

CONSENT AGENDA — ITEM FOR ACTION**BARNES GYM/CAFETERIA DESIGN BUILD ALTERNATIVE PROCUREMENT****SUMMARY**

OAR 137-49-0620 and ORS 279C.335 permit the Beaverton School District Board of Directors to exempt specific projects from the competitive bidding requirements of ORS 279. District staff are proposing to use the design-build procurement method to deliver the Barnes gym and cafeteria project. This solicitation would involve a request for proposals (RFP) to select the contractor that best meets the needs of the district. The selection criteria will be included in the RFP and will grade their experience, capabilities, safety record and price. This process will allow the district to receive competitive pricing while ensuring that we are contracting with capable contractors.

BACKGROUND

The 2022 bond includes a new gymnasium, cafeteria and kitchen at Barnes Elementary School. Currently the cafeteria and kitchen are in the basement; they are very old, undersized, and not very accessible. The gymnasium needs to be upgraded to meet the current ed spec and seismic code. We are currently conducting an analysis to determine the best course of action and whether or not the existing facilities can be modified to meet current standards.

Our plan is to utilize a design-build procurement for this project. This delivery method will give us the opportunity to select the firm that offers the best value. The best value selection means we will be scoring firms based on their design, qualifications, safety plan, and price. This method gives the most opportunity for innovation. Design-build is the fastest growing and most commonly used delivery method in the country, but relatively new in Oregon. The design-build delivery method is widely recognized to be the most efficient project delivery method. We have utilized this delivery method on several projects.

Pursuant to ORS 279.335(5), the district advertised these findings in draft form for a minimum of 14 days in advance of this board meeting at which their adoption is being requested, and held a public hearing on May 27, 2025, to provide an opportunity for any interested party to appear and comment on the findings (Attachment A). Any public comments received have been considered and included as an attachment to this report.

RECOMMENDATION

It is recommended that the school board approves use of the proposed design-build contracting procedure for the Barnes gym and cafeteria project. Board approval to award the contract will be requested after receipt of the proposals.

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ATTACHMENT A

FINDINGS

ALTERNATE CONTRACTING PROCEDURE DESIGN-BUILD CONSTRUCTION CONTRACT BARNES ELEMENTARY SCHOOL GYM/CAFETERIA

- a. ***BSD staff finds that this alternate contracting procedure is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.***

Staff finds that granting this exemption will not unreasonably limit the number of firms available to bid, since procurement will be through a publicly advertised process, which is expected to receive significant interest from design-builder construction industry.

- b. ***BSD staff finds that awarding a public improvement contract for this project through the design-build method will likely result in substantial cost savings and other substantial benefits to the district.***

In making this finding, staff have considered the type, cost and amount of the contract and, to the extent applicable to the contract, the following:

- A. **Findings related to how many persons are available to bid:** Staff find that granting this exemption will not unreasonably limit the number of firms available to bid, since procurement will be through a publicly advertised process, and it is anticipated to receive great interest from industry. Moreover, design-build is a widely used construction contracting method with a large and competitive network of capable contractors.
- B. **Findings related to the construction budget and the projected operating costs for the completed public improvement:** Staff find that granting this exemption is likely to result in reduced construction and design costs. Using a design-build delivery method will enable the district to utilize both its performance specifications and project requirements to guide the work of a highly qualified team to quickly and efficiently generate and analyze several iterations to best meet the individual site and permit requirements while maintaining budget. After the full design is completed, the design-build contract allows the district to initiate construction without a lapse in project timelines. It also integrates the design firm with the contractors to consider alternative means and methods of construction and optimize cost savings. These findings will particularly help execute the Barnes gym/cafeteria project due to the number of possible design solutions. Our commitment is to create a new gym and cafeteria; this can be accomplished in many ways. We are seeking innovative design solutions that fit the project budget. Another benefit of design-build is reducing the risk of design flaws, misunderstandings and conflicts inherent in construction contractors building from designs in which they have had no opportunity for input, with the potential of reducing claims.
- C. **Findings related to public benefits that may result from granting the exemption:** Staff find that the public will benefit from the granting of this exemption. Granting of this exemption will assist the district in selection of the design-build project approach and team that most

closely aligns with the project goals. Additionally, staff finds that because of the continuity of team members throughout the process and the improved timeline there will be a public benefit by receiving potentially reduced construction costs.

- D. **Findings related to whether value engineering techniques may decrease the cost of the public improvement:** Staff finds that granting this alternate contracting procedure will provide the most comprehensive team evaluation of all factors that affect the cost, quality, and schedule of the project, which may decrease the ultimate cost of the improvement. The design-build process offers the opportunity for integrated design solutions between the designer and contractors that make up this project based on the district's project requirements. The traditional design-build method under consideration – in which the initial contract includes a guaranteed maximum price—would provide additional incentive for the design-build firm to identify and execute value engineering to obtain maximum performance under the performance specifications within the set price. Staff anticipates that the current budget will not be adequate and are hoping that this additional incentive towards innovation will better help align the project with the goals.
- E. **Findings related to the cost and availability of specialized expertise that is necessary for the public improvement:** Staff finds that specialized expertise will be required to design and construct this facility. It will be an occupied construction project which requires special care and planning. This delivery method will ensure that the most qualified team is selected to deliver the project.
- F. **Findings related to any likely increases in public safety:** Staff find that the design-build delivery method will enhance public safety on this project. As the Barnes project will be occupied construction, we will be best served by hiring a firm with the requisite qualifications and safety plan.
- G. **Findings related to whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement:** Staff find that granting this alternate contracting procedure will reduce risks to the school district. We will select the firm that proposes the best value proposition for the district. This means that district staff will be scoring proposals based on qualifications, alignment with project goals and cost. The design-build contractor will be responsible for accepting all risk associated with schedule, cost and permitting.
- H. **Findings related to whether granting the exemption will affect the sources of funding for the public improvement:** Not applicable. Staff find that granting this exemption will have no effect on funding sources for the project.
- I. **Findings related to whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement:** With the multitude of construction market factors that exist today in Oregon (e.g. completion of other projects, environmental issues that limit construction materials, shortage of qualified craftsmen, inflation, etc.), staff find that granting this exemption allows the school district to be more responsive to market conditions by delivering the project in a way that gives the design-build partner the most flexibility.
- J. **Findings related to whether granting the exemption will better enable the contracting**

agency to address the size and technical complexity of the public improvement: Staff find that granting this exemption will allow the school district to accept proposals only from contractors who have demonstrated considerable experience in delivering similar projects successfully.

- K. **Findings related to whether the public improvement involves new construction or renovates or remodels an existing structure:** This project will involve new construction and potential renovation of existing spaces.
- L. **Findings related to whether the public improvement will be occupied or unoccupied during construction:** Portions of this public improvement will occur in a building that is occupied during construction. During the summers it will be partially unoccupied.
- M. **Findings related to whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions:** This project will consist of a single phase.
- N. **Findings related to whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract:** Staff will rely on their own experience, having successfully used the design-build method on many other projects in the current and prior bond programs. The district also relies upon outside legal counsel appointed by the school board to provide construction contracting legal advice. Using their combined expertise and experience, staff and counsel will oversee developing the alternative contracting method and its implementation, including negotiating, administering and enforcing the terms of the design-build contract.