September 15, 2022

23-056	ACCEPT FINAL EVALUATION OF USE OF ALTERNATIVE CONTRACTING METHOD FOR THE SYLVANIA CAMPUS AUTOMOTIVE TECHNOLOGIES BUILDING RENOVATIONS
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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 April 18, 2019 meeting, the Board, through BA 19-098 approved the use of the Design/Build (DB) contracting method to address several deferred maintenance items and deliver improved areas for learning. At its September 19, 2019 meeting, the Board, through BA 20-038, approved the award of a contract to Fortis Construction 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 $2,980,760 compared to initial project estimate of $6,000,000. During design development the scope of the original project was reduced in conjunction with Facilities Management Services.

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

The GMP was $2,578,239.

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

Six change orders were issued totalling $282,384. $247,500 of this was for the addition of work funded through the City of Portland Percent for Green fund.

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

The success of the AM project can be measured by the number of the issues identified in early assessments of the building that were ultimately resolved through the delivery of this project. Due to the extent of deferred maintenance requiring attention in the AM building, the design team was asked to take a step back and perform a highest and best-use study of the building. Based on various work sessions with several groups at the college, a scope of work was developed that identified the most pressing needs in the building, as well as areas of concern in the project site. This approach allowed the team to identify scope that would have the greatest impact to the facility and its users.

Mechanical system replacements & upgrades resolved issues with exhaust and air quality. Electrical upgrades included the replacement of the building's switch gears and lighting upgrades in several spaces. In coordination with PCC's Environmental Health & Safety and Parking & Transportation, concerns of site safety within the adjacent parking lot were resolved with the addition of new sidewalks and replacement of all exterior lighting. Due to the addition of impervious surfaces (new sidewalks) on site, the City of

Portland required the installation of a new water treatment facility (swale) within the adjacent parking lot. By working with the City of Portland, the college was awarded a grant for $247,000 to construct a swale that is five times the size of what was originally required by the city in an area that would not impact parking. This not only fulfilled jurisdictional requirements, it also resolved water runoff issues from the adjacent P-5 parking lot and created a sidewalk connection to the adjacent neighborhood.

While the project came in under budget, the schedule for this work saw delays due to the ongoing pandemic and the resulting college limitation of working hours for contractors on-site. These schedule impacts did not adversely affect classes, as classes within the AM building were remote at this time.

(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 Design/Build 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 o*r *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 Design Builder. 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. 39% 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 Design Builder 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 Design Builder selections, 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 Design Builder was required to have proven expertise managing complex projects in an occupied building.

(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 Design/Build contracting method 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 project's funding sources. Funding came from the general obligation bond passed by voters in the November 2017 election and from the City of Portland Percent for Green Fund.

(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 upgrades of the buildings HVAC systems made it 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 it 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 two phases as the stormwater mitigation work was completed after the work in the building itself had been completed.

(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 Sylvania Automotive Technologies Building project.