



## **BEX /BTA Oversight Committee**

December 13, 2024, 2023, 8:30 – 10:30 AM

JSCEE Room 2750

### **Minutes**

#### **1. Call to Order**

- a. Janet Donelson called the meeting to order at 8:33 a.m.
- b. Roll call:
  - i. Committee members present: Janet Donelson, Duncan Griffin, Lavina Sadhwani, Steve Tatge, Warren Johnson, Sherry Edquid, Michael Fink, Jennifer DuHamel, Luis Adan, Monty Anderson
  - ii. Committee members absent: Michelle Moore
  - iii. Capital Projects Staff present: Richard Best, Becky Asencio, Melissa Coan, Vince Gonzales, Tom Gut, Jen Lincoln,
- c. The meeting agenda: Warren Johnson made a motion to approve the agenda. Duncan Griffin seconded. The motion passed unanimously.
- d. Minutes from November 8, 2024: Duncan Griffin made a motion to approve the minutes. Sherry Edquid seconded. The motion passed unanimously.

#### **2. Project Financial Update**

Ms. Coan introduced the new formatting of the report and invited the committee to provide feedback on the preferred format at the end of her report.

Ms. Coan reported on the BEX V Capital Levy through October 31, 2024. She conveyed that the program was 71% spent to date with the majority of the expenditures coming from the Major Projects. She reminded the committee that project savings are captured in the Program Underspend, which was significantly low. She noted that additional project savings are anticipated which will grow the Underspend. Ms. Coan relayed that 82% of the anticipated levy revenue had been collected. She concluded that the program was in the black.

Ms. Coan clarified that the Inflation Reduction Act (IRA) funds would be captured in the December 2024 report, as that was the month in which they were received. She also explained the difference between Program Contingency, which is budgeted at the start of a levy program, and Program Underspend, which is the collection of savings from individual projects after they are completed.

Ms. Coan reported on the BTA V Capital Levy through October 31, 2024. She conveyed that the program is 20% spent to date. She confirmed that levy revenue was as anticipated at this point in the program.

### **3. James D. MacConnell Award Presentation**

Mr. Best presented the James D. MacConnell award to the Northgate Elementary School design and construction team. He conveyed a brief overview of the project timeline and highlighted the contributions of former SPS staff Eric Becker and Deborah Northern. He introduced the team, comprised of:

- Kevin Flanagan and his colleagues from NAC Architecture;
- Dr. Dedy Fauntleroy, the former principal of Northgate Elementary School;
- Vince Gonzales and Amanda Fulford, SPS project managers;
- Eric Holmstrom and Craig Greene, Construction Superintendent and Project Executive from Lydig Construction.

Mr. Best presented the award to Dr. Fauntleroy, and it will be displayed at the school, since renamed James Baldwin Elementary School.

The team shared highlights of their work together. They noted the significance of reimagining the participants of the School Design Advisory Team (SDAT) and how they are invited to engage in the process. They conveyed the influence of the Covid-19 pandemic on their initial vision and the challenge to focus on the needs of the most vulnerable students. They described their teamwork at both supporting each other through the challenges of the work and holding each other accountable. The team concluded that it was a special project that changed them and how they now approach other projects.

### **4. Project Reports Update**

Mr. Best reported on the projects under construction, he confirmed that the buildings were on track to open on time in Summer 2025 with adequate time allowed for commissioning and without any significant outstanding issues.

### **5. BEX/BTA Oversight Committee – RBHS Building Settlement**

Mr. Best update the committee on the status of the slab settlement at the Rainier Beach High School project. He confirmed that it was a settlement issue and described where it was affecting the building. He reported that the team was still analyzing the soils and other elements of the problem. Mr. Best noted that a third-party independent consultant had been hired and reiterated that he would reach out to a subset of the committee to discuss the matter when he has more specific information in the new year.

### **6. Performance & Payment Bonds/Master Builder's Risk/General Liability Presentation (Matt Saxon – SPS; Graehm Wallace – Perkins Coie; Anne Shackelford, Brian White - Alliant)**

Mr. Best introduced the presenters.

Mr. Wallace opened the discussion describing the differences between bonds and insurance with attention to when each method is appropriate. He highlighted that if SPS wanted to revise insurance requirements then Progressive Design Build projects offer the procurement method to begin those conversations and make decisions with the design-builder about how the insurance would be construed.

Mr. Best added that when FSI went into default while working on the Rainier Beach High School project Lydig Construction was compelled to act quickly with the subcontractor's bonding company to keep the project moving forward and minimize the impact to the project schedule.

Ms. Shackelford and Mr. White presented an overview of a range of Construction Insurance and the significance of each type for owners. The presentation addressed Builder's Risk, Master Builder's Risk, Owner Controlled Insurance Plan (OCIP), and Contractor Controlled Insurance Plan (CCIP).

The committee and presenters discussed Mass Timber projects and the challenges of insuring them. Ms. Shackelford highlighted that these projects do not fit within Master Builder's Risk policies and that insurance partners need to be engaged to cover components of the projects. Mr. Saxon noted that the insurance industry is still being educated about the risks of these projects and how they are mitigated through a variety of prevention measures. Mr. Best commented that owners also need to learn more about insurance options, such as OCIP and CCIP, that may be more attractive options in the future.

Mr. Griffin asked about the accessibility to the insurance market for small businesses. He also raised the issue of project close-out timelines and those implications for small businesses. Mr. Best echoed his concerns by highlighting the potential barriers that owners could create for small businesses, Women and Minority Owned Businesses (WMBE) who might not have the same insurance expertise.

Mr. Graehm concluded the presentation noting that construction prices are on the rise and that will further raise insurance rates.

## **7. Meeting Re-cap**

Ms. Donelson conveyed that Ms. Moore is moving out of state and will be resigning from the committee following the February meeting, therefore the membership application will be reopened.

## **8. Adjourn**

Ms. Donelson adjourned the meeting at 10:29