

**LOCAL CONTRACT REVIEW BOARD
NEW BUSINESS/PUBLIC HEARING**

CCC Board of Education – Topic Summary
Topic: Construction Manager/General Contractor (CMGC) for the Construction of the Industrial Technical Center project.
Date: May 11, 2016
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Division/Department: Campus Services
ISSUE BEFORE THE BOARD: Review of draft findings for the exemption from the standard design, bid, build delivery method of procurement of construction services to the Construction Manager/General Contractor delivery model for the construction of the Industrial Technical Center project.

BACKGROUND

In November of 2014, the voters within the College district passed Ballot Measure 3-447 resulting in \$90 million of funds to be spent on new facilities and major maintenance items at the college. Since that time college staff has been working on several capital and major maintenance projects including Harmony Phase II, Randall Locker room upgrades, and elevator upgrades. This topic addresses the construction delivery method requested to be used for Industrial Technical Center project.

In late 2015, the college awarded the design of the Industrial Technical Center to OPSIS Architects. Since that time the architect, staff and stakeholders have completed programming and are now developing the schematic design drawings. These drawings will be followed by the Development Drawing phase then the development of Construction Drawings along with contract plans and specifications.

Staff, the college's program manager, and the architect agree that since this project is complex in nature, requires detail construction phasing for the site work, work being completed adjacent to on going College student and public activity, and somewhat uncertain in scope, it lends itself to an alternative method of contractor selection; specifically the Construction Manager/General Contractor (CMGC) procurement method. The CMGC is a modified Design Build process in which Clackamas Community College would hold the contract for both the design consultant and the contractor during the design and construction services. This arrangement contractually places the College in charge of project decisions and keeps any cost savings with the College. The benefits of this type of alternative construction method are control costs, speed of delivery, flexibility, and reduction of risk to the College.

The CMGC procurement method allows the owner (Clackamas Community College) to select a qualified contractor early on in the project to assist with design, provide value engineering and in the end save the project time and expense. To change from the standard design, bid, build construction model, the Board of Education, acting as the Local Contract Review Board (LCRB), must pass a Resolution allowing the change from the standard procurement method. This agenda item follows Oregon Administrative Rule, Division 49 – General Provisions Related to Public Contracts for Construction Services. In these rules an alternative method (specifically) CMGC can be used if found applicable by the LCRB. The rules require fourteen findings (ORS279.335 (2)(B)) to be

addressed and a public hearing held prior to approval of the CMGC procurement method by the LCRB.

The findings are draft until after the public hearing and modifications made by the LCRB. The findings are necessary to facilitate discussion and are not intended to be yes/no decision making tools.

The **draft** thirteen findings and CCC's responses are as follows.

1. How many persons are available to bid:

This project is somewhat technical in nature, but not specialized. Considering the Portland Metro market, it could be assumed that 5 – 10 firms would bid on this project. This delivery method appeals to more construction firms who are qualified to complete this type of project construction.

2. Construction budget and projected operating costs for the completed public improvement.

The estimated construction budget for the ITC is \$12 million and the \$6 million for the Barlow Parking Lot. The operating cost of the building is roughly estimated at \$100,000 per year and includes utilities and maintenance/custodial personnel. The parking lot is estimated at \$10,000 per year for maintenance and upkeep.

3. Public benefits that may result from granting the exemption.

Public benefits resulting from the CMGC method may include reduced cost from the selected contractor's value engineering and added flexibility of the currently very tight project schedule to complete the project. The target completion date is early summer 2018 which would allow transfer of equipment from the existing space in Barlow Hall to the new ITC during the summer in preparation for a fall 2018 opening. The CMGC method will help staff and consultants to better determine and manage project scope and costs estimates early in the project ensuring that the overall project schedule is met for 2018 opening.

4. Whether value engineering techniques may decrease the cost

CMGC will add a value engineering component to the project. Bringing an experienced contractor on board early in the design phase to identify cost saving opportunities and design modifications will certainly reduce costs. The CMGC selection will focus on the proposing firms' skill in providing cost management and cost reduction solutions.

