

Gresham-Barlow



School District

BOARD OF EDUCATION

Special Board Meeting / Business

AGENDA

May 14, 2015

BOARD OF EDUCATION
May 14, 2015

Special Board Meeting / Public Contracts Review Board Agenda – 6:30 p.m.

**Forum Room (Room 220)
Center for Advanced Learning (CAL)
1484 NW Civic Drive, Gresham, OR**

I. CALL TO ORDER

II. ROLL CALL

_____	Matt O’Connell, Chair	_____	Kathy Ruthruff, Director
_____	Carla Piluso, Vice-Chair	_____	Kent Zook, Director
_____	Sharon Garner, Director		
_____	Dan Christenson, Director	_____	Jim Schlachter, Superintendent
_____	Kris Howatt, Director	_____	Mike Schofield, Chief Financial Officer

III. ACTION ITEMS: Public Contracts Review Board

1. Exemption Allowing Construction Management/
General Contractor (CM/GC) process for GHS Turf,
Track and Related Capital ImprovementsMike Schofield

IV. ANNOUNCEMENTS

May 21, 2015: DAC Meeting and End-of-Year BBQ – 6:30 p.m.
East Gresham Elementary School
Board Representatives: All

May 26, 2015: Budget Committee Meeting – 7 p.m.
Room 220 (Forum Room)
Center for Advanced Learning

June 4, 2015: Budget Hearing – 6:45 p.m.
Council Chambers
Public Safety and Schools Building

June 4, 2015: Regular Board Meeting - 7 p.m.
Council Chambers
Public Safety and Schools Building

V. ADJOURN

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: May 14, 2015

RE: No. 1 – Exemption Allowing Construction Management/General Contractor (CM/GC) process for GHS Turf, Track and Related Capital Improvements

EXPLANATION: The administration will provide Findings of Fact supporting a specific exemption from competitive bidding requirements for use of a Construction Management/General Contractor process for the Gresham High turf, track and related capital improvements.

PRESENTER: Mike Schofield

SUPPLEMENTARY MATERIALS: Additional and specific information will be presented at the meeting.

RECOMMENDATION: Review and approve findings of fact to support the use of the Construction Management/General Contractor process

REQUESTED ACTION: Acting as the district's Public Contracts Review Board, move to approve the Findings of Fact supporting a specific exemption from competitive bidding requirements for use of a Construction Management/General Contractor process for the 2015 Gresham High turf, track and related capital improvement projects.

MS:mkh:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: May 14, 2015

RE: No. 1 – Exemption Allowing Construction Management/General Contractor Process for the 2015 Gresham High School Turf, Track and Related Capital Improvements

EXPLANATION: The Management Team currently working on the Gresham High School Track / Turf / Bleacher Replacement Project (Project) have been evaluating the various methods that could be utilized to complete the Project. Currently the Management Team is recommending the use of a Construction Management/General Contractor (CM/GC) process.

Historically, public construction projects are competitively bid and awarded to the responsible low bidder. During recent Project Coordination meetings, the CM/GC contracting method has been discussed. This process involves the selection of a CM/GC firm during the pre-construction phase to involve a contractor's expertise early on the Project. The CM/GC method has been successfully implemented by the following public agencies:

- David Douglas School District
- Salem Keizer School District
- Philomath School District
- Scappoose School District
- Hillsboro School District
- Forest Grove School District
- Multnomah County
- Oregon Health Sciences University
- Parkrose School District
- Pendleton School District
- Port of Portland
- Portland Development Commission
- The State Department of Administrative Services
- The State Department of Corrections
- Washington County

Board of Directors

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ORS 279C.335 permits the Gresham-Barlow School District's Board of Directors, acting as the Local Public Contract Review Board, to exempt specific projects from the standard competitive bidding requirements of ORS 279C. In doing so, the statute specifically says that the Local Contract Review Board shall: "where appropriate, direct the use of alternative contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods, which are also consistent with the public policy of encouraging competition."

Oregon law and duly adopted resolution of the Gresham-Barlow School District requires consideration of specific findings in order to exempt a contract from competitive public bidding. Selection of the CM/GC firm for this Project will utilize a Request for Proposal. Draft findings have to be prepared by staff and mitted along with a request for exemption.

ORS 279C.335(5) requires the Gresham-Barlow School District to hold a public hearing of the Local Contract Review Board to allow comments on the Gresham-Barlow School District draft findings.

