

RESOLUTION R25/26-03 ALTERNATIVE CONTRACTING METHOD

DRAFT FINDINGS – NATURAL RESOURCE CENTER OF EXCELLENCE (NRCE) BUILDING

BACKGROUND

In November of 2024, the voters within the College district passed Ballot Measure 3-613 resulting in \$120 million of funds to be spent on new facilities, renovations and major maintenance items at the College. In addition to those funds, the college has received \$16 million in state legislative match and other grants, bond premiums and interest earnings. Oregon State University Extension Service is also a potential partner in the NRCE building project and would provide additional funds.

This topic addresses the construction delivery method requested to be used for Natural Resource Center of Excellence (NRCE) building. The NRCE is the largest single element of the bond program. The facility will provide enhanced learning experiences for students of horticulture, farming, arboriculture, welding and wildland fire as well as the OSU Extension Services programs. The College has already selected an architectural firm to provide design and construction management services for the NRCE.

Staff and the College's program manager agree that since this project is complex in nature, requires evaluation of different structural and mechanical systems, detailed and regular estimating systems and reliable scheduling, it lends itself to an alternative method of contractor selection; specifically, the Construction Manager/General Contractor (CM/GC) procurement method. Clackamas Community College will hold separate contracts for 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) CM/GC 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 the college'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 and current work backlogs, it could be assumed that 5–10 firms would propose on this project. This delivery method appeals to construction firms who are qualified to build complex construction projects taking place on an active campus.

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

The estimated construction budget for the NRCE project is \$50 million including construction, design, and administrative costs. Although the design and systems are yet to be developed, the operating cost of the building 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 CM/GC method may include reduced costs from the selected contractor's value engineering efforts and enhanced schedule certainty. The target completion date is winter of 2027/2028. The CM/GC method will help staff and consultants to better determine and manage project scope and costs estimates early in the project ensuring that the overall project schedule and budget is met. This is particularly important given cost and material uncertainty due to ongoing tariff activity.

4. Whether value engineering techniques may decrease the cost.

CM/GC 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 CM/GC selection will focus on the proposing firm's 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 educational facility as this project can be a specialized field requiring expertise in facilities of varying components. The current climate for the construction industry will lead to competitive costs for fees and management costs that are quoted during the proposal process. A CM/GC can address costs early 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 materials 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 CM/GC 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. Using the CM/GC model will support 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.

The 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 NRCE project. The project is funded using 2024 Bond proceeds, legislative matching grants and funds from OSU Extension Service.

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 CM/GC 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 CM/GC contractor will have the opportunity to coordinate with design professionals regarding the technical aspects of the project throughout the designing phases. In addition, the CM/GC will provide analysis and review of the structural, mechanical, and other systems as the design is developed.

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

The NRCE project is considered new construction. It is likely to be sited to the east of the ELC, north of Clairmont Drive, adjacent to sensitive natural areas.

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

This is new construction and therefore unoccupied.

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

The CM/GC process will allow the utilization of an early site package phase to be started during the dry part of the year. In addition, there may be early procurement of major equipment or materials, depending on market conditions and supply chain issues at the time.

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 (Wenaha Group), and the College attorney (Berry, Elsner, and Hammond), each with expertise in the CM/GC model of construction delivery to ensure a complete and comprehensive CM/GC contract.

Following approval by the Local Contract Review Board (LCRB) for the CM/GC procurement method, staff and the design team will develop a Request for Proposals for CM/GC 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 CM/GC.

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.