

**CITY OF SEQUIM  
CITY COUNCIL SPECIAL MEETING MINUTES  
SEQUIM TRANSIT CENTER  
190 WEST CEDAR STREET  
SEQUIM, WA**

**JULY 15, 2013**

**5:00 P.M. SPECIAL MEETING**

Council members present: Laura Dubois, Erik Erichsen, Ken Hays, Ted Miller, Candace Pratt, Dennis Smith and Genaveve Starr.

1. Approve key elements of RFP for Police Department/Civic Center and Adopt Resolution R-2013-13 Authorizing Certain Duties Related to Design-Build

Burkett indicated important Council policy decisions need to be made. A draft RFP needs to be reviewed and the higher level concepts approved by Council leaving the final RFP details in the hands of City Manager with a delegation resolution pursuant to statute. A not-to-exceed size of the building up to 34,000 sf gives the City Manager flexibility. The key governing issue is not-to-exceed \$11,650,000. Our current estimate of the cost of the building is \$15M that includes the design-built contract at or below \$11.6M and the total cost includes the surrounding land purchased to date. The source of funds for the \$15M is the \$10M in bonds and \$5M in cash saved by the City. Of the \$5M, approximately \$3M will come from utilities and \$2 from the general fund. He described how the \$11.6 figure was created. We plan to build something we can afford.

Staff recommends Council approve a not-to-exceed amount in the RFP of up to \$11,650,000, and a total square footage of up to 34,000. This will allow the size to be reduced and cost of the project slightly, if necessary, to fit within the City's budget and plans for financing of the project.

Erichsen asked how much input will Council have with the RFP. Burkett said staff discussed the level of involvement of Council. The most important thing is the price tag and to approve that it will be around 34,000 sf. He feels these are the most important elements of the Council policy approval.

Smith asked about the ownership of the PW/DCD facility. Burkett indicated it is leased along with all other space offices are located other than City Hall. Smith asked what the incentive is for the contractors to come in under \$11.6. Burkett said the incentive is to be creative in reducing the cost to provide what we want for less money. Hays said Council has approved a process that has been followed carefully to take a path to help avoid the distrust of a competitive bid process. In the competitive low bid process people would leave things on the table to get the bid. He feels the competitors will work hard to keep the cost down.

Burkett said we will receive 3 detailed proposals and the presentations will provide in “building information modeling” (BIM) so we can see what the building will look like. Those presentations will be open to the public. We also plan to have public presentations of the proposals so the public can make comment. Once Council decides on the winning team, we can make some modifications to the proposal before they start the design. During the design we can meet with them to ask questions before the final design is approved. Another opportunity for cost savings will be an incentive provision to split the cost savings with them.

Starr is concerned with the amount of money to be spent and asked if Court Olson has known the amount from the beginning. Burkett indicated he has. There is a \$550,000 contingency in the overall budget.

Dubois commented during the interview of the 4 teams we saw numerous city halls and police stations and other buildings. They gave us costs per square foot of \$282 up to \$400 per sf. She feels having seen what they have built, this price range seems reasonable. A number of years ago Arai Jackson had done some programming. We then hired Court Olson as the project manager. Olson did use the Arai Jackson work as a foundation.

Hays said the process dates back to 2003 when a needs assessment was done. The community was involved to understand the needs of the City. The process was revisited and refined with this Council. He gave an overview of the entire building process. The RFP will be a thorough analysis of everything needed to define the parameters. Burkett mentioned other specialists on Optimum Building’s team to help define the parameters for the RFP.

Pratt appreciates the Mayor’s architect experience in following and analyzing this data. Dubois has a great financial background. We have two strong people on the subcommittee. She asked about public art plans. Burkett said there is a provision for art in the budget. This will be decided once we select the successful team for Council to discuss the placement and type of art. She asked if we would have public competition for art. Hays hopes to be able to solicit projects and ways to integrate art.

Miller commented many cities when building a major project end up with cost overruns. He has complete faith in the City Manager but proposes an amendment to the resolution to assure Council gets a final approval of the RFP. Hays said we need to be careful not to micro-manage this project. We are a stakeholder but we are responsible for making the final decision of budget and maximum costs for the project and have confidence in the process we have approved and endorsed.

Hays said our consultant team and staff will have a chance to review the proposals and look at the numbers. He believes we are dealing with honest people. Our expert team will be able to tell us if they feel we are being charged too much for certain things.

Erichsen worked for an astute person who through his efforts developed and created a successful long-standing nuclear power submarine program. One of his basic concepts was that if the individual is not responsible, nobody is responsible. He hears Burkett say we are delegating our

responsibility to others. He believes in order for us to accept the responsibility, our constituents expect us to have some say in what we come up with and put out for bid so they are confident that those people who came up with this will approve it. That takes out what we are here for. We need to exercise our responsibility. Maybe we can say this is a good job and we are part of what was done, but there is still a responsibility for us for what is being proposed. Whether it takes an hour, a week or a month to do that and things get delayed, so what. The point is that we have a document that we feel comfortable with as a group because we represent the public of the City. Anything less than that, we are just politicians.

Hays said we do have the highest level of responsibility here so that we delegate authority to those who have expertise. It is our responsibility to delegate appropriately because it takes many experts to get through this process and isn't something we on the policy level can do. As far as not wanting to delay the process so that 7 individuals review a complex document that may not be understood, there is the addenda and we will have an opportunity to amend the RFP process while it is underway. This is typical in any building project.

Smith echoed what Pratt said about people on the committee as he has no experience in these areas. We have to have faith and confidence of those in leadership of this organization. If there is an add-in, he would love to see the in-door firing range as it would pay for itself in the long term. Burkett said there was discussion on an above-ground firing range in another location in the City.

