

April 28, 2011

Project Review Committee

Re: Kennewick School District Project Application Dated 2/24/11

Subject: Summary of PRC Panel Hearing held on 3/24/11

Prepared by Tom Peterson – Panel Chair

Panel Members:

Tom Peterson (Hoffman Construction)

Dave Marberg (University of Washington)

Don Gillmore (Seattle School District)

Paul Powell (Port of Seattle)

Peg Staeheli (SVR Design Company)

Gary Baldesari (Private Construction Manager)

Darlene Septelka (Landon Construction Group)

Eric Moll (Mason General Hospital)

Summary

- A. The application was distributed and reviewed by the above panel members which generated 12 formal questions that were sent to Kennewick prior to the hearing. These 12 questions were addressed by Kennewick at the hearing, see attached.
- B. During the hearing the following additional questions and answers were provided (these are condensed and paraphrased from the full versions available from the audio tape that is posted on the PRC website):
 1. Q (Dave Marberg) – No question that this is a good fit for GC/CM. Up front the team has GC/CM experience. My concern is that during construction it seems the team is light in GC/CM experience. How will you handle resolution of construction issues?
A (David Robinson) – We have other resources available both within our firm and from outside that we could draw on as needed.
 2. Q (Dave Marberg) – How much GC/CM experience will you require from the Contractor?
A (David Robinson) – The RFQ will be weighted pretty heavily for the contractor to have GC/CM experience. We believe because of the complexity of the project that we will get some very qualified teams which will shore up, so to speak, the lack of the GC/CM Washington experience by selecting a good firm that has that experience.
 3. Q (Darlene Septelka) – Your experience is with CM at risk in California. What do you see as the differences between the California laws with CM at risk and GC/CM in Washington.

A (David Robinson) – We recently opened an office in WA. The difference is that we don't have the vehicle in CA that you have here for alternative delivery models. I am a certified Construction Manager through CMAA. I have worked as a General Contractor as a Construction Manager and CM at risk on several projects. The significant difference is that you have a vehicle that allows for public work alternative opportunities that we don't have in California. We have been studying the RCW's for the last few months and are still learning. I am not sure you are looking for something direct but if you are please ask that question.

4. Q (Darlene Septelka) – What are the specifics and the differences in the way you have managed projects and how this project would be managed?

A (David Robinson) – The most significant difference is really an advantage in picking a contractor that has construction management experience and capabilities as well. We get to add a team member that isn't just a design bid build contractor. That is a significant difference for us.

5. Q (Darlene Septelka) – It is more than just the selection of the GC/CM but the management of the GC/CM process. We have very strict statutes and how the work can be performed and that is what I wanted addressed.

A (David Robinson) – It is pretty strict and we must follow the process associated with the bid packages and the bid package development. It is pretty prescriptive but do not see anything that warranted me that I should be concerned about in overstepping.

6. Q (Don Gilmore) – Since you are applying for matching funds in the future have you considered the schedule/timing for those applications?

A (Doug Carl) – Yes, we have talked to the State about that.

7. Q (Don Gilmore) – What if you encounter unforeseen conditions?

A (Doug Mitchell) – The way I look at that is that it is no worse than a design bid build project and I think it is a lot better in most instances. The first school will be the riskiest since we are starting it a little bit later and by the time we get to the second one the schedule will be moved up and we will have enough early GC/CM involvement that we will be able to incorporate any unforeseen conditions.

8. Q (Don Gilmore) – So then have you thought about acceleration if the projects become problematic?

A (Doug Carl) – Yes but our hopes are that in selecting the right GC/CM partner we will work towards the master schedule we have developed. We will incorporate their construction schedule we will look for opportunities to step back the schedule. With schools 2 and 3 we will have lots of time in preconstruction to consider unforeseen conditions and also with lessons learned from school one.

