

October 18, 2001

02-037

ADOPT FINDINGS - GRANT AN EXEMPTION FROM
COMPETITIVE BIDDING - AUTHORIZE USE OF THE
CONSTRUCTION MANAGER/GENERAL CONTRACTOR
(CM/GC) ALTERNATIVE CONTRACTING METHOD FOR
CONSTRUCTION OF THE SOUTHEAST CENTER

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FINANCIAL
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APPROVED BY: Randy McEwen, Vice President, Administrative Services
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REPORT: Construction of a new Southeast Center has been determined to be a more effective solution to meeting student needs in Southeast Portland, due to the limited expansion potential of the current site.

PCC plans to acquire a currently unused site at S.E. 82nd and Division streets, and to renovate this site for service as the Southeast Center. The existing Southeast Center is very limited in terms of future development potential. Any future development, including that contemplated in the 2000 bond program, will be severely limited in size, significantly more costly, less transit friendly, and of much less long-term value to the District.

Occupancy of the new site is planned for August 2003, in time for the September 2003 school year.

Yost Grube Hall Architects are currently under contract to complete the design and construction documents for this Project.

For this Project it is desired that the Construction Manager/General Contractor (CM/GC) process be utilized, rather than the standard Invitation to Bid process. State Procurement Law (ORS 279) requires that all public improvement projects be procured through a competitive bid process. However, the PCC Board, acting as the Local Contract Review Board, can exempt the project from competitive bidding as long as certain findings are made and an authorized alternative contracting method is used (OAR 137-040-0570). The CM/GC procedure, which is essentially a Request for Proposals (RFP) process, is an approved alternative contracting method.

Findings:

- a. The Board finds that the Project is well suited to the CM/GC contracting procedure, because the renovation project is large (approximately \$18 million excluding land cost), complex, and involves a facility that will be relocated in entirety. Further, the Project is envisioned as a team effort between PCC, the Project Architect and the General Contractor.
- b. The Board finds that PCC is knowledgeable and has a demonstrated capacity to manage a CM/GC process in all disciplines.
- c. Pursuant to ORS 279.015 (2)(a), an RFP process will be utilized to solicit a general contractor, the procurement will be formally advertised, competition will be obtained through competitive negotiation, the award will be based on identified selection criteria, and one of the criteria will be price. As a result the Board finds that utilizing the CM/GC process is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition because of the unique nature of the Project
- d. Pursuant to ORS 279.015(2)(b), the Board finds that utilizing the CM/GC process will result in substantial cost savings to PCC because:
 - i. The proposed team approach will improve communication and continuity, which the Board expects will expedite decision making and reduce costly Project delays;

ii. The size and complexity of the Project require the skills of an experienced general contractor; use of the CM/GC procurement process will enable PCC to consider experience as part of the selection criteria, avoiding expensive mistakes;

iii. PCC expects to be able to take advantage of reduced architectural service fees as a result of the more streamlined CM/GC approach;

iv. It is common practice in the industry to construct projects of this complexity and time sensitivity on a CM/GC basis; and

v. Historically, the CM/GC process does not produce an excessive number of change orders.

vi. This project will require substantial detailed planning with City and neighborhood entities in order to minimize transit, public safety, and commercial impacts.

vii. The College needs to have this facility ready for occupancy at the start of the 2003-2004 school year. Detailed schedule and construction flexibility will be required in order to accomplish the move-out/move-in effectively. Mid-year breaks (Christmas, Spring) do not provide enough time to cost-effectively accomplish the move-out/move-in work.

e. Pursuant to ORS 279.011, the Board makes the following specific findings in support of the above-noted findings:

i. Use of the team approach and an experienced general contractor through the CM/GC approach will enable PCC to conduct its operations and maintain service during construction with few disruptions. The Board expects that the team approach allowed

through the CM/GC process will also allow better monitoring by PCC staff to ensure that the Project remains on the needed schedule.

- ii. The public will benefit because it is vital that the College have an operational Southeast Center to serve the needs of its students. Use of a CM/GC process will allow this to happen on schedule and will reduce the possibility that the College will experience substantial disruption to students, staff, and community.
- iii. The team approach will result in better communication between the parties, which will encourage value engineering and constructability throughout the design and construction phases.
- iv. As noted above, the size and complexity of the Project require a project team with substantial experience and expertise to avoid mistakes and limit unnecessary disruption of the PCC operation.
- v. The CM/GC process will enhance public safety because PCC will be able to consider the safety record of the contractors selected. Because this project will take place at a major transit intersection/commercial corridor, this public safety benefit is particularly important.
- vi. Given the current construction market, the more focused, more credential and performance oriented CM/GC process will encourage more and more experienced contractors and subcontractors to submit proposals and/or bids.
- vii. The CM/GC process will better enable PCC to select a contractor with the skill and experience necessary to handle the technical complexities of the Project, such as the proper scheduling and coordination of the sequence of work and systems integration required to

have everything operational and ready for beneficial use by the College and its students as planned in September 2003. The best way to ensure that the contractor selected has the technical skills necessary is using a CM/GC process that allows for qualifications to be a significant element of the evaluation and selection criteria.

viii. The team approach allowed by the CM/GC should give PCC more cost solutions and alternatives, which will better enable PCC to keep the Project within budget and on schedule.

RECOMMENDATION:

That the Board of Directors, acting as the Local Contract Review Board for the College, adopt the findings presented and grant an exemption from competitive bidding for the construction and renovation of the Southeast Center. Also, that the use of a CM/GC process be authorized as the alternative contracting method for the Project. Funding for this Project will be from the general obligation bond issue recently passed by voters and from the sale of certain District assets.

Director Germond moved to approve Resolutions 02-034 through 02-043 by consent agenda and it passed unanimously.