5. The cost and availability of specialized expertise that is necessary for the public improvement.

Designing for and constructing an advanced manufacturing facility such as the ITC, can be a specialized field requiring expertise in structures of varying components, solar arrays, manufacturing and classroom spaces. The current cost estimate for construction appears high based on preliminary review by staff and CCC program manager. A CMGC can address costs early on in the design process and the design and/or scope can be modified to meet financial constraints. In addition, they can advise on material selection and provide recommendations on materials that are cost effective and steer the team away from

expensive of material or material shortages. This will save project costs and reduce schedule risk for the construction of this project.

6. Likely increases in public safety.

Utilization of the CMGC method with an experienced contractor should result in safety issues being addressed both during design and construction and long term use of the completed facility. In addition, this facility will be constructed during the school year when staff, students and visitors are present. Using the CMGC model for the ITC will allow a very detailed safety plan not only for the construction materials and workers, but the circulation of students, staff and visitors who must park and travel adjacent to the construction zones.

7. Whether the exemption may reduce risk to the contracting agency or the public.

CMGC method will reduce risk to the college by providing accurate cost estimating and allow the College flexibility to modify the project scope and budget as deemed necessary prior to construction. Also, the CMGC will advise on issues that impact schedule and manage the construction and material selection which reduces the schedule risk.

8. Whether the exemption will affect the sources of funding for the public improvement.

The exemption will not affect the source of the funding for the ITC. The ITC is funded from the 2014 Bond funds and the \$8 million state match.

9. Whether granting the exemption will “better enable” the contracting agency to control the impact of market conditions on the costs and time necessary to complete the improvements.

The CMGC process will allow the contractor to procure/order items with long lead times such as difficult to obtain materials and finishes and obtain competitive pricing on other project related materials. In addition, having the contractor on board early in the project will allow them to better prepare for the construction and maximize scheduling, thereby meeting the desired time limits.

10. Whether granting the exemption will “better enable” the contracting agency to address the “size and technical complexity” of the project.

An experienced CMGC contractor will have the opportunity to coordinate with design professionals regarding the technical aspects of the project throughout the designing phases. This will be critical for the phasing of the parking lot construction.

11. Whether the public improvement involves new construction or renovates or remodels an existing structure.

The ITC project is considered new construction. The Barlow Parking lot will be a complete renovation of the existing facility, including site utilities and campus roadway that needs to be kept open during construction for public use and use by emergency response teams to respond to campus incidents.

12. Whether the public improvement will be occupied or unoccupied during construction.

The ITC will be unoccupied during construction. Occupancy is estimated for summer 2018. The Barlow parking capacity is needed by the students. The lot construction requires complex phasing with approximately ½ of the lot occupied at a time. This method will allow for phasing of parking and utility construction that has the least impact to students.

13. Whether the public improvement will require a single phase or multiple phases of construction work.

While the ITC is being designed for future expansion to the east, this project is considered one phase of work. To accommodate the parking needs of the staff and students the Barlow Parking lot will be completed in two phases at a minimum. More phases may be required once the project work is started to provide the least impact to public and emergency responders.

14. Whether the contracting agency has, or has retained under contract, and will use, personnel, staff and lawyers that have expertise in the alternative contracting matters to assist in developing the alternative contracting method and to negotiate administer and enforce the public improvement contract.

The college will utilize staff, our program managers (the inici Group who has managed over \$1B dollar of GMGC projects), and the college attorney (Berry, Elsner, and Hammond) each with expertise in the CMGC model of construction delivery to ensure a complete and comprehensive CMGC contract.

Following approval by the LCRB of this resolution for the CMGC procurement method for preconstruction and construction services, staff and the design team will develop a Request for Qualifications for CMGC services. Responses will be reviewed, scored and interviews will be held. Staff will return to the LCRB for approval of the contract with the selected CMGC.

Upon the completion of this project, staff will return to the Board of Education and discuss the post evaluation of the project and determine if the CMGC method was appropriate for this project.

RECOMMENDATION

Exemption from the College's standard design-bid-build contract model to allow for the Construction Manager/General Contractor procurement process in the construction of the Industrial Technical Center project.