9. Q (Don Gilmore) – Will you have issues with attracting subcontractors from your region?
A (David Robinson) – We have already started an outreach to prospective general contractor and construction management teams that have been successful. The great thing about bringing on the GC/CM early we can break the bid packages to a point where we can support our community.
10. Q (Tom Peterson) – As I understand it these 3 projects are essentially identical projects and are basically designed?
A (Doug Mitchell) – Basically yes with some differences such as utilities and site planning.
11. Q (Tom Peterson) – So I am still struggling with what benefit there is to go GC/CM?
A (Doug Mitchell) – We probably could go out and D/B/B these but what we saw is to having to retrain 4 different superintendents, 4 different PM's 4 different contracting teams and probably a number of different subcontractors was one of the main things. Then there is perhaps the ability to combine bid packages between the 3 schools and preorder certain things. We of course need to talk to the GC/CM about those opportunities but is something we saw as a big potential bonus.
A(David Robinson) – This is one of the things we saw also is the opportunity to go in and collaborate on such things as flooring or mechanical equipment. Also from a long term maintenance aspect there is the opportunity to have the same equipment and materials.
12. Q (Peg Staeheli) – With the shortened precon period of 2 months for the first project there has to be a pretty rigorous effort to take advantage to perhaps preorder, etc.
A (Doug Carl) – We acknowledge this and have had internal discussion about this recognizing that it is a short period. But in order to keep the schedule and build the projects over the summer of each year we had to do this on the first school to be advantageous to us.
A (David Robinson) – We realize we won't necessarily get the most benefit from the first project but will on the other two. We still think we will receive some benefit on school one and will be able to apply that knowledge to the other 2 schools.
13. Q (Darlene Septelka) – You plan to have one GC/CM contract for all 3 schools?
A (David Robinson) – Yes, one contract.
14. Q (Darlene Septelka) – What is the value of each school?
A (David Robinson) - \$8 million dollars for construction.

15. Q (Darlene Septelka) – So you will have one MACC for the 1st school and then change order or amend the others?

A (David Robinson) – We will add the other schools through amendments.

16. Q (Dave Marberg) – Will you be using the early M&E procurement process now allowed?

A (Doug Carl) – This hasn't been a strong discussion.

C. Public Comments were taken.

1. Phil Lovell – I am sure Mike (Purdy) is on top of this but just a reminder that 39.10 requires an open book process and given your location and probably your past contracting methods some contractors from your area may not be familiar with the GC/CM process. However, you can't disqualify a contractor just because he hasn't done a GC/CM project but am sure Mike is on this.

Doug Carl (Kennewick) – We have put a lot of time into the scoring and Mike Purdy has provided input on this.

2. Miriam Israel Moses – This is a comment to the Owner. I would encourage you to include apprenticeship utilization in your project.

Doug Carl (Kennewick) – We have included this in all our past contracts and is mandatory.

D. Panel Deliberations

Peg Staeheli – My concern is what benefit there will be on the first school with the short precon period. Maybe the first one should go D/B/B.

Gary Baldesari – This is a good project for GC/CM

Dave Marberg – I think GC/CM would be a big advantage. My concern is with the GC/CM management experience during construction.

Darlene Septelka – If Mike Purdy were not on the team I would also have this same concern.

Don Gilmore – Good project for GC/CM because it is complex from a scheduling aspect. The challenge will be with the first school during precon.

Tom Peterson – This is a good project for GC/CM. The shortened precon period on the first school will be challenging and the prospective GC/CM's should be made aware of this so they can address it as it will be an intense 2 months.

Eric Moll – Good project. The schedule is complex.

Paul Powell – I am in favor of this project as well. With Mike on the team I assume he will help keep the project on track.

Motion was made and seconded for approving the application. The application was unanimously approved.

Responses to PRC Questions

1) From pp. 2/13, the tabular listing of construction budgets indicates that this effort will be the largest (collectively) project undertaken/contracted by the district.

- District has successful record of implementation of large capital projects.
 - Systems and staff in place and are available.
- Each phase of this Project is less than four previous projects recently completed by the District.
 - Southgate Elementary School (\$9.7 million)
 - Cottonwood Elementary School (\$12.5 million)
 - Canyon View Elementary School (\$9.55 million)
 - Kamiakin High School (\$26.5 million)



Responses to PRC Questions

2) Pp. 9/13 with matrix of FTE's for management of the project there appears to be only two people, Doug Mitchell and Mike Purdy, that have actual GC/CM experience while David Robison attended the two-day GC/CM workshop.

- David Robison has significant experience in managing multi-million dollar CM at Risk, CM/GC, Design-Build projects.
 - Principles and experience are transferrable to Washington State GC/CM.
- Greg Guedel has advised numerous public agencies in Washington State on GC/CM, including other first time users of GC/CM.
- GC/CM experience of the team is similar to GC/CM experience of previous teams approved by the Project Review Committee.
- Kennewick School District is confident that the team has the knowledge and experience to successfully manage this Project.



Responses to PRC Questions

3) With the allocation of time in precon and construction shown in the table, this seems light for management—especially in the construction phase. Please address.

- Repetitive nature of each phase of the Project should result in lower expenditures of time by Project Team.
- Percentages represent best estimates at this point based on previous experience.
- Project Team has flexibility and is committed to spending the time necessary for successful management of the Project.



