

October 18, 2001

02-039

ADOPT FINDINGS - GRANT AN EXEMPTION FROM
COMPETITIVE BIDDING - AUTHORIZE USE OF THE
CONSTRUCTION MANAGER/GENERAL CONTRACTOR
(CM/GC) ALTERNATIVE CONTRACTING METHOD FOR
THE CASCADE CAMPUS 2000 BOND PROGRAM
(PHASES I & II)

PREPARED BY: Roger Cardinal, Manager, Procurement & Risk Services

FINANCIAL RESPONSIBILITY: Mildred Ollee, Executive Dean, Cascade/Open Campus
Randy McEwen, Vice President, Administrative Services

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

REPORT: Renovation and new facilities construction at the Cascade Campus is one of the central parts of the 2000 bond program. There are a number of critical needs of the College going forward at Cascade Campus:

- The service to students at Cascade Campus must, to the maximum extent possible, continue unimpeded through the anticipated four-plus years of construction;
- Public, student, and staff safety must be protected in a complex construction environment;
- Disruptions, delays, and unplanned events must be kept to an absolute minimum;
- Neighborhood and infrastructure impacts must be identified well in advance, and mitigation plans developed and communicated effectively;
- New and renovated facility completion schedules must be aggressively managed.

Yost Gruge 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 Cascade Bond Program is large (over \$50 million), complex, and involves facilities that will be occupied and remain occupied for the duration of the Project. 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. The Cascade work currently falls into two phases of construction: Phase I will encompass Jackson Hall, the Physical Education Building, Student Services Building renovations, and Student Center Building renovations. Construction in this Phase will begin mid-2002, and will provide facilities needed, in part, to house College work that is subject to the work of Phase II.

Phase II will encompass construction of the Technology, Arts and Humanities, and Emergency Services Building, plus modifications to Terrell Hall.

The Board finds that this scope and magnitude of work requires long-term planning and scheduling, and that the public interest will be best served by establishing a construction methodology that encompasses that capability

over the long duration of the Project. The Board finds that the scope of this resolution properly encompasses the work of Phases I and II. Continuance of the CM/GC process authorized in this resolution on Phase II work will be subject to future Board re-confirmation.

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

e. 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 Cascade 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 and planning 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; and

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

f. 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 fewer disruptions. The Board expects that the team approach allowed through the CM/GC process will also allow better monitoring by PCC construction manager and architect staff to ensure that the Project stays within budget.
- ii. The public will benefit because it is vital that the College have an operational Cascade Campus to serve the needs of the community. Use of a CM/GC process will allow this to happen on schedule and will reduce the possibility that the College plans will be disrupted.
- 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 and the capability of interested firms in completing projects of this complexity. Because the Campus will be occupied and open to the public throughout the Project, this public safety benefit is particularly important.

vi. Given the currently envisioned environment, 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. 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 will give PCC more cost solutions and alternatives, which will better enable PCC to keep the Project within budget.

ix. Cost reduction opportunities and work-efficiency improvements will be realized by implementing this project structure which facilitates the inclusion of new construction and capitalized maintenance work within the same planning and project management structure.

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 Cascade Campus 2000 Bond Program. 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 approved by district voters in November 2000.

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