Burkett asked Erichsen what level of approval he would desire. Erichsen said he is not looking at trying to decide details on lightbulbs. He feels it is important to make certain that the electrical system has been thought out for adequate lighting or the HVAC system. We need to know what we are proposing covers it all. The RFP cannot be deficient in a general way. Hays feels the RFP will be that level of detail – the performance characteristics of the space. We can always issue an addendum to the RFP. He doesn't feel it is our responsibility to review the RFP in a very detailed level.

Erichsen wondered how many cities authorized the city manager to approve the RFP. He feels we still need some review and check and balance from Council. Burkett said he has never worked in a city where a council reviewed the specs for anything being built. We can provide the RFP to you but he is concerned about getting approval from all 7 of the Council. We can send you the RFP and if there are issues we can change it, but he doesn't feel it is workable to have approval by 7 policy-makers on Council.

Dubois said we don't have the expertise to analyze the RFP. Our responsibility is to hire the right people and consultants. She is pleased with the consultants we have hired.

Pratt said when they toured Olympia's city hall staff was thrilled working with Court Olson and his team. She will vote for the resolution.

Miller believes the taxpayers expect Council to make a final determination to issue an RFP, but also recognizes that a majority of Council disagrees, so we will not suggest a change to the

motion.

**MOTION** to adopt Resolution No. R-2013-13 authorizing certain duties related to design-build and to authorize the City Manager to include in the RFP a not-to-exceed price of up to \$11,650,000 and a building program of up to 34,000 sf by Dubois; second by Pratt.

Erichsen feels Council should reserve our right to have a final say on the RFP and cannot support the motion.

Hays appreciates Council's thoughts and comments on this important project. He feels Council can review the RFP and if any discovery is made on errors it will be brought forward.

**VOTE on motion:** Aye by Dubois, Pratt, Smith, Starr and Hays; Nay by Miller and Erichsen; **Motion passes 5-2.**

2. Approve selection of design/build teams for Request for Proposal

Burkett gave an overview of the review of the four design-build proposals. We were pleased to get four good proposals. We narrowed our selection to three to submit proposals. We included links on our agenda to the qualifications sent to us.

Dubois was pleased to find out more detail on the design-build process. Hays stated all teams were well-qualified and had brilliant team members. He can imagine working with any of the three to be recommended.

Burkett said we did have the lead architects, construction project manager and project superintendent from each team who spoke about their approach. The project superintendents indicated they would live here during the week during construction.

Ritchie suggested an addition at the end of the motion: "and to enter into appropriate contracts approved by legal counsel."

Erichsen said it looked like those selected gave a list of previous jobs they had done including the original cost and final cost. In greater than 95% of the cases all of them exceeded the original cost that was approved. He has reservations about all three of them being qualified to have the position of doing the job because they may exceed the cost. He is uncomfortable about the City group that selected the finalists and questions the validity of the process.

Burkett said they noticed the same thing. They asked questions about it and received satisfactory explanations for the overruns.

Dubois pointed out the teams gave us lists of relevant building projects, but not all were design-build projects. On the design-build overages, most indicated the owner added something to the project that made an overrun.

Miller read the submissions and concurs with the recommendations.

Hays feels the three recommended are among the best.

Erichsen wonders if we should reconsider our prior motion to include a 15% overrun.

**MOTION** to authorize the City Manager to request design-build proposals from Lydig, Hoffman Construction Company, and BN Builders & The Miller Hull Partnership and to enter into appropriate contracts approved by legal counsel by Miller; second by Dubois. Erichsen abstains. **Motion passes 6-0 with 1 abstention.**

Burkett said this is an important decision and appreciates the questions and concerns. You have authorized him to enter into agreements with 3 firms to give a detailed proposal on what they will build for us for \$11.6M. Having experienced many construction projects in the public sector he is confident we will have good proposals that are competitive for our building. He is comfortable with the quality of the firms that will give proposals.

Burkett reported on the bond rating trip to San Francisco with Elray Konkel, Ken Hays, Bill Dickinson and Sue Hagener. The bond rating process is through Standard and Poor's (S&P). Any time a business is going to sell bonds, the rating agency reviews the credit risk. Standard and Poor's job is to review the borrower and give a rating on the risk involved in the bond process. The presentation was sent to Council electronically. Page 12 of the proposal was a key element. S&P honed in on whether we had financial policies. More importantly, page 12 shows over the last 5 years general fund balance, this Council was able to increase our fund balance. We did a good presentation but it is very helpful to give good facts. He is hopeful we will receive an A+ rating. One weakness in our ability for a high rating is that we are a small city.

Pratt thanked staff and the Mayor for their time and energy in this process. Hays commented on the excellent presentation given by the team.

Burkett said they were impressed that our community, during the recession, has voted twice to increase taxes first with the TBD in 2009 and with the public safety increase.

Konkel stated it would be inappropriate for Councilmembers to purchase bonds directly, but you could go through your broker. He gave an overview of how the bonds are sold.

### **GOOD OF THE ORDER**

Starr stated she didn't vote on the resolution and wants to vote no. Ritchie said her comment is reflected in the minutes.

Dubois reported on the Kingston Trio concert and thanked staff of Jeff Edwards, Bobbie Usselman, Linda Cherry and whomever else helped.

Pratt invited everyone to the upcoming Lavender Weekend.

Hays indicated the Centennial Committee will be at both locations.

Pratt stated Clallam Transit System will be having their second open house re optional routes for the Sequim Shuttle from 10-2 on Tuesday. They are issuing the reduced fare passes.

**ADJOURNMENT**

Meeting adjourned at 7:30 p.m.

Respectfully submitted,

  
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Bobbie Usselman, MMC  
Deputy City Clerk

  
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Ken Hays  
Mayor

Minutes approved at a regular Council meeting held on July 22, 2013.