

Minutes

Washington State Convention Center
Public Facilities District

Special Meeting of the Board of Directors
June 20, 2017

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a special meeting of the Washington State Convention Center Public Facilities District (WSCC) Board of Directors at 10:00 a.m. in Room 210, of the Convention Center.

MEETING ATTENDANCE

Board Directors in Attendance

Frank K. Finneran, Chair
Jerry Hillis
Susana Gonzalez-Murillo
J. Terry McLaughlin
Craig Schafer
Nicole Grant

Board Directors Absent

Deryl Brown-Archie, Vice-Chair
Robert Flowers
Denise Moriguchi

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
Matt Griffin, Pine Street Group
Jane Lewis, Pine Street Group
Matt Rosauer, Pine Street Group
Ann Pimpan, PSAV
Tom Norwalk, Visit Seattle
Rob Hampton, Visit Seattle

Staff in Attendance

Michael McQuade
Michael Murphy
Lorrie Starkweather

Guests in Attendance

Brian Olin, Goldman Sachs
Stefan Moritz, UniteHERE Local 8

II. DISCUSSION AND POTENTIAL ACTION REGARDING GC/CM AGREEMENT

Mr. Finneran requested Pine Street Group to provide an overview of the agreement before the Board. Mr. Rosauer advised that this GC/CM Agreement was drafted by Foster Pepper, with close coordination of Pine Street Group, the auditors and others, and was used in the Project's GC/CM procurement process with the contractor's bids being based on this form. Mr. Rosauer stated that the Agreement does have termination rights, so if the Project does not go forward for some other reason, the Convention Center has the ability to terminate for convenience. It has been socialized to the Board at a variety of forums although not in its entirety. It has been used, in one way or another, in the preconstruction agreement, both for Skanska-Hunt and for Clark-Lewis. It has been used in similar form with the King County work associated with the two mini-MACC's that have come before the Board: the Traction Power Substation General (TPSS) contract (November 22, 2016); and the Howell/Boren Utility Major Permit General Contractor/Construction Manager Agreement (January 24, 2017). Those were all independent scopes of work that eventually will be completed and closed out. Pine Street Group is now seeking the Board's approval to authorize this "zero dollar" GC/CM for the entirety of the rest of the Project and the scopes of work that need to be procured will be via change orders. We will add scopes to it as necessary for either procurement and/or coordination of the job, mainly as it relates to awarding of contracts. Mr. Griffin stated that this is the way that Pine Street Group has done their contracts on past projects, and the practice is consistent with other GC/CM projects.

Mr. Hillis made a motion to authorize the Board Chair to finalize and execute the GC/CM Agreement in substantially the form presented in the Board Packet with Clark-Lewis. Ms. Grant seconded.

Mr. Finneran called for the question, and Ms. Grant asked to be reminded of the recent authorization by the Board to change the levels of signing authority with respect to the Addition Project. Mr. Rosauer stated that they plan to present some refinements to that signing authority at the July Board meeting, and provided Ms. Grant with the levels of authority as laid out in WSCC Resolution # 2017-10, regarding an amendment to the WSCC Procurement Policy. The general intent was for the Pine Street Group signing authority to be based off of the amounts on other projects, prorated up to the size of this Project. Pine Street Group would have authority of up to \$4 million in construction, and \$2 million as it relates to A&E and others. We then doubled that number for Mr. Finneran's signing authority, up to \$8 million; the Addition Committee's signing authority goes up to \$16 million; and amounts above and beyond \$16 million require the approval of the full Board. Mr. Rosauer advised that the Board has had the opportunity to review the agreement in a variety of formats, but not in this currently resolved form. Mr. Hendricks stated that this agreement required the review and approval of the Board because change-orders could not be approved without the underlying contract.

Being no further questions, Mr. Finneran called for the vote, and the motion was carried by the unanimous affirmative vote of all Directors present.

III. DISCUSSION AND POTENTIAL ACTION REGARDING CHANGE ORDER NO. 3 OF GC/CM AGREEMENT

At Mr. Finneran's request, Mr. Rosauer provided comment on Change-Order No. 3 of the GC/CM Agreement. Change Order No. 3 is a much simpler agreement, a standard AIA form, to award the scope of vertical transportation to Schindler Elevators & Escalators. In broad terms, it's for 19 elevators and 42 escalators. Pine Street Group worked very hard in the way we set up this bid and in our marketing and bids were secured from Schindler Elevators & Escalators, Otis Elevator Company, KONE Elevators & Escalators, and from Thyssenkrupp. The bids ranged from \$20 million to \$33 million. Schindler Elevators & Escalators came in at \$20 million. They are a reputable large company. They also offered over \$1 million credit for the maintenance agreement. Given the pricing and our need to secure resources for this important scope to coordinate with the drawings and other scopes, we were anxious to award it. We've reviewed the scope, the pricing, and the maintenance agreement with the Convention Center operations team who are also in agreement of awarding to Schindler.

Mr. Hillis made a motion to authorize the Board Chair to finalize and execute Change Order No. 3 to GC/CM Agreement in substantially the form presented in the Board Packet with Clark-Lewis in an amount not to exceed \$21,920,935. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

IV. EXECUTIVE SESSION

The Chairman announced that the Board of Directors would hold an Executive Session to discuss litigation or potential litigation with legal counsel consistent with RCW.42.30.110 (1) (i) as permitted by the Open Public Meetings Act, for thirty (30) minutes. The Executive Session commenced at 10:11 a.m. In addition to the Board members, attendance at the Executive Session included Mr. Blosser, Mr. Hendricks, Ms. Bogard, Mr. Griffin, Ms. Lewis, and Mr. Murphy. At 10:41 a.m. the Executive Session was extended for thirty (30) minutes. At 11:11 a.m. the Executive Session was extended for five (5) minutes. The meeting was opened to the public at 11:14 a.m.

V. Adjournment

Mr. Schafer moved to adjourn the June 20, 2017 Special Meeting at 11:16 a.m. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.