

Mapleton School District 32
Draft Findings
Exemption from Competitive Bidding for the CM/GC Process
Mapleton Elementary & Mapleton High School Renovation

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1. Introduction

Use of Alternative Contracting methods, such as CM/GC (Construction Manager/General Contractor), is made possible under ORS Chapter 279C. Pursuant to ORS 279C.335015, a local contract review board may exempt specific contracts from traditional, competitive bidding by showing that an alternative contracting process is unlikely to encourage favoritism or diminish competition and will result in cost savings to the public agency. Per district policy DJA – Bidding Requirements, the Board of Education will serve as the local contract review board for the district. The Oregon Attorney General's Model Public Contract Rules provide for public notice and opportunity for the public to comment on draft findings in favor of an exemption before their final adoption (see Attachment A *Public Notice*).

ORS 279C.330 provides that: "findings" means the justification for a contradicting agency conclusion that includes, but is not limited to, information regarding: Operational, budget and financial data; Public benefits; Value engineering; Specialized expertise required; Public safety; Market conditions; Technical complexity; and Funding sources. [2003 c.794 §102]

2. Findings

a. Operational, budget, and financial data

The Mapleton School District (district) consists of a single campus located in Mapleton, Oregon (Lane County). The district passed a capital bond in May of 2016 to renovate Mapleton Elementary School (MES) and Mapleton High School (MHS). The elementary school and high (secondary) school consist of separate and closely located buildings. Mapleton Elementary (1957) is 35,917 square feet and Mapleton High School is approximately 30,849 square feet. The total construction budget is approximately \$5,775,000. A bond steering committee (composed of board members, district staff, and community members) was established to identify priority improvements. The cost of all possible capital improvements exceeds the available construction budget.

A CM/GC firm is hired at the beginning of the project to assist with master planning, design considerations, administrative coordination, scheduling, budget estimating, constructability review, and value engineering. A CM/GC provides these management services, as well as management of the construction, for a negotiated fee. In addition, the CM/GC will provide, during the design process, a guaranteed maximum price (GMP) for the full value of the construction, backed up by a full performance and payment bond. As described within the CM/GC contract, "subcontractable" work will be procured by the CM/GC firm, with the oversight of the District. Should the CM/GC firm choose to bid any of the subcontractable work, then bids will need to be submitted to the District or an independent third party.

b. Public benefits

The renovated school facilities will facilitate better teaching and learning environments, providing safer and more efficient buildings. The district intends to provide better public meeting and performance spaces and public computer workspaces during non school hours. The renovations will address Americans with Disabilities Act (ADA) and Title IX compliance. The CM/GC will help to maximize the quality and amount of construction items that can be delivered, within budget, and on schedule.

c. Value engineering

The CM/GC process provides many benefits and opportunities for cost savings. During the preconstruction phase, the CM/GC will be evaluating the budget and making suggestions for cost-saving changes and value enhancements. The CM/GC will evaluate major systems and make design recommendations to the project team about which systems are most cost-effective. Use of the CM/GC process will likely result in substantial benefit to the District by facilitating and coordinating the most efficient use of limited bond funds.

The CM/GC also identifies whether project sequencing is viable and design elements can be built as drawn. All of these beneficial actions by the CM/GC will improve design, expedite construction and eliminate the potential for costly change orders. The benefits of value engineering are not available with the low bid process.

d. Specialized expertise required

The contractor ultimately selected as CM/GC will demonstrate experience and expertise in providing CM/GC services to public and/or private organizations. The contractor will also have thorough knowledge of school construction and improvements. The CM/GC firm is hired at the beginning of the project to assist with master planning, design considerations, administrative coordination, scheduling, budget estimating, constructability review, and value engineering.

e. Public safety

All work during the construction will be done in accordance with OR-OSHA safety regulations. The CM/GC selected will be highly qualified and capable and show evidence of construction safety practices that are at the highest level of integrity. Student and staff safety is of utmost importance during construction. The CM/GC's input into construction sequencing can reduce issues related to safety.

f. Market conditions

The CM/GC contracting process is a modern construction delivery method used by both public and private organizations. The CM/GC is tasked with keeping the project team up-to-date on the latest construction techniques and products. The CM/GC will inform the project team of current market conditions, labor and materials availability, and construction methodologies that can reduce design and construction time and costs.

g. Technical complexity

The project includes technical complexities which will be best addressed with the CM/GC firm working with the district and the architect to solve specific challenges identified during the pre-construction phase. Technical complexity relates to planning and coordinating the various components of the project for safety, schedule and budget. The project includes a limited budget as well as limited construction time. Construction may not interfere with student

learning; the majority of construction will be in phases limited to summer, winter, and spring break.

