Building, Sea Tac
September 8, 2006, 9:00 – 11:00 a.m.**

Initial if

Present	Name	Organization	Phone	e-mail
<i>Subcommittee Members</i>				
OY	Olivia Yang (Lead)	UW, Capital Projects	206-221-4224	oyang@u.washington.edu
BR	Butch Reifert	Design Industry	206-441-4151	breifert@mahlum.com
EK	Ed Kommers	Mechanical Contractors	206-612-7304	ekommers@comcast.net
Absent	Dave Johnson	Wa. State Bldg. & Construction Trades Council	360-357-6778	DJIW86@aol.com
Absent	John Lynch	General Administration	360-902-7227	jlynch@ga.wa.gov
RE	Rodney Eng	City of Seattle	206-684-8241	rodney.eng.@seattle.gov
MM	Michael Mequet	Port of Seattle	206-835-7637	mequet.m@portseattle.org
NH	Nora Huey	King County	206-684-2049	norahuey@metrokc.gov
Absent	Tom Peterson	Hoffman Construction	206-286-8697	tom-peterson@hoffmancorp.com
Absent	Tom Balbo	AGC	206-767-3810	tomb@fergusonconstruction.com
Absent	Ashley Probart	Assoc. of Wash. Cities	360-753-4137	ashleyp@awcnet.org
Absent	Larry Byers	Contracts Bonding & Insurance Company	206-628-7221	larryb@cbic.com
DG	Dick Goldsmith	Assn of WA Hospital Districts	206-216-2528	richardg@awphd.org
DL	Dick Lutz	Centennial Cont.	360-867-9443	dicklutz@comcast.net
LS	Larry Stevens	MCA/NECA	253-212-1536	lwstevens@wwdb.org
Absent	Rodger Benson	MA Mortenson	425-895-9000	Rodger.benson@mortenson.com

<i>Other Attendees</i>				
ND	Nancy Deakins	General Administration	360-902-8161	deakink@dshs.wa.gov
	Ginger Eagle	Wa Public Ports Assoc	360-943-0760	geagle@washingtonports.org
MT	Michael Transue	AGC	253-223-2508	cmjtransue@comcast.net
RP	Robynne Parkinson	Groff/Murphy Design Build Institute of America	206-678-9800	rparkinson@groffmuphy.com
Absent	Kathryn Leathers	House of Reps	360-786-7114	Leathers.Kathryn@leg.wa.gov

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Other Attendees (continued)

MR	Marsha Reilly	House of Reps	360-786-7135	Reilly.marsha@leg.wa.gov
Absent	Diane Smith	Senate Gov Ops	360-786-7410	Smith.diane@leg.wa.gov
DS	Duke Schaub	AGC-Washington	360-352-5000	dschaub@agc.wa.com
SB	Stan Bowman	AIA/WA	360-943-6012	bowman@aiawa.org

Meeting Notes

Mr. Eng said that the original language for modular buildings was the point of not having it prohibited. By adding a sentence you change the intent. When you build a building that is when it becomes a public work. Installation involves prevailing wage, retainage, etc...Installation causes you to go through procurement in paragraphs four through seven.

Mr. Transue suggested that the first sentence (first line of subsection 3) be deleted. We need to strengthen the public disclosure provisions in 39.10, Sub 100 to make it more clear.

Mr. Eng stated that we want information, but the firms don't want to give it out because they feel they will lose their competitive edge. The public needs to see if procurement is being done fairly. In the early stage of the process, it is not even in the ball game.

Ms. Parkinson said that we can move the technical approach to the finalist factors.

Mr. Eng said that owners don't need the technical approach. This should be done at the very first step and don't want the proposer to spend 10% on design when they may not get the project. We have to balance risk and reward. We should have a relatively inexpensive first phase (short list), just qualifications.

Are you legally entitled to the honorarium? Mr. Eng said that we know what costs are for proposing. If the owner terminates the RFP process at anytime, then you pay the honorarium. Mr. Eng and Ms. Huey will take this issue back and have discussions with their constituents.

Per Ms. Reilly: Subsection 1 is the RFQ process and Subsection 2 is the RFP process.

Experienced Owners Discussion

Definition of owner and dollar amounts (project costs \$10 million) – there was consensus at the last subcommittee meeting. Ms. Parkinson stated that we had a long discussion last time. It was not highlighted on her document, because we kept the \$10 million amount.

Mr. Eng said that the City of Seattle would oppose going to the Project Review Committee for Design Build projects (even though we are an experienced owner).

Mr. Reifert said that he needs more information from his constituency regarding Design Build.

Mr. Bowman restated that Schools should have limited access to Design Build.

Mr. Lutz said that we should use the same language in both situations, if they meeting the Design Build criteria, they should get to do the project.

DBOM (Design Building Operation and Maintenance) Discussion

Mr. Kommers led the discussion. Mr. Kommers stated that the OM and spec are too limiting. University of Washington has an OM portion (over 20 years it will change a lot) it was for a Lab/Research and Technology Building. The design builders has to take OM for a long time (it is a long term OM commitment).

Mr. Eng said that DBOM is a single entity to balance the efficiencies. It is the balance of capital maintenance and cost.

Ms. Parkinson said that she has members doing DBOM and it is almost impossible to bond (20 years, not 100% operation).

Mr. Bowman said OM costs need to be factored in upfront in every project.

Mr. Eng stated that owners are criticized about over designing, but trying to put in a durable building. This is not something the City of Seattle made up (it is construction and operation).

Mr. Kommers said that we need to find a way to evaluate DBOM. DB statute not supported by his group (if OM is included in it).

Abbreviation for Tenant Improvements is TI (over 20 years).

Mr. Bowman said that there has been a JLARC study on GCCM, but nothing on agencies doing Design Build. It will be an uphill challenge.

Mr. Schaub stated that he will ask his members and any proposal that limits his members would not be agreed too (OM for 20 years) with a decent rate of return.

Mr. Kommers said that statute is currently silent on DBOM. It doesn't say you cannot do it. DBOM is you buy and guarantee 20 years of OM. He doesn't want it silent any longer.

Mr. Eng stated that it is not a public work.

Mr. Bowman said that it needs to be evaluated and studied. Can we discuss this further after the Reauthorization Subcommittee Meeting is completed?

Mr. Eng stated that the City of Seattle and the University of Washington position had authority to do DBOM.

Mr. Bowman said that DBOM is a separate item from Design Build with a separate definition. It would make it more clear. He said that Mr. Kommers raises a valid point. If not specifically authorized, leave it silent and let people find out in court.

Ms. Deakins stated that this group needs to decide if DBOM is a new method or not. Ms. Yang said that the Expansion Subcommittee can have a forum and discuss this.

Mr. Eng said that based on existing statute he feels they are authorized for DBOM (UW and City of Seattle).

It was requested that Mr. Bowman and Reifert contact Ms. Yang prior to the CPARB meeting on September 14th.

Mr. Eng stated regarding GC/CM that we need to rely on the project review board to determine who is qualified to do GCCM. What is the AIA position? Mr. Bowman said he needs electronic copies of the project and owner criteria.

Ms. Parkinson would like something more specific (a counter proposal from Mr. Bowman) and then he should bring it to the subcommittee.

Ms. Deakins wants Mr. Bowman to review the project and owner criteria and bring it back, if not good enough, state why, to the October Expansion Subcommittee Meeting. Mr. Bowman said that he will take the project and owner criteria to his members and check to see if the criteria is adequate.

Meeting Adjournment

The meeting was adjourned at 11:40 a.m.