

Board of Directors Meeting Minutes

Meeting Date: August 19, 2019
Meeting Time: 12:15pm
Meeting Place: Lakewood City Hall, Council Chambers

I. Chair Doug Richardson called the meeting to order at 12:15pm.

II. Roll Call -

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| 1. Michael Brandstetter, City of Lakewood Councilmember | present |
| 2. Tim Curtis, City of Fife Councilmember | present |
| 3. Bruce Dammeier, Pierce County Executive | present |
| 4. Julie Door, City of Puyallup Councilmember | present |
| 5. Matt Holm, Central Pierce Fire & Rescue Commissioner | present |
| 6. Lillian Hunter, City of Tacoma Councilmember | present |
| 7. Pat McElligott, East Pierce Fire & Rescue Commissioner | present |
| 8. Bill Pugh, City of Sumner Mayor | present |
| 9. Dan Rankin, West Pierce Fire & Rescue Commissioner | present |
| 10. Robert Thoms, City of Tacoma Councilmember | present |
| 11. Doug Richardson, Pierce County Councilmember | present |

III. Public Comment - None

Boardmember Julie Door arrived at 12:16pm.

IV. Consent Agenda

1. A motion was made to approve the consent agenda as presented (Pugh); 2nd (Brandstetter), passed – unanimously.

Boardmember Robert Thoms arrived at 12:18pm.

VI. Staff Updates

1. Executive Director Briefing
 - Executive Director Andrew Neiditz called attention to the PSCC project budget included in the agenda packet and noted the overall bond issue has been reduced from \$65M to \$59M, contingency has been increased to \$5M, and the budget for the 35th Street backup improvements has been increased to \$2M.
 - Executive Director Neiditz introduced two members from Kassel & Associates, Vice President Bob Lubash and Project Manager Chris Burke.

- Project Manager Burke reported that his team at Kassel & Associates is looking forward to starting the project and expressed their commitment to use local labor.
- Executive Director Neiditz acknowledged a letter he received from the Tacoma City Council and forwarded to the Board of Directors regarding concerns about utilizing local labor in a formalized way. Mr. Neiditz advised the agency is committed to using local labor and is open and willing to hear how the Board of Directors would like to proceed formalizing this commitment.
- Boardmember Robert Thoms asked what a formalized commitment would look like after the contract documents are signed since the original bid specs did not have a local labor agreement.
 - (a) Executive Director Neiditz advised a change order can be negotiated with the contractor at an additional cost. If there is a desire from the Board to ask the contractor to take on some additional tasks or processes that were not originally specified, there would be a negotiation process to discuss the additional cost and the specifics of what would be included.
- Boardmember Thoms asked if the construction would need to be delayed or if Mr. Neiditz anticipates putting a change order in place to address the local labor issue.
 - (a) Executive Director Neiditz answered that a change order would be a less expensive option rather than starting the process over with a re-bid. Mr. Neiditz indicated he is not able to speculate the cost of what the change order would be at this time.
- Boardmember Thoms asked Project Manager Burke if he has completed any projects within the last ten years that had a labor agreement.
 - (a) Project Manager Burke advised that a project that took place at Sea-Tac Airport several years ago had a labor requirement. He also indicated that state school projects require 15% of labor had to be apprenticeships.
- Boardmember Lillian Hunter advised that the intent of the Tacoma City Council letter was not to open a re-bid discussion. The intent was to make sure local labor is used since this is a tax payer project and Pierce County workers should have first priority. Boardmember Hunter suggested the contractor produce a letter of intent to act as a formal agreement to use local labor. Boardmember Hunter asked what the approximate timeline of getting an agreement in place after the construction contract was signed.
 - (a) Executive Director Neiditz answered that it would depend on the specific format that is being requested. A change order would take approximately one to one and a half weeks to discuss. A letter of intent is a less formal option that could be completed in a matter of days.

- Boardmember Hunter acknowledged and appreciates the increase to the 35th Street backup facility and is looking forward to seeing a formalized letter of intent to use local labor.
- Boardmember Tim Curtis asked for clarification in regards to what is specifically being asked from the contractor in regards to using local labor - is the Board going to ask for an effort to use local labor, a specific number, or a percentage of workers.
- Boardmember Michael Brandstetter asked about the upcoming community meeting and if the neighborhood was going to hear anything different than what was previously committed to them.
 - (a) Executive Director Neiditz advised that the agency has established a good relationship with the community and at the upcoming meeting they will get a chance to meet the contractor and hear their plans to address parking/noise concerns.

X. Action Items

1. M2019-05 Approval of PSCC Construction Contract
 - A motion was made (Pugh), 2nd (Curtis) to award the PSCC construction contract to Kassel & Associates in the amount of \$32,753,000, with a contingency of \$5,000,000 for a total project cost of \$37,753,000 plus sales tax.
 - Executive Director Neiditz advised that Kassel & Associates is the responsive low bidder. A standard AIA contract format is being used and the contractor is being asked to finish the project within 18 months of the documents being signed.
 - Boardmember Hunter brought forth a motion to include an amendment for Kassel & Associates to sign a formal letter of intent to commit to priority hiring of Pierce County labor, 2nd (Thoms).
 - Executive Director Neiditz advised that he is open to the Board of Director pursuing the confirmation of efforts that have been discussed, but indicated placing conditions on the original contract can create a legal issue.
 - Chair Richardson advised he is not inclined to support an amendment to the contract and would rather this request be presented as a separate motion.
 - Boardmember Julie Door asked for specific information that would be included in the letter of intent.
 - (a) Boardmember Thoms advised that the agency would have to speak to experts within the industry to find reasonable numbers.
 - Vice Chair Pugh noted that a PLA is a cause for concern as it is an agreement that the City of Tacoma has yet to use on a construction project. Vice Chair Pugh noted that amending the contract in terms of intent and prioritizing the workforce could have legal implications.
 - Boardmember Pat McElligott advised that Boardmember Hunter's motion may facilitate a better discussion once the construction contract is approved.

- Boardmember Hunter withdrew her motion for an amendment to the construction contract.
- Chair Richardson noted there were no objections and withdrew the motion.
- Chair Richardson called for a vote on the floor on the approval of the PSCC construction contract. Ayes (9), Nays (2 – Hunter, Thoms). Motion passed per majority vote.

X. Other Business / Announcements

- A motion was made (Hunter), 2nd (Thoms) to ask the Executive Director to get a letter of intent from Kassel & Associates stating that Pierce County residents will get priority hiring.
- Boardmember Brandstetter objected to the motion as Special Meetings do not allow for walk-on motions.
- Chair Richardson confirmed and ruled the motion is not in compliance with Robert's Rules. Chair Richardson requested the discussion of a letter of intent be placed in "other business" on the agenda at the next regularly scheduled meeting.
- Boardmember Hunter withdrew her motion for a letter of intent.
- Chair Richardson noted there were no objections and withdrew the motion.
- Boardmember Bruce Dammeier recommended a broad discussion at the next meeting regarding the commitment to get local labor working on the PSCC project.
- Chair Richardson expressed his concern regarding discussions about a change order to the contract on the day the contract is being executed and is not in favor of pursuing a change order.

XI. Adjournment - Chair Richardson adjourned the meeting at 1:00pm.

Respectfully submitted,
Mandy Walters