

December 8, 2011

12-060

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
CASCADE CAMPUS

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REPORT: The 2008 Bond Program includes plans for capital improvements, renovations, and selected maintenance projects at the Cascade Campus. This work is estimated at approximately \$40 million.

Projects planned for the Cascade Campus under this resolution include construction of a new academic building, new Student Center Building, library renovation and expansion, renovations to the Public Safety Education Building, renovations to the Student Services Building and construction of a parking garage. A significant amount of existing parking will be displaced by the planned new buildings, and additional parking will be required as a result of the new square footage.

The College has several critical needs related to the work going forward at the Cascade Campus:

- The campus is located in an urban commercial/ neighborhood setting. Pedestrian, traffic, and parking issues will be critical factors in planning, staging and executing construction projects;
- As part of the work at the campus the new academic building is schedule certain as we are receiving partial funding (\$8M) for this building from the State;

- Design of the two new buildings will take place at the same time as they will be located on the same block, adjacent to each other. Having a CMGC on contract during the design will help with cost saving ideas, schedule review, campus impacts and logistics, and cost estimating.
- Both buildings will be constructed at the same time as well, which will require a campus coordinated plan by a contractor to ensure community life and campus services are not impacted;
- Once the new Student Center is built then the departments from the old Student Center will be relocated, once relocated the "old" building will be demolished, which is at the center of the campus and will take careful planning. As an added complexity this building is attached the Library building, which will remain in place and in operation during the demolition;
- A new face of the library will need to be rebuilt after the demolition is completed while the library and other classrooms are in full operation;
- Cascade campus does not have extra space for contractor staging so all of this will have to take place on the site of the two new buildings, logistics planning will need to be done carefully for the work to proceed and schedule not impacted;
- The campus is also situated in a residential neighborhood on one side and a business corridor on Killingsworth on the other. Careful planning over the course of the construction must take place to not impact either one of them;
- The service to students at Cascade 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 construction environment that is made very complex by the campus' location in a residential and business area.

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 for small general contractors and high MWESB participation are desired outcomes.

THA Architects is 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. The Oregon Public Contracting Code (ORS 279C.300) requires that all public improvement projects be procured through a competitive bid process. The PCC Board, acting as the Local Contract Review Board, may exempt the project from competitive bidding as long as certain findings required by ORS 279C.330 and 279C.335 are made and an authorized alternative contracting method is used (OAR 137-049-0600 to 137-049-0690). The CM/GC method of contracting is an approved alternative contracting method. A CM/GC is selected through a competitive request for proposals ("RFP") process where factors such as experience, expertise, and a demonstrated record of performance can be considered. The other benefit of a CM/GC process is that the contractor is brought on as part of the team during the design phase, assisting in design development, constructability review, value engineering, scheduling, and estimating. Through this process a guaranteed maximum price is developed. The CM/GC then serves as the general contractor during the construction phase.

Staff will come back to the Board for approval when a CMGC is selected through a competitive RFP process with a Guaranteed Maximum price or not to exceed amount.

Findings:

- a. The Board finds that the Cascade Campus scope of work is well suited to the CM/GC contracting procedure, because the Cascade design and construction program is complex and will require careful planning and coordination of multiple projects in several buildings including two new buildings, a parking garage, additions, and interior renovation work. The projects involve facilities that will be

occupied and will remain occupied for the duration of the Program. Further, the Program is envisioned as a team effort between PCC, the Campus Architects, 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 279.335(2)(a), 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 a competitive RFP process will be utilized to solicit the CM/GC, procurement will be formally advertised, competition that will be obtained through competitive proposals, and evaluation and award will be based on identified selection criteria reviewed and ranked by a PCC team.
- e. Pursuant to ORS 279C.335(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. Both new buildings are being designed and constructed simultaneously. One CMGC contract applied to both buildings can further leverage the cost savings associated with these common design elements and site proximity. Detailed constructability studies, evaluations of construction phasing, and developing options for procurement of materials that are common to both buildings is an efficient use of CMGC resources and will

result in cost savings. The early CMGC involvement in the design and constructability issues that are common to both buildings is also very efficient, and should enable thorough knowledge of the project and reduce the need for change orders or added costs during construction.

- iii. The complexity of the project requires the skills of an experienced general contractor; and the use of the CM/GC procurement process will enable PCC to consider experience as part of the selection criteria;
- iv. PCC expects to be able to take advantage of reduced architectural service fees as a result of the more streamlined CM/GC approach;
- v. It is common practice in the industry to construct projects of this complexity on a CM/GC basis where detailed planning, scheduling, and sequencing is required by the owner, and
- vi. Historically, the CM/GC process helps reduce the number of change orders because the CM/GC contractor participates during the design and planning phases.

f. Pursuant to ORS 279C.300, 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 Cascade Campus buildings are out of service for renovation needs to be planned to the shortest 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 constructability 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 to this project.
 - 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 upgrade projects at the Cascade Campus. 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 \$8 million provided State funds and the remainder from the general obligation bond issue passed by voters in November 2008.