

FINDINGS OF FACT FOR THE USE OF THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC) CONTRACTING METHOD

Before the Morrow County School District Board of Directors

Regarding the 2025 Bond Projects

The Morrow County School District ("District") is in rural north central Oregon; the District encompasses Boardman, Irrigon, and Heppner, with school facilities located in each of the respective communities. On May 20, 2025, the voters within the Morrow County School District voted to approve a \$204.4 million General Obligation (GO) Bond for the District, which, combined with a \$6 million matching grant from the Oregon Department of Education (ODE), will provide a total project budget of \$210.4 million to fund capital improvements to buildings within the District.

The scope of work and related budget associated with this Exemption includes the following projects:

1. **Replacement of the current Irrigon Jr/Sr High School**: the existing structurally deficient school building will be demolished, and a new 95,000 SF Junior/Senior High School will be built on the current occupied site, with a capacity of 600 students grades 7-12, and a 1,200-seat main gymnasium with locker rooms and an auxiliary gymnasium will be constructed; the existing annex building and green house will remain. The anticipated construction budget is \$53.3 million.
2. **Major renovation of Riverside Jr/Sr High School**: major renovation of the occupied Junior/Senior High School, including the remodel of all classroom spaces, improvement to student flow, a classroom addition for increasing student capacity, creation of a new 1,200-seat main gymnasium with locker rooms, and improvement to onsite parking. The anticipated construction budget is \$54.4 million.
3. **Remodel the existing Heppner Jr/Sr High School building into new K-12 campus**: remodel the existing occupied Junior/Senior High School to transition the facility into a K-12 campus capable of serving 350 students with intentional student separation by grade levels, including creation of a new auxiliary gymnasium with a wrestling room addition, and improvement to parking and onsite traffic flow. The anticipated construction budget is \$36.3 million.
4. **District-Wide Safety & Security Improvements**: add secure main entries, cameras, and access control at multiple sites within the District, including Windy River Elementary School, Sam Boardman Elementary School, Irrigon Elementary School, Morrow Education Center, and AC Houghton Elementary School. The anticipated construction budget is \$3.75 million.

Total construction budget for all projects is not anticipated to exceed \$147,750,000

Each of these projects requires attention and diligence from a competent general contractor to complete the projects within budget and in a timeframe that is least disruptive to student learning and District operations. In consideration of these facts, an alternative method of construction should be considered; therefore, under the Oregon Statutes and based upon the

following findings, the District's Board of Directors is authorizing the use of the Construction Manager/General Contractor (CM/GC) method of construction contracting.

The guiding applicable statute is ORS 279C.335 which requires, with certain exemptions, that all public contracts be based on competitive bidding and be awarded to the lowest responsive and responsible bidder. ORS 279A.060, ORS 279C.335(2) and ORS 279.330 permit the District's Board of Directors to act as the public contract review authority and to grant, under certain conditions and upon certain findings, specific exemptions from the requirement for competitive bidding.

Finding of Fact

Use of the CM/GC method to construct the District's projects will: (a) result a in more predictable schedule, ensure the available construction budget aligns with the scope of work, and reduce the financial risk to the District; (b) will allow the District to select a contractor with the specialized expertise required to ensure student and staff safety and coordination during construction; and (c) not encourage favoritism nor diminish competition.

Specific findings which substantiate these conclusions are as follows:

- 1. Finding:** the District's Board of Directors finds that the CM/GC method will result in more predictable schedule and construction costs and reduced financial risk to the District.
 - a. Reduced Financial Risk:** The CM/GC delivery method will result in more predictable costs and less financial risk. Through discussions with the District and the design team, the CM/GC will be able to obtain a complete understanding of the District's needs, the architect's design intent, the scope of the project, the condition of the existing facilities, and the operational needs of the District. With the CM/GC's pre-construction participation, they will offer suggestions for cost savings, value engineering opportunities, and improvements to the design. This will result in a schedule and project scope that fits within the available funds. With the benefit of this knowledge, the CM/GC will be able to establish and affirm a Guaranteed Maximum Price (GMP) for the scope of work.
 - b. Schedule:** These projects all occur in occupied school facilities, with students and staff present during the workday; additionally, volatility of supply chain, lack of subcontractor availability, and other critical items are potential risks to meeting the District's project completion and operational timelines. With the CM/GC's network, understanding of the construction market, and knowledge of project schedule restrictions, the CM/GC can develop a schedule with the District that best supports District operations and minimizes the impact to instruction as part of the pre-construction phase.
 - c. Early Subcontractor Outreach:** The CM/GC will be able to outreach to a network of subcontractors for constructability feedback and schedule development during the pre-construction phase. The CM/GC may opt to pre-qualify subcontractors to ensure that subcontractors have availability, capacity, and financial resources to deliver their work to meet the construction schedule.
 - d. Fewer Change Orders:** When the CM/GC participates in the design process, fewer change orders will occur during the construction process. This is due to the CM/GC's

better understanding of the District's needs and the designer's intent. As a result, the project is more likely to be completed on time and within budget.

