



# PUBLIC HEARING

EXEMPTION FROM COMPETITIVE BIDDING FOR THE MANZANITA CITY HALL PROJECT TO USE A CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC) ALTERNATIVE CONTRACTING PROCESS



## PURPOSE OF HEARING

- The CM/GC method is an alternative contracting process that is authorized for procurement of construction services under ORS 279C.337.
- Staff is requesting the City Council, acting as the Local Contract Review Board (LCRB) approve findings in support of an exemption from competitive bidding under ORS 279C.335(2) for the Manzanita City Hall Project.

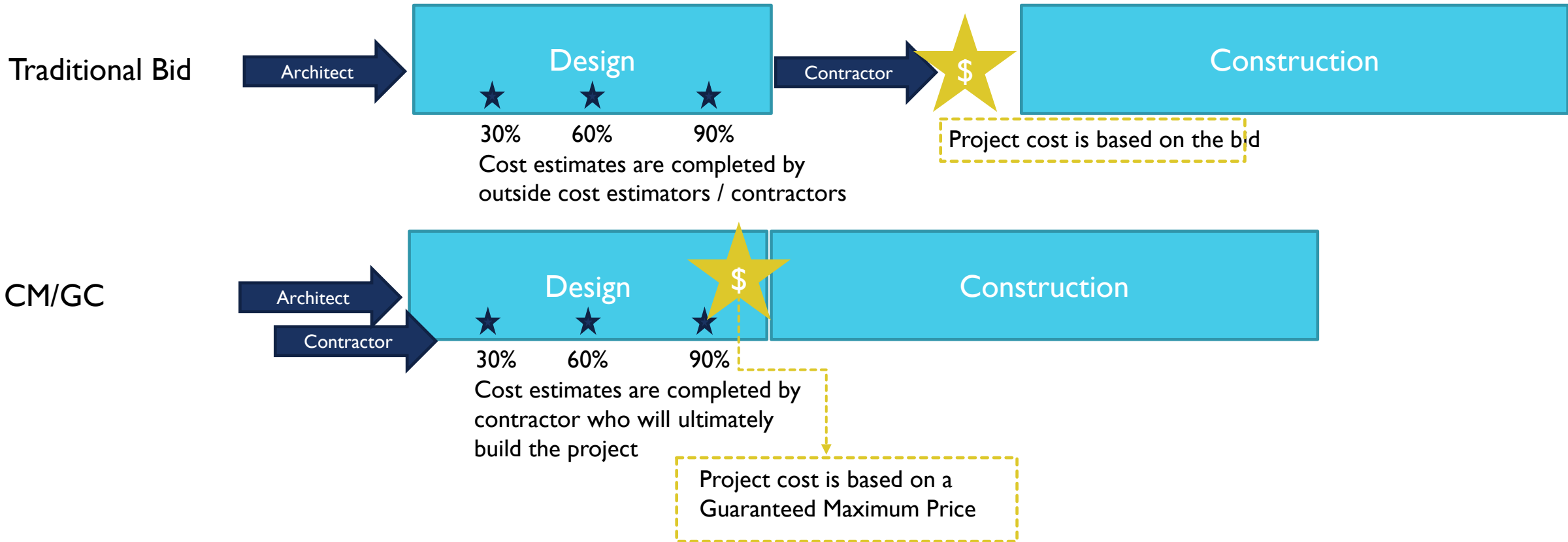
## WHAT IS A CM/GC PROJECT DELIVERY METHOD?

- A Construction Manager/ General Contractor is a project delivery method that allows an owner to engage with a construction manager throughout the design process.
- The CM/GC provides input on constructability, pricing, scheduling and phasing throughout the design process.
- At the end of the design process the owner and contractor negotiate a Guaranteed Maximum Price (“GMP”) and the construction schedule documented through a GMP Amendment.

# WHAT IS A CM/GC PROJECT DELIVERY METHOD?

- The CM/GC method improves cost control and reduces risk.
  - Getting feedback from the contractor on scheduling, pricing, phasing throughout design process improves constructability because the collaborative process allows for resolution of design and constructability issues up front, reducing the need for change orders during construction.
  - Risk mitigation savings during the design phase accrue to the owner.
- Fosters Innovation – it is a collaborative process that encourages the owner, architect and contractor to use innovative techniques and reduce time and cost.
- Improved constructability – the design only includes features that can actually be built.

# TRADITIONAL BID V. CM/GC



# BUILD TO GOALS WITHIN BUDGET

## City Hall Goals:

- The new city hall will combine the most value for the community investment. The city hall will be durable, adaptable, scalable, functional and efficient. The building will be able to withstand coastal conditions and that is resilient in the event of an earthquake.
- The new city hall will match the unique culture and norms of the community.
- The new city hall will be environmentally sustainable.

## We will build a city hall that:

- Reflects the culture and diverse values of our community.
- Creates an inspiring workspace for our staff.
- Provides for user-friendly, efficient customer service.
- Embraces innovation.

# REVIEW OF KEY FINDINGS

- Unlikely to encourage favoritism or substantially diminish competition.
  - Using a competitive RFP process to select a CM/GC firm.
- Construction budget and projected operating costs
  - The City has not conducted detailed analysis of operating costs, nor do we have a projected project budget. The CM/GC delivery method will position the city setting a target value budget design and early feedback from the contractor will enhance operational costs over the long term.
- Public Benefits resulting from the exemption
  - Allows the city to select the most qualified contractor to meet city goals.
  - Bringing contractor on early leads to better communication, continuous value engineering, improved constructability review, streamlines the construction process reduce change orders, more timely delivery. Overall better achievement of City goals.

# REVIEW OF FINDINGS

- Whether Value Engineering (V/E) may decrease the cost of the public improvement
  - V/E is continuous throughout the design process rather than through change orders relative to a completed design.
  - Inherent Flexibility and team approach of the CM/GC eases the process for making improvements to the design and scope to meet project budget goals before the finalization of design. The transition bid method does not allow for this.
  - Allows the city to better manage the project within budget, reduces cost, reduces change orders and costs associated with project delay.
- Whether the exemption will better enable control over market conditions and time necessary to complete the project
  - By selecting the GC early, the city is better able to take advantage of market prices by facilitating early purchase of equipment or materials. It can also reduce the time to construct by having the selected contractor already on board and has intimate knowledge of the construction documents.



## ACTION REQUESTED

- Approve findings in support of an exemption from competitive bidding under ORS 279C.335(2) for the Manzanita City Hall Project authorizing the City Manager to utilize the CM/GC alternative contracting method under ORS 279C.337 for the Manzanita City Hall Project.