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BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, ORE.
SITTING AS THE LOCAL CONTRACT REVIEW BOARD

ORDER NO.

10-3-31-18

IN THE MATTER OF APPROVAL AND
EXEMPTION FOR USE OF CONSTRUCTION
MANAGEMENT/GENERAL
CONTRACTOR (CMGC) TO OBTAIN
CONSTRUCTION SERVICES FOR THE
PUBLIC WORKS CUSTOMER SERVICE
CENTER

WHEREAS, the Local Contract Review Board (CRB) has adopted an alternative contracting method and exemption which allows construction projects to be completed using a Construction Manager/General Contractor (CMGC) model including use of a Request for Proposal Process;

WHEREAS, the County wishes to construct a Public Works Customer Service Center at the Delta complex with a goal to achieve an energy efficiency LEED rating if feasible;

WHEREAS, in addition to the CMGC alternative contracting and exemption and in further support, the CRB has reviewed the proposed findings and any comments of the public, and concludes that the CMGC contracting procedure as outlined below is the most advantageous, expeditious and cost effective approach for the Project;

NOW, THEREFORE, BE IT RESOLVED:

1. Authorization of CM/GC Contracting Procedures as Described Below:
In addition to the CMGC alternative contracting and exemption, the CRB further approves the Project for a CM/GC and authorizes the Department to solicit and award the contract for the Project as set forth in Lane Manual rule 20.160 and below.

2. Findings: The decision in Section 1 is based upon the following findings:

a. At the outset, this Project involved either constructing a new building, remodel of an existing building, or remodel and additions to an existing building for a Customer Service Center at the PW Delta site located at 3050 N. Delta Highway, with construction occurring mainly in 2011. The current intent is to utilize and remodel an existing building if possible. The Project is well suited to the CM/GC contracting procedure, because the remodel project would be large and complex with a potential cost range between \$4 million and \$6 million, and an additional \$3 million for a new building. Potential funding sources include

partial road fund, parks, corners, and bond funding, and as addressed by a separate Board item on this date.

b. Project description: The Public Works Customer Service Center is expected to house and consolidate Public Works services provided to the public including parks passes and permits, building and sanitation permits, facility and heavy haul permits, right of way use permits, land use applications, surveyors' office services, long range planning, and general land use and public information requests.

Possible occupants include Land Management Division (LMD); surveyors' office, planning, building permits, plans examining, electrical, mechanical, sanitary inspections, compliance, public information; parks and roads staff and reception for Public Works Administration. The project will include office space for 40 to 65 employees, two small conference rooms (approximately 8-10 people), one medium conference room (30-50 people) and a front counter service area and lobby with space for public information and resources. The Center will also need to have areas for building permit and land use records, land survey records, maps and plat map books, legal road documents and government land corners records. It is also a goal to construct an energy efficient building that promotes sustainability concepts and practices with the goal of a LEED Silver rating.

The CM/GC will participate in the completion of the design process and will coordinate and manage the construction process as a member of the Project Team with the County, Architect and other project consultants. The CM/GC will serve as the general contractor for the Project.

c. The Project is complex because:

i. Initial design concepts and constructability analysis for the primary remodel option (in addition to any other preliminary design work) needs to be completed before finalizing the scope of the Project.

ii. There are numerous PW staff covering several programs which would be affected. Maintaining County business with as few interruptions as possible, and keeping facilities open, operating, safe and secure during construction will be complex.

iii. A current goal of the Project is to have a sustainable and energy efficient building achieving a minimum Silver certification using the LEED rating system as administered by the U.S. Building Council. The process includes submitting applications for review, and receiving reviewer feedback. It is anticipated there will be specific dates associated with phases and steps, including target dates each review will be returned to the County. The scheduling challenges are increased by the need to work with a Commissioning Agent and submit documents and obtain approvals from the Council.

d. The consolidation of the Public Works services under this proposed project will promote efficiencies and improved customer service.

e. It is not uncommon in the industry to construct projects of this complexity, including LEED energy efficiency, on a CM/GC basis.

f. Utilizing the CM/GC process will result in substantial cost savings, including avoidance of delay costs.

i. The Project is envisioned as a team effort between the PW Department, the Director of Management Services, the Project Architect, the CMGC. The LEED Commissioning Agent will also be included, and any other consultants as required by the County. The Project requires a project team approach with substantial experience and expertise to avoid mistakes and limit unnecessary disruption of the County's operations.

ii. The U.S. Building Council encourages a team approach and suggests that the most successful teams use an integrated design process from the project's inception.

iii. The CM/GC will work along with the Architect, incorporating value engineering by recommending cost savings alternatives as the design evolves. Life cycle costing assessments throughout the Project will ensure that operations are conducted for targeted building elements. This is key to justifying the use of materials and systems that may have a higher initial cost, but pay for themselves due to decreased utility costs or maintenance requirements over time.

