

17972 McDermott 1

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02-06-15

pj/an Sponsor: McDermott
Proposed No.: 2014-0486

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2014-0486, VERSION 1**

2 On page 1, line 6, delete everything through page 5, line 81, and insert

3 "STATEMENT OF FACTS:

- 4 1. Ordinance 17707, Section 13, which amended the 2013 Annual Budget
- 5 Ordinance, Ordinance 17476, Section 63, as amended, contains an
- 6 expenditure restriction on capital improvement program project 1117106,
- 7 stating, "\$192,964,732 shall be expended or encumbered only after the
- 8 council approves a development contract for the project by ordinance."
- 9 2. In August 2012, King County voters approved a nine-year property tax
- 10 levy lid lift of seven cents per \$1,000 of assessed value, which will raise
- 11 approximately \$210 million to replace the Youth Services Courthouse and
- 12 Detention facility.
- 13 3. The Children and Family Justice Center project is a multibuilding
- 14 project that includes construction of a new courthouse, replacement of the
- 15 detention facility and an expanded parking structure. Two phases are
- 16 envisioned for the project: Phase 1, which was approved by King County

KLJ as amended carried

27051

17 voters and considered the base scope of work, and Phase 2, which is future
18 expansion of the court facility.

19 4. Located at 12th Avenue and Alder Street on Seattle's First Hill, the
20 center will be constructed in phases adjacent to the existing facilities.

21 Following relocation to new buildings the existing facilities will be
22 demolished.

23 5. In addition to benefits from services delivered in the completed
24 Children and Family Justice Center, the long-term goals for the ten-acre
25 site include:

- 26 a. Anchoring economic revitalization sought by neighborhood leaders;
- 27 b. Potentially surplus portions of the property for private
- 28 development, consistent with zoning and neighborhood goals;
- 29 c. Exploring added housing on the property;
- 30 d. Expanding and enhancing open public spaces;
- 31 e. Reconnecting Alder Street between 12th and 14th Avenues;
- 32 f. Improving access through and around the campus; and
- 33 g. Supporting additional public transportation options.

34 6. The structure of the levy lid-lift and the highly specialized design and
35 construction required to complete the Children and Family Justice Center
36 makes the design-build project delivery system the most conducive
37 approach to achieving a successful outcome.

38 7. Specialized elements in the project include sophisticated security and
39 access control systems, audio-visual systems and detention control

40 systems. These and other coordination-intensive systems benefit greatly
41 by integrating architectural, electrical and low-voltage coordination taking
42 place early in the design process under the single point of responsibility
43 available in a design-build project delivery approach.

44 8. The Washington state Capital Projects Advisory Review Board in July
45 26, 2013, under the terms of RCW 39.10.350, authorized King County to
46 utilize the design-build alternative contracting procedure for the project.

47 9. Under the authority of RCW 39.10.350, the county conducted a
48 procurement process, which included a request for qualifications from
49 prospective design-build teams and a request for proposals from three
50 qualified teams. Balfour Beatty Construction, LLC dba Howard S. Wright
51 was determined to be the top ranked finalist. Upon successfully
52 concluding negotiations, the executive seeks to enter into a design-build
53 contract with Balfour Beatty Construction, LLC dba Howard S. Wright.

54 10. The contract includes four alternates that could amend the base scope
55 of the project: Alternate 1, Full Expansion to Phase 1 Areas (12,000 sf);
56 Alternate 2, Expansion of Detention Area (4,000 sf); Alternate 3, Shell
57 and Core of two additional floors for Family Law Court Program (70,000
58 sf); and Alternate 4, Seattle School District's Alder Academy (5,500 sf).
59 Alternate 4 for the Alder Academy would be funded by a separate
60 appropriation and require a binding agreement with the School District for
61 full cost recovery. Balfour Beatty Construction, LLC dba Howard S.
62 Wright has stated that the price for design and construction of the

63 alternates is: Alternate 1, \$100; Alternate 2, \$100; Alternate 3,
64 \$5,700,000; and Alternate 4, \$2,000,000.

65 11. Ordinance 17304, Section 8, requires the executive to submit a report
66 on alternatives for heating and cooling the Children and Family Justice
67 Center before requesting construction funds.

68 12. Subsequent to the transmittal of the proposed ordinance and the
69 design-build contract, comprising of fourteen volumes, the county and the
70 design-build contractor reached further contractually binding terms that
71 are in the Confirmation Memorandum of Understanding, dated February
72 9, 2015.

73 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

74 SECTION 1. Findings:

75 A. King County received submitted proposals to a Request for Proposal to design
76 and construct a new Children and Family Justice Center on April 18, 2014.

77 B. The oversight committee for the project authorized the issuance of a Request
78 for Best and Final Offer ("BAFO") to two design teams who submitted their responses on
79 September 16, 2014.

80 C. The oversight committee and staff review of the submittals was completed on
81 October 15, 2014 and the Executive accepted the recommendation of Balfour Beatty
82 Construction, LLC dba Howard S. Wright as the top ranked finalist.