FINDINGS OF FACT

1. Project Description

Introduction

The Gresham-Barlow School District is currently in the pre-construction phase for the Project. The Project will require tight schedule adherence to resolve issues that could impact the completion. The time required to select equipment and material, prepare an installation plan, obtain the bids required and install the systems without impacting the learning environments in the various buildings could compress the time available for construction. The management team, which will include district staff, architect and project management, believe the bidding and construction should be the responsibility of the CM/GC firm.

General Description

Assist the Gresham-Barlow School District in selecting equipment, material, and other improvements and complete the Gresham High School Track / Turf / Bleacher Project.

2. Responsibilities of the CM/GC Firm

a) Design Phase

The CM/GC firm will provide assistance for equipment and material selection construction scheduling, bid packaging, cost estimating, and the review of installation plan from the standpoint of value, long lead procurements, design feasibility, constructability and establishing a Guaranteed Maximum Price for the work prior to completion of the construction documents.

b) Bid Process

The CM/GC firm will coordinate the bid process and material procurement process for all work with full oversight and participation of the Gresham-Barlow School District. The Request for Proposal utilized by Gresham-Barlow School District will clarify how the bids submitted by subcontractors, distributors and manufactures will be evaluated. The CM/GC firm will provide a written recommendation to Gresham-Barlow School District for each subcontract. Upon the receipt of approval from Gresham-Barlow School District, the CM/GC firm will execute a contract with the approved subcontractors and or manufactures.

c) Construction Phase

The CM/GC firm will be responsible for the construction of the Project, including scheduling of materials procurement and delivery, and all the work completed by the CM/GC firm or subcontractors. The CM/GC firm is responsible to complete the Project on schedule, within budget and at, or above, the quality defined in the specifications approved by the Gresham-Barlow School District.

3. Rationale to Utilize CM/GC Method

a) The Selection Process for the subcontractors will be Competitive.

It is unlikely that granting the exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts for the following reasons:

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1. Competitive Request for Proposals. Gresham-Barlow School District may interview the firms before recommending the award or awards to the Board. The selected CM/GC will provide the Gresham-Barlow School District with a preliminary and final Guaranteed Maximum Price (GMP) and a full performance/payment bond for the work following detailed review of the Bid Documents.
 2. Competitive Solicitation of Subcontractors. The CM/GC firm will have adequate time to prepare bid packages, review and analyze bids received from subcontractors and or manufactures. The contract utilized by Gresham-Barlow School District will clarify how the bids submitted by subcontractors and or manufactures will be competitively evaluated. This bid process will not result in favoritism. Utilizing qualified subcontractors and or manufactures should result in better quality, improved building operation and cost savings.
 3. Ensuring that Local Contractors and Suppliers Have an Opportunity to Subcontract. The CM/GC firm selected will be required to identify the local contractors and suppliers previous to starting the Bid Process. The Management Team and the CM/GC firm will schedule meetings with the local contractors and suppliers to review the scope of the work and bid dates. This process has assisted other owners to get the local contractors and suppliers involved in the projects.
- b) Use of the CM/GC Alternative Contracting Method should result in Substantial Cost Savings.**
1. Multiple Construction Packages

The construction will be completed in phases and may require an early bid or procurement packages. Completing the Project in phases should result in cost savings.
 2. Procurement of Long Lead Items

The CM/GC method will allow the early procurement of long lead material/equipment; equipment to begin June of 2015, instead of August 2015. Early procurement should result in cost savings.

3. Schedule Complexity

The Projects will face a tight construction schedule to achieve substantial completion in August 2015. By phasing the competition of construction documents, bid, award and construction, the schedule efficiency required can be achieved. The CM/GC process allows the phasing that will be required.

4. Change Order Cost Control

By utilizing an experienced construction contractor to provide cost analysis, construction feasibility reviews and long lead procurement during the design phase, the final number of change orders should be reduced. Reduction of change orders should result in cost savings.

5. Fixed Fee

By proposing a fixed fee for overhead and profit, the CM/GC firm's fixed fee, which will be added to the actual cost of the change, should be less than the standard fee added to change orders on projects awarded to the bondable, low bidder. Reduction of overhead and profit on changes should result in cost savings.

