

Minutes

Washington State Convention Center
Public Facilities District

Special Meeting of the Board of Directors
August 28, 2018

I. Call To Order

Frank K. Finneran, Board Chairman, convened a special meeting of the Washington State Convention Center Public Facilities District (WSSC) Board of Directors at 12:30 p.m. in Glacier Peak Room (Administration Offices – Level 2), of the Convention Center.

MEETING ATTENDANCE

Board Directors in Attendance (In Person)

Frank K. Finneran, Chair
Robert Flowers
Susana Gonzalez-Murillo
J. Terry McLaughlin
Denise Moriguchi
Craig Schafer

Board Directors in Attendance (By Teleconference)

Deryl Brown-Archie, Vice-Chair
Jerry Hillis

Board Directors Absent

Nicole Grant

Officers in Attendance

Jeffrey A. Blosser, President / CEO
Linda Willanger, Vice President of Administration / AGM
Chip Firth, Director of Finance and Administration / CFO

Legal Counsel

Matt Hendricks, Hendricks – Bennett, PLLC

Consultants / Vendors in Attendance

Becky Bogard, Bogard & Johnson
Colin Green, LMG
Fred Eoff, PFM, Inc.
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Arneta Libby, Pine Street Group
Stacy Shewell, Pine Street Group
Tom Norwalk, Visit Seattle

Staff in Attendance

Daniel Johnson
Michael McQuade
Michael Murphy
Paul Smith
Lorrie Starkweather

II. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. The following action items had been sent to the Board for review prior to today's meeting:

1. Ratification of Additional Facility Project Contract List, August 2018
2. Approval of Additional Facility Project Draw Schedule Payments, #45 (August 12, 2018)

Mr. McLaughlin made a motion to approve the Consent Agenda as presented. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

III. Discussion And Potential Action Regarding Change Orders to the GC/CM Agreement with Clark-Lewis for the Following Addition Project Scopes of Work:

Mr. Finneran advised that one of the principle purposes of today's Special Board meeting was to discuss change orders to the GC/CM Agreement with Clark-Lewis for several different items that are, by change order, being included in the scope of the project. A document listing items was distributed to the Board outlining details in three summary areas. Mr. Finneran stated both the Finance Committee and Addition Committee had reviewed this document at their meetings earlier today and requested Pine Street Group provide an explanation to the Board concerning the change orders and the process being recommended. Mr. Rosauer advised that the goal is to lock down the construction costs and ultimately the contractors Maximum Allowable Construction Cost (MACC). Over the past few months we've been doing what are referred to as Mini MACC's that eventually lead to finalizing the total contract value. The potential action being recommended to the Board for approval today is consistent with that approach. As this is a more detailed, lengthy list it is being broken into three buckets with individual approval sought for each bucket for the Chairman to execute change orders to continue to lock down those construction costs. Mr. Rosauer provided an explanation of the items in 'bucket #1' – "Bids Received/Award Upon Approval". These are costs that are in hand that the contractor and PSG are suggesting are ready to be pinned down and a change order to the GC/CM is being recommended in an amount not to exceed \$138,000,009. Mr. Rosauer provided an explanation of the items in 'bucket #2' – "Bids Received – Evaluating /Against Budget". These are costs that have been received but the team is still working through the amounts and are not recommending that they be executed in a change order at this time but are recommending that the Board give authority to the Chairman to execute those change orders independently when the costs are resolved, not to exceed the amounts individually specified by line item. Mr. Rosauer explained the items in 'bucket #3' – "Bids Anticipated 8/30 and 9/6", stating that the line amounts provided are estimates containing some contingency, and it is expected that these numbers would come in over the next two weeks. Some will likely be less than the budgeted amount and some could be over, hence the contingency, and to alleviate the requirement for weekly Special Meetings of the Board of Directors to approve these costs, the Addition Committee is recommending that authority be given to the Chairman to execute these change orders for those amounts as received and recommended by PSG, not to exceed the amounts individually specified by line item. Mr. Hendricks wished to clarify that there are two concepts in play: for the first motion, for the bids that are set, this will be one change order for the various scopes but one price – not to exceed \$138,000,009; the second motion and third motion have various line items so if one of the individual line items goes above the not to exceed amount, that particular line amount will have to come back to the full Board for future approval.

Motion #1: Mr. Schafer made a motion to authorize the Board Chair to execute a Change Order to the GC/CM Agreement with Clark-Lewis for these following scopes of work in the following amounts, not to exceed a total amount of \$138,000,009:

Terrazzo	\$ 598,370
Tile	\$ 2,750,000
Resinous Flooring	\$ 494,588

Fireproofing	\$ 8,989,300
Roofing	\$ 6,825,000
Fire Curtains	\$ 6,355,276
Operable Partitions	\$ 3,140,900
Waterproofing - Bid Item 1	\$ 1,864,702
Loading Dock Equip.	\$ 144,212
Polished Concrete	\$ 598,657
Trash Chutes	\$ 147,393
Exterior Framing/Insulation/Drywall	\$ 8,587,000
Carpet	\$ 2,486,128
Food Service	\$ 5,864,000
Masonry - Bid Item 1&2	\$ 3,740,839
Masonry - Bid Item 3	\$ 2,048,580
Concrete	\$ 64,590,000
Doors Frames and Hardware	\$ 2,830,026
Window Treatments - Bid Item 1 & 2	\$ 2,106,604
Window Treatments - Bid Item 3	\$ 407,000
<u>Interior Glazing</u>	<u>\$ 4,242,339</u>
Subtotal	\$128,810,914
Markups	\$ 9,189,095
Change Order Authority Requested:	<u>\$138,000,009</u>

Ms. Moriguchi seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

Motion #2: Mr. Schafer made a motion to authorize the Board Chair to execute Change Orders to the GC/CM Agreement with Clark-Lewis for the following work, not to exceed these amounts:

Division 10 Specialties	\$ 3,069,383
Bid Item 1 - Acoustical Ceilings	\$ 7,850,963
Bid Item 2 - Meeting Room Ceilings	\$ 1,417,869
Bid Item 3 - Back of House Ceilings	\$ 697,578
Bid Item 4 - Metal and Wood Ceilings	\$ 5,144,226
<u>Bid Item 5 - Acoustical Wall Panels</u>	<u>\$ 2,211,437</u>

Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

Motion #3: Mr. Schafer made a motion to authorize the Board Chair to execute Change Orders to the GC/CM Agreement with Clark-Lewis for the following scopes of works, not to exceed these amounts:

Casework	\$ 7,796,404
Wood Flooring	\$ 1,193,918
Painting	\$ 7,369,392
Metal Siding/Sheet Metal	\$22,635,301
Signage (Wayfinding)	\$ 4,922,000
Specialty Ceilings	\$ 8,102,299
Rough Carpentry	\$ 1,440,345
Site Concrete	\$ 3,973,983
Asphalt Paving	\$ 5,853,468
<u>Site Utilities</u>	<u>\$ 918,813</u>

Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

IV. Discussion and Potential Action Regarding Revised Addition Project Financial Plan (Sources and Uses) Dated August 23, 2018

Mr. Flowers advised that the Finance Committee met today and reviewed the revised Addition Project Financial Plan, which was also presented to the Addition Committee for their review. The Finance Committee is recommending it to the Board for approval.

Mr. Flowers made a motion to approve the Financial Plan dated August 23, 2018 as presented. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

V. Adjournment

Mr. Schafer moved to adjourn the August 28, 2018 Special Meeting at 12:51 p.m. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.