

October 18, 2001

02-038

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

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FINANCIAL  
RESPONSIBILITY: Steve Sivage, Physical Plant Director

APPROVED BY: Randy McEwen, Vice-President, Administrative Services  
Jesus "Jess" Carreon, President

REPORT: Capital improvements/upgrades at the Capital Center are included in the 2000 bond program. Specific examples include installation of energy management system controls, installation of code-compliant life safety alarms, and renovation of office, storage, and classroom areas.

Thomas Hacker and Associates are currently under contract to complete the design and construction document for this work.

The Oregon University System (OUS) and PCC have a long-standing joint participation in the Capital Center, and must jointly plan renovation and construction work in a way that enables the year-round instructional and administrative work at the Capital Center to continue unimpeded.

For this Project it is desired that the Construction Manager/ General Contractor (CM/GC) process be utilized, rather than the standard competitive 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 involves a facility that will be occupied and remain occupied for the duration of the Project. Further, the Project is envisioned as a team effort between OUS, 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. Further, the Board finds continuity of PCC and OUS instructional and administrative operations is critical throughout this project.
- d. 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 complexity of the Project requires 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 on a CM/GC basis where detailed planning and scheduling is required by the owner, and

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

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 or no 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 stays within budget.

ii. The public will benefit because it is vital that the College have a completely operational Financial Services and instructional facility to serve the needs of its staff and students, and the time that this facility is out of service for renovation needs to be planned to the lowest practical time needed to accomplish the work. Use of a CM/GC process will allow this to happen on a flexible schedule and will reduce the possibility that the College and OUS experience increased costs due to delay and disruption.

- iii. The team approach will result in better communication between the parties, which will encourage value engineering and construct - ability throughout the design and construction phases.
- iv. As noted above, the complexity of the Project requires a project team with substantial experience and expertise to avoid mistakes and limit unnecessary disruption of the PCC and OUS 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 the building will be occupied and open to the public throughout the Project and one element of the work is new life safety alarms, this public safety benefit is particularly important.
- vi. Given the 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 OUS on a very short schedule. 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 and OUS to keep the Project within budget.

**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 capital upgrades project at the Capital 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 for PCC work and from OUS for OUS work.

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