October 19, 2017

18-054 EXEMPTION FROM COMPETITIVE BIDDING - AUTHORIZE USE OF THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC), AN ALTERNATIVE CONTRACTING METHOD FOR RENOVATION OF COLLEGE SERVICES BUILDING

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REPORT: The College has a need to hire a qualified contractor to provide general contractor's services for the College Services Building (CSB) structural renovation project, not to exceed $1.6 million. Because of the complexity of this project and after careful review, the College would like to use the Construction Manager/General Contractor (CM/GC) as the contracting method.

The selected CM/GC will act as a partner with the College and the consultant in the design process and will advise as to: new innovations and best practices as well as identification and reduction of risks as a result of the contractor's years of proven experience with similar work.

In addition, the process will require both CM/GC and the College to look at all options including using techniques and/or best approaches that reduce time and cost. The process will also ensure value engineering, as the CM/GC will be able to provide cost estimates for all designs and alternatives within the design phase. It will also allow the contractor to begin the planning of construction schedule during the design phase giving the College a better sense of how construction will impact the College so that we can adjust the construction schedule accordingly to minimize impacts to the students and staff's regular schedule.

By using the CM/GC process, as one of the evaluation criteria, the College will have the option to ask the

proposers to provide their best approach on increasing participation and contracting opportunities for Oregon certified Minority, Women-owned, Small Emerging Businesses.

The selected CM/GC will be working together with OTAK Inc., the College's representatives and other hired contractors and consultants. On June 15, 2017, BA 17-138, the College approved the contract with OTAK Inc., to provide engineering and architecture services for this CSB project.

Based on College Public Contracting Rules, PCC-49-600, PCC may use alternative contracting methods, which includes the CM/GC method. The College will be issuing a Request for Proposal (RFP), which will allow flexibility in the proposal evaluation and contract negotiation process. The department intends to submit a separate resolution for the RFP result and award recommendation, including the Guaranteed Maximum Price for the project.

Findings:

a. The Board finds that the CSB Project is well suited to the CM/GC contracting procedure, because of the complexity, careful planning, and moving coordination of staff from these Departments: Facilities Management Services, Public Safety and Transportation and Parking Services.

b. The Board finds that the College is knowledgeable and has a demonstrated capacity to manage a CM/GC process in all disciplines.

c. Pursuant to PCC 49-640, an RFP process will be utilized to solicit a qualified general contractor, the procurement will be formally advertised, competition will be obtained through competitive process, 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 PCC 49-630, the Board finds that utilizing the CM/GC process will result in substantial cost savings to the College 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; and the use of the CM/GC procurement process will enable the College to consider experience as part of the selection criteria;

    iii. The College 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, scheduling, and sequencing 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.

e. 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 the College 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 the College 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. 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 College operation.

v. The CM/GC process will enhance public safety because the College 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 the College 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 the College more cost solutions and alternatives, which will better enable PCC to keep the project within budget.

viii. The CM/GC process will enable the College 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.

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 method for the CSB structural upgrade and renovation and authorize the use of the CM/GC contracting method, as the alternative contracting method for the project. Funding for this project is covered by the FMS Capital Projects (2000) Fund.