83 D. In accordance with the terms of the BAFO response, Balfour Beatty
84 Construction, LLC dba Howard S. Wright agreed that it would be bound by the terms of
85 its BAFO response until February 13, 2015. Balfour Beatty further agreed that it would

86 submit a fully executed contract and other enumerated contract documents within ten
87 days of it receiving the county's notice of intent to award.

88 E. Unless the council authorizes the executive to execute the design-build
89 contract, Attachment A to this ordinance, the executive is not authorized to issue a notice
90 of intent to award contract.

91 F. If the design-build contractor does not receive the notice of intent to award
92 contract before February 13, 2015, it is not obligated to contract with the county to
93 complete the Children and Family Justice Center at the price or under the terms the
94 design-builder included in its proposal or at all, resulting in the real possibility of the
95 county having to resolicit design-build proposals for the project. In such an event, the
96 start of the project's construction will be delayed months if not years.

97 G. If completion of the Children and Family Justice Center project is delayed,
98 this presents a real and immediate threat to the health and safety of a segment of the
99 county's population as well as to the proper performance of an essential function - the
100 adequate provision of juvenile judicial services and detention facilities.

101 H. The current juvenile judicial and detention facilities located at 12th Avenue
102 and Alder Street are in a state of disrepair and are reaching the end of their useful life. In
103 2012, it was estimated that the costs of maintaining the buildings exceeded twenty
104 million dollars. That level of maintenance funding is unsustainable. The facilities must
105 be replaced to ensure the county can adequately provide justice services for King County
106 children and families and to meet the demands of population growth in future years.

107 I. It is necessary that this ordinance go into effect immediately in order to
108 authorize the executive to execute the contract, bind the design-builder to terms of the

109 contract and for the executive to take other necessary actions, including issuing the notice
110 of intent to award to the design-builder before February 13, 2015.

111 SECTION 2. The attached design-build contract, Children and Family Justice
112 Center Contract, C00863C13, Volumes 1 through 14, which is Attachment A to this
113 ordinance, in compliance with the 2013 Annual Budget Ordinance, Ordinance 17476,
114 Expenditure Restriction ER 5, as amended, Capital Improvement Program capital project
115 1117106, is hereby approved. The executive is authorized to accept Alternates 1 and 2 at
116 the price in the design-builder's BAFO response. The executive is authorized to accept
117 Alternate 3 at the price in the design-builder's BAFO response and in accordance with the
118 Confirmation Memorandum of Understanding, dated February 9, 2015, which is
119 Attachment B to this ordinance and so long as the executive does not exceed the
120 appropriation authority. The executive is authorized to accept Alternate 4 at the price in
121 the design-builder's BAFO response, but only if the executive enters into a binding
122 agreement with the Seattle school district providing for the full recovery of cost for
123 Alternate 4, and subject to receiving separate appropriation authority.

124 SECTION 3. The executive shall not use any cost savings derived from value
125 engineering to fund for Alternate 3. Until a funding source has been identified and the
126 council has approved a supplemental appropriation for Alternate 3, funding for
127 construction of Alternate 3 shall be from the county's project contingency for capital
128 project 1117106.

129 SECTION 4. The executive is authorized to execute the agreement form in
130 Volume 1, Design Build Agreement, Exhibits and Attachments of Attachment A to this
131 ordinance.

132 SECTION 5. The executive is authorized to execute the Confirmation
133 Memorandum of Understanding, dated February 9, 2015, which is Attachment B to this
134 ordinance.

135 SECTION 6. Before authorizing the design-build contractor to proceed with
136 construction and no later than June 15, 2015, the executive shall file a report in the form
137 of a paper original and an electronic copy with the clerk of the council, who shall retain
138 the original and provide an electronic copy to all councilmembers, the council chief of
139 staff and the lead staff for the budget and fiscal management committee or its successor
140 on alternatives for heating and cooling the Children and Family Justice Center, as
141 required by Ordinance 17304, Section 8.

142 *See* ~~SECTION 7.~~ ⁸ No later than thirty days after the expiration of the Design
striker
143 Verification Period as defined at Section 3.3.5 of the Design-Build Agreement found in
144 Volume 1 of Attachment A to this ordinance, the executive shall file a report in the form
145 of a paper original and an electronic copy with the clerk of the council, who shall retain
146 the original and provide an electronic copy to all councilmembers, the council chief of
147 staff and the lead staff for the budget and fiscal management committee or its successor
148 on the results of the Design Verification Period, as defined at Section 3.3.5 of the Design-
149 Build Agreement found in Volume 1 of Attachment A to this ordinance. The report shall
150 identify Scope Issues claimed by the design-build contractor, the status of any Contractor
151 Initiated Notice resulting from a Scope Issue, the results of the meeting specified in
152 Section 3.3.1.2 of the Agreement, any changes to the Design-Build Agreement resulting
153 from or occurring during the Design Verification Period.

