

October 9, 2025

Agenda Item ID2 – Approve Construction Manager General Contractor Guaranteed Maximum Price (GMP) Contract

Purpose:

The purpose of this agenda item is to recommend the Board approve the Guaranteed Maximum Price contract for Pence Construction to construct the replacement middle school.

Background:

The Board approved using the Construction Manager / General Contractor (CMGC) contracting method and contracted with Pence Construction to construct the new Molalla River Middle School.

On July 24, 2025, the Board approved an Early Work Amendment (EWA) for \$2,927,489 with the following general scope of work:

1. Demolition of modular and storage buildings
2. Early earth work (e.g. relocating soil for leveling and site prep)
3. Demolition of trees and shrubbery for earth work prep
4. Site fencing installation
5. Rock placement for job site usage
6. Termination/relocation of existing site utilities and installation of temporary Utilities
7. Contractor trailers placed with utilities

The EWA is a “not-to-exceed price” -which means if the actual costs are less, the district pays less.

Pence has provided the district with a Guaranteed Maximum Price (GMP) of \$XXXXXXX(to be provided before the board meeting) to complete the middle school replacement project. The total GMP amount includes the EWA cost. The GMP contract is attached (to be provided before the board meeting).

The proposed GMP price aligns with the district’s overall bond program budget and is a “not-to-exceed price” -which means if the actual costs are less, the district pays less.

Staff recommends the Board approve the GMP contract to Pence Construction for the middle school construction project.

Respectfully Submitted by:

Dr. Ron Stewart, Capital Projects Manager