

**MOTION 2018-07:
A MOTION OF THE PORT OF SEATTLE COMMISSION**

to create an International Arrivals Facility Executive Review Panel to review the execution and supervision of the project's delivery method, cost escalation, and guaranteed maximum price negotiation; calling for review and recommendations; naming members of the panel; providing for compensation; and exempting consultant contracts from competitive solicitation consistent with RCW 53.19.020.

**ADOPTED
MAY 8, 2018**

TEXT OF THE MOTION

The Commission hereby convenes a panel of experienced construction management professionals, the "Executive Review Panel," for the International Arrivals Facility project at Seattle-Tacoma International Airport, to review the execution and supervision of the project's progressive design-build project delivery method, project cost escalation, the process being used to negotiate a guaranteed maximum price (GMP) for the project, and make recommendations on the project going forward. The Executive Review Panel will conduct its review and present a written report to the commission within 60 days of appointment.

The members of the ERP shall be:

- Ken Johnsen
- John Okamoto
- Loren Smith
- Tina Millan

The Commission delegates authority to the Executive Director to execute up to four personal service agreements (with a maximum compensation not to exceed \$200,000) for members of the Executive Review Panel.

Staff conducted extensive outreach and have determined that a competitive solicitation process is not appropriate or cost-effective to identify and select appropriate professionals who have experience with large construction programs and have relevant experience in construction and project management, design, aviation development, and design-build contracting. Consistent with RCW 53.19.020, the commission may exempt these contracts from a

competitive solicitation process. These contracts will be filed with the commission and made available for public inspection.

STATEMENT IN SUPPORT OF THE MOTION

The Port of Seattle is in the midst of construction of an International Arrivals Facility (IAF) at the Seattle-Tacoma International Airport to accommodate growing international air traffic driven by business and population growth in the Seattle region. The port elected to use the progressive design-build project delivery method for the project. Contractor/designer teams were interviewed with Clark/SOM selected to deliver the project.

The commission, in its oversight role, finds it necessary for an independent panel to undertake a third-party peer review and validation process for the IAF project and to convene an independent panel of construction experts to review the project and make recommendations prior to the commission's authorization of a GMP for the project. The commission will receive the report and recommendation of the Executive Review Panel prior to making a decision on the GMP.

The Executive Review Panel will provide the commission with its observations, information, answer questions, and make recommendations for the immediate path forward on the project in addition to future use of this project delivery method.

The panel shall convene and conduct a third-party review of the IAF project including the following:

- Interview commissioners to understand concerns and relevant questions
- Interview port staff, staff of the Clark/SOM contractor team, and review relevant documents
- Consider the progressive design-build contract from a construction and cost perspective
- Review project cost escalation of allocation of costs to date
- Consider construction documents and any other documents and information relevant to the proposed GMP

Within 60 days from commencement of the work, the Executive Review Panel will prepare a report back to the commission on the following:

- Review of the Port Capital Development Department's management and oversight of the progressive design-build process
- Review basis for cost escalation
- Evaluate the proposed GMP and identify if further review is necessary
- Identify recommendations regarding management structure and oversight of the project going forward through delivery.
- Provide other findings of relevance as found during the review.