6. Acceleration

Utilizing the CM/GC approach will reduce the risk of acceleration expense to complete the Projects on time. Reduction or elimination of the cost to accelerate construction to complete the Projects on time should result in cost savings.

7. Improved Cost Management

The financial track record of CM/GC projects with a "Guaranteed Maximum Price" is impressive. Gresham-Barlow School District, Hillsboro School District, Salem Keizer Public Schools and Forest Grove School District have used the CM/GC method to complete many construction projects with significant success in terms, timeliness of project completion, cost savings and adherence to budget limitations. Examples include renovation of Gresham-Barlow High School Phase 1, Renovation and Addition of South Powellhurst School, Renovation and Addition of Forest Grove High School and Replacement of Joseph Gayle Elementary School, which were

all completed on time and within budget. The project teams working on the projects successfully balanced the construction budget during the design and construction phases utilizing the same CM/GC process proposed for these projects.

8. Qualified Management

The Management Team working on this Project is well equipped to manage the complexities of a CM/GC construction process, with experienced and qualified internal staff and external Project Managers with successful CM/GC experience.

9. Operational, Budget and Financial Data

The Project will result in efficient systems thus minimizing operational costs. Generally the method of construction will have little effect on the operational budget. However, the CM/GC process may further reduce life cycle cost through Value Engineering, thereby further reducing the operating cost.

10. Public Benefits

The primary public benefit is a more expeditious completion of the Project. The CM/GC process provides for better collaboration to ensure the Projects will be completed on time, on budget and at or above the quality described in the construction documents. It provides better opportunities for reducing construction time by fast tracking construction where beneficial. This should result in cost savings because timely construction reduces costs, and construction delays increase costs.

11. Value Engineering

Because the contractor is working with the design team during the design phase, the contractor will assist the Project team to identify and implement possible cost savings. The Value Engineering process allows the Project team to evaluate quality materials and life cycle costs, thereby helping to reduce operating costs.

12. Specialized Expertise Required

Completing a complicated project on time, on budget and at or above the quality expected requires the CM/GC firm to dedicate a qualified team with the experience and expertise to work with Gresham-Barlow School District, governing agencies and the project manager. With such experience, mistakes are likely to be fewer and disruptions are likely to be minimized. The request for proposals process used to select the CM/GC will enable the Gresham-Barlow School District to select the best firm for the Project among proposers with the necessary qualifications.

13. Public Safety

The CM/GC firm will prepare a construction safety plan for the Project. The construction safety plan will help ensure the Project is installed safely and will minimize the impacts to the neighborhood and the Project stakeholders. Including experience working in operating schools as a selection factor will protect students, faculty, and staff during the construction process.

14. Market Conditions

The volume of work available is impacting many general contractors and subcontractors. Currently the cost of materials and labor is adjusting to the changes in the construction market. Ordering materials and equipment may take longer now as the manufacturers and distributors are not keeping large amounts of inventory in stock. The CM/GC firm will order the materials and equipment on time from manufactures and distributors that can deliver the materials and equipment on time and avoid delays caused by late shipments.

15. Technical Complexity

Completing a multiple phase construction project at existing schools and buildings is complex. The process the district has elected to use will address the technical complexity and should save time and reduce the final cost.

For these reasons described above, the use of the CM/GC alternative contracting method is likely to provide Gresham-Barlow School District with the following advantages:

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- Substantial cost savings
- Reduction of schedule risk typically associated with complex construction Project
- Opportunity to select a qualified CM/GC firm versus award Project to any bondable low bidder
- Accurate cost data for Project decisions
- Greatest assurance of Project completions by August 2015
- Higher confidence in obtaining quality construction

Due to the strict timelines and required prompt execution of the Project, the administration recommends the Board declare the existence of an emergency for the Project.

PRESENTER: Mike Schofield

SUPPLEMENTARY MATERIALS: None

RECOMMENDATION: Declare the 2015 Gresham High School turf, track, and related capital improvements project an emergency, and review and approve findings of fact to support the use of the Construction Management/General Contractor process

- REQUESTED ACTION:
1. Move to declare the 2015 Gresham High School turf, track and related capital improvements project an emergency.
 2. Acting as the district's Local Public Contract Review Board, move to approve the Findings of Fact supporting a specific exemption from competitive bidding requirements for use of a Construction Management/General Contractor process for the 2015 Gresham High turf, track and related capital improvement projects.

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