

Findings to Document the Need for the Exemption of a Public Improvement Contract by Using a Contract Management/General Contractor Contract for LCOG Office Improvements in the LCOG Owned Park Place Building.

March 27, 2008

The purpose of this document is to provide findings that state the need for an exemption to the Competitive Bidding process per O.R.S. Section 279C.335. LCOG wishes to define the method of procurement procedure for the new office construction project at the Park Place Building as exempt from the competitive bid process in favor of a Construction Manager/General Contractor (CM/GC) process. At center of this decision is the necessity to achieve the projected substantial completion date of the project by August 15, 2008. This date will allow termination of lease with Wells Fargo, and the simultaneous commencement of lease between the City of Eugene and Wells Fargo on September 1, 2008. This date meets City timing for relocation of its Public Works Engineering and Administration Department, thereby relieving LCOG of its \$25,000 monthly lease obligation.

The specific arguments are defined under each of the required categories listed below as per Section 279C.330. These are provided for consideration of the Lane Council of Governments Executive Board acting in its capacity of the LCOG Contract Review Board. These factual statements, in the aggregate, provide a compelling basis for adopting findings in favor of the CM/GC process.

1) Operational, budget and financial data:

The CM/GC process will allow more control of the ambitious timeline necessary to achieve substantial completion by August 15th. Elements of this operational control will have positive effect on the budget, beginning with the simultaneous occurrence of events saving six weeks in the schedule. Award of competitive bid contract would occur mid-June, award of CM/GC contract would be May 1st. Award of CM/GC would allow immediate progress of the following concurrent actions:

1. Completion of architectural and engineering specifications for submission for building permits;
2. Application for demolition permit and commencement of demolition;
3. Order of long-lead items such as doors, lights and HVAC components.

2) Public benefits: Savings of public funds. Savings will be realized from the value engineering and ongoing design modifications as well as \$25,000 a month starting September 1 from the expedited process. In addition, the guaranteed maximum price that is a component of the CM/GC process limits the actual cost of the project.

3) Value Engineering:

Working under the CM/GC process the construction manager, architect and engineers will work together as a team to determine the most effective time/cost method to provide the product. Consultants in areas such as electrical, HVAC and plumbing will examine existing systems to discover true "as-built" conditions. This allows the engineers to design based on true conditions rather than relying on historical and incomplete observational data. In short, this greatly decreases the number of change orders normally experienced in the competitive bid process. This flexibility of CM/GC process provides the best combination of cost control while reacting to scheduling necessities.

4) Specialized expertise required:

Selection under the RFP process for CM/GC allows for review of the specialized expertise of the proposer rather than selection based solely on lowest bid. The RFP process will qualify applicants relative to their knowledge and ability in similar projects, as well as working with the special requirements of public agencies.

5) Public safety: Public safety is not a component of this project.

6) Market conditions:

Market conditions are favorable in construction, but will not significantly affect a decision of Competitive Bid over CM/GC process. Advertisement of the RFP in a statewide publication combined with the direct mailing of the invitation to respond to the RFP to known regional contractors will ensure that the CM/GC contract does not diminish competition or encourage favoritism. The period of construction is the busiest of the year, so the flexibility of the CM/GC process will save time and money in such tasks as the scheduling of subcontractors and the delivery of materials.

7) Technical complexity:

Additional benefits of the CM/GC process are enhanced control of each aspect of the project. The contractor's participation and early input to the project improves each part of the project, including phasing, complicated scheduling, tenant occupancy and budget issues. These factors result in better control of the timing, design and costs resulting in a higher quality product delivered to LCOG.

8) Funding Sources: Sources of funding do not impact this choice.

The eight areas described in these Findings also address all the findings required in Section 7 of the LCOG Public Contracting Regulations.