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**APPROVAL OF DESIGN-BUILD CONTRACTING PROCEDURE
FOR CLASSROOM ADDITION TO RALEIGH HILLS K-8 SCHOOL****POLICY ISSUE / SITUATION:**

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 is proposing to use the Design-Build approach as defined in OAR 137-049-0610(3) for a classroom addition to the Raleigh Hills K-8 school building.

BACKGROUND INFORMATION:

The 2014 Bond program includes a project to expand and remodel the Raleigh Hills K-8 school building. This project is planned for construction in 2018-19, however an urgent need for more classroom space for 2016-17 has emerged. One solution would entail relocation of one double classroom portable building to the site. Historically, portable relocations typically cost about \$80,000. While this would resolve the immediate need for space, the expansion work included in the Bond project eliminates all portables from the school site. Thus, relocating a portable now would be a short-term solution, but the investment will only last three years requiring further expense in 2018 to remove the newly placed portable.

Staff has explored an alternative solution which is to expedite a portion of the Bond project and build a small classroom addition immediately. This option would provide the similar classroom space relief as an additional portable and be a permanent investment. In order to achieve the expedited schedule requirements supporting completion of the building addition by September 2015, staff believes a fast-tracked Design-Build procurement will be necessary using a request-for-proposal technical and price competition. Staff also believes that the Design-Build approach is technically very suitable for a project of this nature where the architectural and engineering designs are very straightforward with few risks or unknown conditions expected.

The School Board, acting as the Local Contract Review Board, must adopt a set of facts supporting the use of the Design-Build method (Attachment A).

RECOMMENDATION:

It is recommended that the School Board approve the following resolution:

(15-505) BE IT RESOLVED that the Beaverton School Board of Directors adopts the findings of fact and grants a specific exemption from competitive bidding requirements for use of a Design-Build procurement process with a request-for-proposal technical and price competition for construction of a classroom addition to the Raleigh Hills K-8 school building and further authorizes the Superintendent or designee to execute the contract with the selected firm.

District Goal: All students will show continuous progress toward their personal learning goals, developed in collaboration with teachers and parents, and will be prepared for post-secondary education and career success.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

**FINDINGS OF FACT CONFORMING TO ORS 279C.335 (2)(b)
DESIGN-BUILD (DB) CONSTRUCTION CONTRACTING PROCEDURE
FOR CLASSROOM ADDITION TO RALEIGH HILLS K-8 SCHOOL**

1. Findings related to Operational, Budget, Financial Data:

Because of an unexpected increase in student enrollment, there is an urgent operational need for additional classroom space at the Raleigh Hills K-8 school beginning in September 2015. The 2014 Bond program includes a project to expand and remodel the school building, but this project is planned for construction in 2018-19. Failure to provide additional classrooms for the next school year will have a negative impact on providing education programs to students.

A portable classroom building could be relocated from another school to this site in time to meet the space needs for the 2015-16 school year. Historically, portable relocations typically cost about \$80,000. While this would resolve the immediate need for space, the expansion work included in the Bond project eliminates all portables from the school site. Thus, relocating a portable would only be a short-term solution, and the investment will only last three years requiring further expense in 2018 to remove the newly placed portable.

The full Bond project to remodel and expand the school cannot be completed in time to meet this need. However, a portion of this project providing a small classroom addition could be expedited using the DB approach. This solution is also cost-effective as it avoids the cost of portable relocations and provides additional permanent space.

2. Finding related to number of persons available to compete:

The project involves typical school construction work which many contractors are capable of performing.

3. Finding related to construction budget and operating costs:

Funding is available from the Beaverton School District's \$680 million 2014 Bond program for this project. It is expected that the project costs will be in the range of about \$500,000. This cost is budgeted within the scope of the larger Raleigh Hills K-8 remodel and expansion project. Operating costs for permanent space are less than for a detached portable building, which is the alternative to new construction.

4. Finding related to public benefits:

Using the DB method in this case provides cost savings by avoiding the expense of relocating a portable classroom building from another school site and the further costs of removing it to make way for construction of the full Bond project at this school in 2018-19. It also provides a permanent, rather than temporary, improvement to the school building.

5. Finding related to value engineering:

The DB method combines the work of the design team and contractor which will support continuous value engineering work as the design progresses.

6. Finding related to specialized expertise:

The project is very straightforward. A classroom addition will be constructed on the end of an existing classroom wing. The new addition will mirror the existing classrooms as well as the building exterior design and envelope. There are no specialized expertise requirements foreseen that would be an impediment to using the DB method.

7. Finding related to public safety:

Using the DB approach will allow the District to construct the project during the summer when school is not in session, complete on time, and avoid risks to the students.

8. Finding related to reduced risk to the District:

The project will be awarded to a single contractor who will be responsible for both design and construction, thus reducing the risk of change orders due to miscommunication during plan development.

9. Finding related to market conditions:

Construction activity has been significantly expanding in the Portland metro area. Competition for quality contractors with capacity to absorb more work is becoming more challenging. One indicator of this fact is the *Rider Levett Bucknall Quarterly Construction Cost Report* for the Fourth Quarter of 2014, which reported: "As the growth continues into next year and beyond, it will press the need for construction labor, materials, equipment and professionals ...". This report also noted that average construction costs in the Portland metro area were increasing at a pace above the national average. Using the DB approach and selecting the contractor based upon technical factors including immediate available capacity, will address this market factor while also meeting the critical schedule needs of this project.

10. Finding related to technical complexity:

The project is not technically complex. A classroom addition will be constructed on the end of an existing classroom wing. The new addition will mirror the existing classrooms as well as the building exterior design and envelope. There are no technically complex requirements foreseen that would be an impediment to using the DB method.

11. Finding related to public improvement occupancy:

The construction will take place during the summer when school is not in session and the building will be unoccupied.