The project will include renovation, remodel, and addition. The CM/GC process should add efficiencies in coordinating these different elements of the work, in close proximity to one another, in over-lapping time periods, and with tight budgets.

h. Funding sources

Funding for this project is provided by a May 2016 Bond Series and a State of Oregon Article XI-P General Obligation Bond Program Grant. The CM/GC method of contracting provides cost controls for limited budgets and therefore benefits the district. The team approach, the schedule, the value analysis, and constructability reviews provides the ultimate in effective cost analysis.

3. Competition and Cost Savings

a. Unlikely to encourage favoritism or diminish competition

It is unlikely that the process of selecting a CM/GC firm will encourage favoritism in the awarding of the public contract or substantially diminish competition for the public contract. The CM/GC will be selected through a competitive RFP process in accordance with provisions of the AG's Model Rules, Chapter 137, division 49. The notification of RFP for CM/GC services will be publicly advertised in a state-wide trade newspaper. A review committee will screen and rank proposals based on the criteria described in the request for proposal. Based upon the ranking, one or more proposers may be selected for interview.

"Subcontractable" work will be procured by the CM/GC firm, with the oversight of the District. Should the CM/GC firm choose to bid any of the subcontractable work, then bids will need to be submitted to the District or an independent third party.

b. Cost savings

During the design phase prior to material and subcontractor bidding, the CM/GC will provide value engineering and update cost estimate information. This engineering and cost estimate will assist final decision-making about the project scope, product quality and material finish. Using a CM/GC will allow more flexibility to develop, evaluate, and implement design changes with less impact on construction cost and time. In order to ensure that the project is completed by the start of the 2018-19 school year, fast track phased construction is necessary. The CM/GC process provides the best means of managing fast track construction with a guaranteed completion date and a guaranteed maximum price for the construction.

Use of the CM/GC process will likely result in substantial cost savings by minimizing costly change orders through CM/GC value engineering, constructability review, scheduling, and estimating during the design process.

Use of the CM/GC process will likely result in substantial cost savings through efficiencies gained from having only one general contractor on the site, thereby reducing the need for additional job site conditions from multiple general contractors.

Use of the CM/GC process will likely result in substantial benefit to the District by facilitating and coordinating the most efficient use of limited bond funds.

4. Conclusion

After careful consideration, the Mapleton School District has found the Alternative Contracting Method CM/GC more appropriate than a traditional design-bid-build process to meet the overall project objectives. Due to schedule and budget complexities, as well as scope, the use of the CM/GC should result in substantial savings over conventional design-bid-build.

The CM/GC will result in substantial costs savings and reduce risk to the district; will allow the district to select a contractor with the specialized expertise required; benefit the public by improving safety and coordination during construction; and not encourage favoritism or diminish competition.

It should be noted a significant amount of public improvements have been performed locally using the CM/GC process within Lane County. Many neighboring school districts (South Lane School District, Pleasant Hill School District, Fern Ridge School District, and Marcola School District) have recently elected to use the CM/GC process for capital improvement projects funded by bonds. There are multiple qualified contractors available to propose on this project.

Attachment A - Public Notice

Published in the Daily Journal of Commerce:

PUBLIC NOTICE The Mapleton School District will hold a public hearing for the purpose of taking oral and written comments on the District's draft findings in support of an exemption from competitive bidding under ORS 279C.335 for the project known as "Mapleton Elementary and High School Renovation". Mapleton School District is requesting the exemption to allow the use of an alternative procurement method known as "Construction Manager/General Contractor (CM/GC)". The hearing will be held at Mapleton High School, located at 10868 East Mapleton Road, Mapleton, Oregon 97453, on Wednesday, September 28, 2016 at 6:00 pm. The proposed draft findings may be obtained from the Mapleton School District Business Office at 10868 East Mapleton Road, Mapleton, Oregon 97453. Draft findings may also be viewed on the District's website at: www.mapleton.k12.or.us. Any interested party may appear and comment. Published September 14, 2016.