Responses to PRC Questions

4) On same matrix, construction participation by the design firm appears to be totaled as .95 FTE [Mitchell and Pierce.] Is this really adequate, given the likelihood of need for their sub consultants input during construction to handle such things as document glitches, as-built conditions, coordination and RFI issues?

- Design team time commitment similar to identical school (Southgate Elementary) performed as a Design-Bid-Build project.
- Additional design team members not noted on matrix will provide support and assistance with submittal processing, clarification responses, etc.
- Doug Mitchell and Heidi Pierce are committed to increasing their time commitment on the Project as necessary to ensure a successful project.



Responses to PRC Questions

5) pp. 6/13 [and further] indicates that the District intends to utilize a 'mini-MACC' approach for each of the 3 schools successively undertaken. Total duration of precon and construction services seems to spread over 3 years [pp11 & 12/13], with slight overlap between completion of construction on one school and start of the next one scheduled. How are issues of potential cost escalation between the phases to be handled?

- Escalation between phases has been considered and factored into the total costs for construction.



Responses to PRC Questions

6) How are potential staffing discontinuities to be addressed?

- Project shares same staffing discontinuity risk as any multi-year project, GC/CM or Design-Bid-Build.
- Key staff (Project Manager and Construction Manager) have commitments to, and are based in Kennewick.
- All principals are committed to being on-site and available whenever needed.



Responses to PRC Questions

7) Precon efforts seem to be scheduled in duration 's spurts' of 2 months allocated to each of the schools (except for the third, Lincoln, which for some reason indicates 3 months.) Is this 'start-stop' depiction realistic?

- District and GC/CM to collaborate on appropriate scheduling of Preconstruction services once GC/CM is selected.
- Preconstruction duration for Cascade (2nd year) and Lincoln (3rd year) will both likely be adjusted to be from three to four months each.
- Preconstruction duration for Sunset View (1st year) will be two months due to schedule constraints.
- Increased efficiencies incorporated into Cascade and Lincoln construction projects.



Responses to PRC Questions

8) Does the District intend to negotiate separate preconstruction budgets for each of the three schools, or one budget for all three?

- Separate Preconstruction budgets will be negotiated for each of the three schools prior to preconstruction services beginning for each school.
- Lessons learned from previous school(s) will assist in this scoping and negotiation process.
- One Preconstruction contract to be amended as preconstruction for Cascade (2nd year) and Lincoln (3rd year) are negotiated.



Responses to PRC Questions

9) Since the renovation of Southgate Elementary School was performed under a design-bid-build contract, what lessons learned from the Southgate renovation help build a case for a GC/CM approach?

- Continuity of contracting team will have time and cost savings.
- Schedule coordination between multiple schools under one contract will reduce risk of delays.
- Need to validate as-built documentation prior to construction.
- Site planning will benefit from GC/CM collaboration.
- Approach to such items as selective demolition, shoring and abatement can be streamlined.



Responses to PRC Questions

10) Per the timeline shown on page 11/13, there are only six calendar days allowed for submittal of the preconstruction work plan after selection of the GC/CM. What do you expect/want to see in that plan?

- Preconstruction Work Plan will include GC/CM's proposed hours and rates based on the Preconstruction Services Scope of Work already drafted and to be included in the RFP.
- Informal feedback from contractors has indicated this is a sufficient number of days to provide the Work Plan.
- Flexibility in schedule if additional time required to submit Work Plan.

11) Who do you envision will have the chief responsibility for creating and submitting the plan?

- GC/CM will be responsible for the creation and presentation of the Work Plan.
- The Preconstruction Work Plan will be reviewed by the Project Team and negotiations will occur between the District and the GC/CM.



Responses to PRC Questions

12) Has the School District commenced developing the GC/CM RFQ/RFP and other necessary front-end documents to accelerate GC/CM procurement?

- The RFP is complete, and pending PRC approval, will be advertised this Sunday, March 27th.
- Project Team will utilize and adapt previously developed documents on other GC/CM projects for this Project including the following:
 - Preconstruction Services Contract
 - GC/CM Construction Contract
 - General Conditions
 - Division 01 (from previous School District projects and adapted to GC/CM use)
 - Summary Matrix of Cost Allocation
 - Request for Final Proposals
 - Final Proposal Form
- Sufficient time to finalize documents prior to May 10th release of Request for Final Proposals (RFFP)



Summary

- Project is well-suited for GC/CM project delivery.
- Adequate funding is available for the completion of the Project.
- A highly qualified team with State of Washington GC/CM experiences has been assembled.

