

September 15, 2022

23-054

ACCEPT FINAL EVALUATION OF USE OF  
ALTERNATIVE CONTRACTING METHOD FOR THE  
CASCADE CAMPUS MEDICAL SIMULATION  
LABORATORY PROJECT

PREPARED BY: John MacLean, Finance & Procurement Manager,  
Planning and Capital Construction

FINANCIAL  
RESPONSIBILITY: Rebecca Ocken, Interim Director, Planning & Capital  
Construction

APPROVED BY: Eric Blumenthal, Vice-President, Finance and  
Administration  
Dr. Adrien L. Bennings, President

STRATEGIC THEME: Enterprise: Cultivate a long-term sustainable college  
enterprise

REPORT: ORS 297C.335 requires the College to obtain Board  
approval prior to using an alternative contracting method.  
At its May 21, 2020 meeting the Board, through BA 20-  
152, approved the use of the Construction  
Manager/General Contractor (CM/GC) contracting  
method for the creation of a medical simulation laboratory  
in the Public Service Education Building at the Cascade  
Campus.

At the May 20, 2021 meeting the Board, through BA 21-  
162, approved the award of a contract to O'Neill Walsh  
Community Builders for this project.

ORS 297C.355 requires an evaluation at completion of  
the project that covers the following topics;

- (1) The actual project cost as compared with original  
project estimates;
- (2) The amount of any guaranteed maximum price;
- (3) The number of project change orders issued by the  
contracting agency;
- (4) A narrative description of successes and failures  
during the design, engineering and construction of the  
project; and

(5) An objective assessment of the use of the alternative contracting process as compared to the findings required by ORS 279C.335 (Competitive bidding).

The evaluation is presented below;

**(1) The actual project cost as compared with original project estimates;**

Actual project cost was \$1,818,954 compared to initial project estimate of \$3,000,000.

**(2) The amount of any guaranteed maximum price (GMP);**

The GMP was \$1,193,042.

**(3) The number of project change orders issued by the contracting agency;**

Six change orders were issued totaling \$170,973.

**(4) A narrative description of successes and failures during the design, engineering and construction of the project;**

A new simulation lab was constructed in the CA PSEB allowing for Nursing and Emergency Medical Services (EMS) programs to simulate their working conditions in the classroom. The Cascade Simulation Lab opened in early September 2021 and began teaching simulation courses midway through the 2021 Fall term. The project was completed on time and on budget.

The new ambulance simulation space is especially popular with EMS students and staff. Challenges with the project included supply chain delays and working through the nuance of integrating the new Sim Capture software technology with PCC's existing network infrastructure. As a result, some final installation work was completed after the programs occupied the space.

**(5) An objective assessment of the use of the alternative contracting process as compared to the findings required by ORS 279C.335 (Competitive bidding);**

*(a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.*

**Comment:** Competitive RFP processes enabled PCC to solicit qualifications-based proposals for this project. The CM/GC solicitation process was formally advertised in local trade and business publications. Nine proposals were received with responses required on specific criteria. Proposal evaluations were conducted and interviews were held with the highest-ranking proposers.

*b) Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency or the state agency that seeks the exemption to the contracting agency or the public. In approving a finding under this paragraph, the local contract review board shall consider the type, cost and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:*

*(A) How many persons are available to bid;*

**Comment:** PCC posted the Request for Proposals on numerous state and commercial websites and in local trade and business newspapers and conducted outreach to COBID registered firms. The College received nine proposals. Each proposal was evaluated, graded and interviews were held with the highest-ranking teams.

The successful general contractor advertised in local trade and business publications including those targeting minority and disadvantaged subcontractors for work not performed by the CM/GC. Multiple bids for the various scopes of work were received with the contracts awarded to the lowest responsive and responsible bidders. Many of the subcontracts were awarded to state-certified minority, woman-owned and emerging small businesses (MWESB) contractors. 65% of the contract value was awarded to MWESB firms, exceeding college goals.

*(B) Operational, Budget and Financial Data;*

**Comment:** The final project costs were noted in the findings above. The final construction costs included Owner-accepted value engineered items, Owner-directed and design-related changes, allowances, alternates added back into the project scopes and other factors for final GMP costs.

*(C) Public benefits;*

**Comment:** There were significant benefits to the public, including:

- I. Qualifications-based RFP selection process allowed PCC to award the contract to the firm it believed was the most responsive and technically capable to manage the scope of work.
- II. The CM/GC completed the Owner/Architect/Contractor team and was actively involved in design and constructability issues.
- III. Competitively bid trade work ensured the College received the best value.
- IV. 1st tier trade partners were secured early and provided valuable preconstruction services to the team. Their involvement led to a more comprehensive and beneficial value engineering process and provided sound advice and technical expertise to the design and Owner teams.
- V. Focus on PCC's outreach and diversity in the workplace goals resulted in the CM/GC selection, emphasis on minority participation and mentoring and monitoring of actual contracting achievements.
- VI. Open book transparency of the project's costs enabled the College to maximize the use of bond funds while keeping costs in check. The project budget was reconciled with deductive change orders as unused project funds or contractor contingency funds were returned to the College.
- VII. Comprehensive construction scheduling ensured that the work was completed in sequences that supported phased relocations of programs and staff and ensured continuous campus operations with minimum disruptions.

*(D) Value engineering techniques;*

**Comment:** The design and construction teams worked together to help control costs and maintain the overall construction budget. Rigorous value engineering efforts conducted during the Design Development phase

identified potential savings and provided opportunities to reduce costs across the project.

*(E) Specialized expertise;*

**Comment:** The CM/GC was required to have proven expertise managing medical laboratory projects as well as educational projects.

*(F) Any likely increases in public safety;*

**Comment:** PCC was able to review the safety history of the proposing firms as a result of the selection process.

*(G) Reduce risks to the contracting agency;*

**Comment:** The CM/GC process fostered an open environment whereby risks were addressed by the owner/architect/contractor stakeholder teams before adverse consequences revealed themselves.

*(H) Whether granting the exemption will affect the sources of funding;*

**Comment:** The exemption from competitively bidding the general contracting services did not affect the projects' funding sources. Funding came from the general obligation bond passed by voters in the November 2017 election.

*(I) Market conditions;*

**Comment:** Construction market conditions were favorable at the time this project was bid resulting in multiple proposals and significant costs savings in the project.

*(J) Technical complexity;*

**Comment:** Although a small project the need to integrate College supplied simulation equipment made this a technically complex project.

*(L) Whether the public improvement will be occupied or unoccupied during construction;*

**Comment:** COVID-19 closures meant that the building was unoccupied while the original plan had been for them to remain occupied during construction.

*(M) Whether the public improvement will require single or multiple phases of construction work;*

**Comment:** The work was done in a single phase.

*(N) Whether the contracting agency has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel;*

**Comment:** No contracting agency or state agency personnel, consultants or legal counsel retained under contract, were used in the completion of this project.

RECOMMENDATION: That the Board of Directors accept the final evaluation of the use of the alternative contracting method for the Cascade Campus Medical Simulation Laboratory project.