- e. **GMP Change Orders Cost Less:** The traditional Design-Bid-Build method typically results in contractors charging 10% and greater mark-up on change orders. The CM/GC method applies predetermined mark-ups. The experience of the industry has been to establish the mark-up at or below 10%.
 - f. **GMP Savings:** Under the CM/GC method the District will enjoy full savings, if actual costs are below the GMP. When the CM/GC completes the project, any savings between the actual costs and the GMP - either in the form of unspent allowances or unspent contingencies - are returned to the District.
 - g. **Contractor Fee is Less:** Contracts with the CM/GC are designed to create a better working relationship between all parties resulting in reduced risk to the contractor. Therefore, the overhead and profit fee are generally in the 3% to 6% range which is lower than the mark-up usually applied to traditional design-bid-build projects.
2. **Finding:** The District's Board of Directors finds that the CM/GC process will result in a contractor that has the necessary K-12 construction experience to minimize the impact to student instruction and regular District operations. The CM/GC will develop a schedule that accounts for reduced impact during regular instructional periods and prioritizes student and staff safety and the greater public's needs.
- a. Construction activities will take place within the District's existing public educational facilities. An intense and well-thought-out safety and coordination plan must be implemented to ensure students, staff and members of the public are kept safe, and District and community use are minimally disrupted. Utilizing the CM/GC process will allow the District to select a contractor who has the sensitivity and experience to safely and successfully work in close proximity and in direct coordination with ongoing activities.
3. **Finding:** The District's Board of Directors finds that there will be no impact on the funding sources as a result of this exemption. The District's funding sources for this project will remain the same whether accomplished through a traditional design-bid-build process or through the CM/GC process. No adverse impact on the funding source will occur because of this exemption.
4. **Finding:** The District's Board of Directors finds that competition will not be inhibited, nor will favoritism be encouraged because of this exemption. The CM/GC will be selected through a competitive procurement in accordance with the cost and qualification-based process authorized by District Administration and the Board of Directors.
- a. **Solicitation Process:** Pursuant to ORS 279C.400 the CM/GC Request for Proposal (RFP) solicitation(s) will be advertised on the District's website and statewide publications of general and industry specific circulation.
 - b. **Full Disclosure:** To ensure full disclosure of information, the RFP(s) will include the following information:
 - i. Detailed Description of the Project
 - ii. Contractual Terms and Conditions
 - iii. Selection Process

- iv. Evaluation Criteria
- v. Role of the Evaluation Committee
- vi. Provision for Comments
- vii. Complaint Process and Remedies

c. Selection Process: Highlights of the selection process will include:

- i. During the pre-proposal period, interested parties will, at any time prior to seven (7) business days before the close of the solicitation, be able to ask questions and request clarifications if they believe that any of the terms and conditions of the solicitation are unclear, inconsistent with industry standards or unfair and unnecessarily restrictive of competition.
- ii. Sealed proposals will be submitted to the District at a time specified in the advertisements.
- iii. The following evaluation process will be used:
 - 1. Proposals will be evaluated for completeness and compliance with the requirements of the RFP.
 - 2. Proposals considered complete and responsive will be evaluated to determine if they meet the qualifying criteria of the RFP. If a proposal is unclear, the proposer may be asked to provide written clarification. Those proposals that do not meet the requirements will be rejected.
 - 3. Proposals will be independently scored against predetermined criteria by the members of the Evaluation Committee. Scores will be assigned to each proposal.
 - 4. The Evaluation Committee may convene to select from the highest ranked proposals a finalist(s) for interviews.
 - 5. The Evaluation Committee may conduct interviews.
 - 6. The Evaluation Committee may use the interview to confirm the scoring of the proposal and to clarify questions. Based on the revised scoring, the Evaluation Committee will rank the proposals and provide an award recommendation.
 - 7. The District and legal counsel will negotiate a contract with the top ranked firm. If an agreement cannot be reached, the District will have the option to enter into an agreement with the second-ranked firm, and so on.
- iv. Competing CM/GC firms will be notified in writing of the selection of the apparent successful proposal and will be given seven (7) calendar days after receipt of the notice to review the RFP file and evaluation report at District Hall. Any questions or concerns about the selection process must be delivered to the District within seven (7) calendar days after receipt of the selection notice. No protest of the award selection shall be considered after this time.
- v. The contract achieved through this process will require the CM/GC to use an open and competitive selection process for all components of the project.

5. **Finding:** The District's Board of Directors finds that there will be no adverse impact on the operations, finance, and budget if this exemption is provided. Whether this project is secured through a traditional design-bid-build method or through the CM/GC process, the operations, financial, and budgetary impact will be the same – other than the potential savings mentioned in Finding #1. More importantly, there will be no adverse impact on operations, financial or budgetary data using the CM/GC process.

Conclusion of Findings of Fact

It is in the best interest of the Morrow County School District to utilize the CM/GC project delivery method. The CM/GC method will (a) result a in more predictable schedule, ensure the available construction budget aligns with the scope of work, and reduces financial risk to the District; (b) will allow the District to select a contractor with the specialized expertise required to ensure student, staff and public safety and coordination during construction; and (c) not encourage favoritism nor diminish competition.