

ITEM CATEGORY Resolution**CODE(Denice codes)**

CCC Board of Education – Topic Summary	
Topic:	Construction Manager/General Contractor (CM/GC) for the Construction of the Randall Hall Seismic Upgrades
Date:	September 13, 2017
Presenter:	Bob Cochran, Dean
Division/Department:	Campus Services
RECOMMENDATION:	Approval of 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 Randall Hall Seismic Upgrades

REASON FOR BOARD CONSIDERATION:

Alternative delivery methods for construction require Board of Education (acting as the Local Contract Review Board) approval.

EXPECTED OUTCOME/RELEVANCE TO STRATEGIC PRIORITY OR CORE THEME:

Not applicable

BACKGROUND:

In June of 2017, Clackamas Community College entered into an agreement with the Oregon Business Development Department for the Seismic Rehabilitation of Randall Hall. This Grant provides \$1,500,000 in funds to seismically retrofit the facility. The entire seismic upgrade project is estimated at \$3,641,599. The college has requested proposals from architects to provide design services associated with this project.

Staff and the college's program manager agree that since this project is complex in nature, requires detail construction phasing for the site work, involves work being completed adjacent to ongoing 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. The Oregon Administrative Rule, Division 49 – General Provisions Related to Public Contracts for Construction Services state that 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** fourteen 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 overly 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 a structural type of project construction.

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

The estimated construction budget for the Randall Rehabilitation project \$3,641,599. The operating cost of the building would not change with this project and is roughly estimated at \$100,000 per year and includes utilities and maintenance/custodial personnel.

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 late summer 2018 to ensure use by the athletic department in fall term (and potential use in the summer should construction activities allow). The CMGC method will help staff and consultants to better determine and manage project scope and cost estimates early in the project ensuring that the overall project schedule is met.

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 seismic rehabilitation projects such as this project can be a specialized field requiring expertise in structures of varying components. The current climate for construction appears high based on preliminary review by staff and CCC's 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 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 some occupancy when staff, students and visitors are present. Using the CMGC model will allow a very detailed safety plan not only for the construction materials and workers, but the circulation of students, staff and visitors.

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. Additionally, 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 Randall Seismic Rehabilitation project. The \$3.4 million dollar project is funded from a state grant (\$1.5 million) and the remaining using 2014 Bond proceeds.

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 design phases.

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

The Randall Rehabilitation project is considered “renovation” of an existing structure.

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

Randall Hall may be partially occupied during construction depending on construction scheduling and athletic needs.

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

It is assumed at this time that the project will be a single phase project (during the summer of 2019).

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.

BUDGET IMPACT/SOURCE OF FUNDS:

The Randall Hall Seismic Upgrades are paid for using approximately \$2,141,599 in bond funds and an additional \$1,500,000 in grant funding from Oregon Business Development Department. The operating cost of the building would not change with this project and is roughly estimated at \$100,000 per year.

ATTACHMENTS:

Resolution ...

FUTURE REPORT: Following approval by the Local Contract Review Board (LCRB) for the CMGC procurement method, 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 CM/GC method was appropriate for this project.