iv. The CM/GC will provide recommendations to the Architect to be incorporated into the design on constructability for simplifying and reducing the cost of construction means, methods, access, phasing, etc. throughout the design and construction phases;

v. The County expects to be able to take advantage of reduced architectural service fees as a result of the more streamlined and collaborative CM/GC approach;

vi. The CM/GC will provide detailed cost estimates at each design milestone, which along with the Architect's estimates will make it possible for the County to make more informed decisions of cost implications. This should also give the County more cost solutions and alternatives, which will better enable the County to keep the Project within budget.

vii. This improved teamwork is expected to minimize adversarial relationships, improve communication and continuity, expedite decision making, and save money due to costly disputes and claims. In addition,

the CM/GC will regularly review construction documents as they evolve from the Architect, recommending clarifications and corrections which will reduce vulnerability to contractor change orders.

viii. The CM/GC involvement during design and the CM/GC's direct, contractual responsibility to the County during construction improve contractor accountability.

ix. The CM/GC will participate with the team in the initial evaluation and planning for the construction prior to establishing a Guaranteed Maximum Price (GMP). While not anticipated during this pre-GMP stage, advance or early work related to critical components of the Project may be necessary. The PW Department may have special construction needs in order to protect continued operations with limited interruptions or to position for completion of the Project. The County reserves a right to waive any bid requirements for this pre-GMP work and negotiate reasonable compensation for performance by the CM/GC if it is critical in order to maintain the project schedule in order to avoid delay costs or to continue County operations without interruption.

The County reserves the right to release bid packets early, and to make early purchases of long-lead items to allow better pricing and lower costs. The County reserves the right to undertake phased construction in order to take advantage of cost savings.

x. The CM/GC will guarantee the final cost of the project, including change orders within the CM/GC's control before construction begins, protecting the County from cost overruns. Cost savings which accrue during the construction are returned to the County. LM 20.160 provides, in part, that the CMGC will establish a Guaranteed Maximum Price within the County's budget or if not, the County may terminate the contract and negotiate with the next highest ranked proposer.

xi. Historically, the CM/GC process results in fewer change orders and more control over project costs.

g. Utilizing the CM/GC process is not likely to substantially diminish competition or encourage favoritism because:

i. The project is unique.

ii. The County will use objective selection criteria and a formal selection process for selecting the CM/GC where cost of services, as well as other factors, are a part of the selection criteria. This process is outlined in the County's RFP rule, LM 21.107, including but not limited to:

* public advertisement inviting competition;

- * a solicitation document disclosing more details of project, planned use and duties of CMGC;
- * rights to protest process and solicitation document and intent to award after notification;
- * description of contract selection, including weighted evaluation criteria.
- * description of evaluation committee
- * contract terms

iii. The complexity of the Project require the skills of an experienced general contract. There is a need for specialized construction expertise due to technical challenges, including but not limited to LEED energy rating goal, and operations during construction. The use of the CMGC will enable the County to consider experience as part of the selection criteria;

iv. The more credential-and performance-oriented CMGC process will encourage more experienced contractors and subcontractors to submit proposals and/or bids.

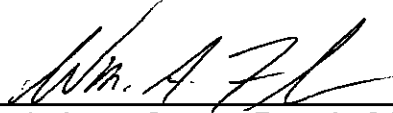
v. Once the GMP is set, the CM/GC will be required to follow the County's process for soliciting and receiving bids and awarding contracts to the lowest responsible bidder, and if the CM/GC elects to perform any of the construction work with its own forces, the work must be competitively bid and CM/GC must submit the lowest price.

vi. The CMGC process will enhance public safety because the County will be able to consider the safety record of the contractors as part of the selection process. Because the PW complex will be open to the public throughout the Project, this public safety benefit is important.

Under the traditional design-bid-build process, the Architect must fully complete construction plans and specifications before a single construction contract can be advertised, bid and awarded. Many additional months are required before construction can begin. Under this model the County may be required to be responsible for a number of separate construction contracts. The CM/GC method would mitigate these potential problems because the CM/GC would assist with design and administrative coordination, scheduling, budget estimating, constructability and value engineering and would take responsibility for bidding and management of construction for a negotiated maximum price, backed by a full performance and payment bond. The shortened construction period under a CM/GC model will mean less disruption to public facilities and programs.

On the basis of the materials submitted and any public comments provided, the Local Contract Review Board approves this Project for the CMGC method of construction in addition to the County's existing class exemption, and adopts the above findings and conclusions.

DATED this 31st day of March 31, 2010.



Chair, Lane County Board of County
Commissioners and Local Contract
Review Board

APPROVED AS TO FORM

Date 3/22/10 lane county



OFFICE OF LEGAL COUNSEL