154 SECTION 8. The council finds as a fact and declares that an emergency exists
155 and that this ordinance is necessary for the immediate preservation of public peace, health
156 or safety or for the support of county government and its existing public institutions."
157
158 Delete the cover sheet, Attachment A: Volume 1 - Design Build Agreement, Exhibits and
159 Attachment, and replace with the attached Attachment A: Children and Family Justice
160 Center Contract 00863C13, Volumes ~~1 through 14~~ *ok JS ?*
161
162 Delete the last five pages from Volume 1, the draft version of the Clarification
163 Memorandum of Understanding, and replace with Attachment B, Confirmation
164 Memorandum of Understanding, dated February 9, 2015.
165
166 In Attachment G, Request for Proposal (Addenda 1 -11), on the Volume cover page,
167 change the Volume number from 8 to 7.
168
169 Delete the coversheets entitled Attachment B through N.
170
171 Combine all the volumes 1 through 14 for the Children and Family Justice Center
172 Contract 00863C13 as part of Attachment A.
173

EFFECT: *Striking Amendment S1 would do the following:*

1. Make the ordinance an "emergency ordinance" by adding findings and a section to ensure that the February 13, 2015 expiration of the GMP is accommodated,
2. Make minor corrections for grammar and format,

3. State that Alternates are accepted under certain conditions,
4. State that value engineering may not be used to fund Alternate 3 (shell and core for two additional floors) and that until a funding source has been identified and the Council has approved a supplemental appropriation, funding for this Alternate must come from the county's project contingency,
5. State that the Executive must submit to the Clerk of the Council a report on alternatives for heating and cooling the Children and Family Justice Center by no later than June 15, 2015 (*as included in the Executive proposal*),
6. State that the Executive must submit to the Clerk of the Council a report on the final project scope by no later than 30 days after the expiration of the design verification period,
7. Delete the draft Clarification Memorandum of Understanding in Volume 1,
8. Adopt Attachment B, Confirmation Memorandum of Understanding, dated February 9, 2015 that updates the clarifications that the County and design-builder reached after the design-builder's BAFO response was received and, most recently, acknowledgement that the notice to proceed on Alternate 3 may be issued in stages: design and then construction; this is to allow time for the county to obtain City of Seattle approval of the height requirement for two additional floors – allowing the DB to immediately move forward with design for the Alternate, without slowing down the design process but at the same time keeping the Alternate 3 price proposed by the design-builder, and
9. Consolidate Attachments. Currently each volume of the contract is a separate attachment. The clerk is directed to combine all of the 14 volumes into a consolidated Attachment A to reflect that all of the volumes are part of the contract.

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February 9, 2015

KMC

Sponsor: Dave Upthegrove

Proposed No.: 2014-0486

AMENDMENT TO STRIKING AMENDMENT S1 TO PROPOSED ORDINANCE

2014-0486, VERSION 1

On page 7, after line 141, insert:

"SECTION 7. The executive shall submit quarterly reports on the design-builder's progress toward achieving the required apprenticeship hiring percentages for all identified target populations and the design-builder's goal of twenty percent small contractors and suppliers utilization specified in the design-build contract. The reports shall include documentation of how the contractor has utilized its "best efforts" to meet the established apprenticeship hiring percentage requirements for all identified target populations, including efforts during the pre-construction period to identify and engage apprentices to meet percentage requirements for the construction period. Following the start of construction, the reports shall address, specific to this project, the elements described in K.C.C. 2.97.090 for small contractors and suppliers, and as described for apprenticeships in K.C.C. 12.16.160 and 12.16.175. The executive must file the reports in the form of a paper original and an electronic copy with the clerk of the council, who shall forward retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the budget and

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18 fiscal management committee, or its successor. The first report must be filed before the
19 issuance of the notice to proceed for construction, with additional reports to be filed by
20 the seventy-fifth day of the following quarters, until construction is completed."

21 Renumber the remaining sections consecutively and correct any internal references
22 accordingly.

EFFECT: Amendment 1 would direct the submittal to Council of quarterly reports tracking the Design-Build contractor's progress toward achieving hiring targets specific to this project. The contractor committed in their contract proposal to 15% of total labor hours to be worked by apprentices, and 20% of guaranteed maximum price for the contract to be spent on small contracting and suppliers. The amendment would apply existing county Code language describing countywide annual reporting to set the format of these reports.

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Sponsor: McDermott

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Proposed No.: 2014-0486

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2014-0486, VERSION 1**

2 On page 1, beginning on line 1, strike everything through page 1, line 5, and insert:

3 "AN ORDINANCE approving the development contract for
4 capital project 1117106, DES FMD Children and Family
5 Justice Center, as required by the 2013 Annual Budget
6 Ordinance, Ordinance 17476, Section 63, Expenditure
7 Restriction ER 5, as amended; and declaring an emergency."

8

9 **EFFECT: This title amendment reflects either Striking Amendment S1 or S2**
10 **by adding an emergency clause to ensure that the guaranteed maximum**
11 **price (GMP) for the project is maintained within the agreed upon 150 days,**
12 **expiring on February 13, 2015.**

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LP, JH exc