10-077 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 SYLVANIA CAMPUS

PREPARED BY: Kathy Kiaunis, Associate Finance Manager, Bond Program

FINANCIAL RESPONSIBILITY: Linda Degman, Associate Director, Bond Program

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services
Randy McEwen, District Vice President
Dr. Preston Pulliams, District President

REPORT:

Capital improvements, renovations, and selected maintenance projects at the Sylvania Campus are included in the 2008 bond program. This work is estimated at approximately $20 million. In addition, PCC was awarded a $1 million grant from the State Energy Program towards the College's E6/Net Zero building and water efficiency plan for the Sylvania Campus. These two components of work are inseparable as the E6/Net Zero energy efficiency work is integral to the building renovations planned for the campus.

Projects planned for the Sylvania Campus under this resolution include interior renovations to multiple buildings on campus, including integration of the E6/Net Zero building and water efficiency measures and planned maintenance projects identified in the bond plan.

There are a number of critical needs of the College going forward at the Sylvania Campus:

- The service to students at Sylvania Campus must, to the maximum extent possible, continue unimpeded through the anticipated five-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;
There are also numerous goals for inclusivity for various College and community stakeholders. It is desired that this program include multiple internship opportunities for students, and incorporate 'learning labs' in the design and construction process. Pre-apprenticeship participation, mentorship programs and high MWESB participation are desired outcomes.

GBD Architects are currently under contract to complete the design and construction documents for this work.

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 Program is well suited to the CM/GC contracting procedure, because the Sylvania Bond Program is complex and will require careful planning and coordination of multiple projects in each building including interior renovation work, building efficiency measures, and maintenance work. The projects involve facilities that will be occupied and remain occupied for the duration of the Program. Further, the Program is envisioned as a team effort between PCC, the Campus Architects, Sustainability Consultants 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 Board finds that this scope and magnitude of work requires long-term planning and scheduling around the college's academic calendar, and that the public interest will be best served by establishing a construction methodology that encompasses that capability over the long duration of the Program.

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 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;

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 helps reduce the number of change orders because the CM/GC contractor is part of the early planning discussions.

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 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 instructional facility to serve the needs of its staff and students, and the time that Sylvania Campus buildings are 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 will 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 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 buildings will be occupied and open to the public throughout the Project, this public safety benefit is particularly important.

vi. 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 on 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.

vii. 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.

viii. The CM/GC process will enable PCC to work with the contractor to maximize opportunities for participation by minority, women-owned, and emerging small businesses for subcontracting work. This will increase competition among subcontractors. Experience with past CM/GC contracts at the College demonstrates higher MWESB utilization and subcontractor participation than traditional contracting methods.

ix. Establishing an early relationship with the CM/GC will allow the design team to work with the contractor to produce detailed design specifications specifically related to PCC's aggressive energy saving goals. This process allows these to be better realized and carried into design execution.

x. Enhanced teamwork through the CM/GC process will allow the College to identify multiple internship opportunities for students, and create 'learning lab' opportunities as part of the design and construction process.

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 projects at the Sylvania Campus. Also, that the use of a CM/GC process be authorized as the alter-native contracting method for the Project. Funding for this project will be from the general obligation bond issue passed by voters in November 2008, the Oregon SEP/ARRA grant, and possibly capital project fund.