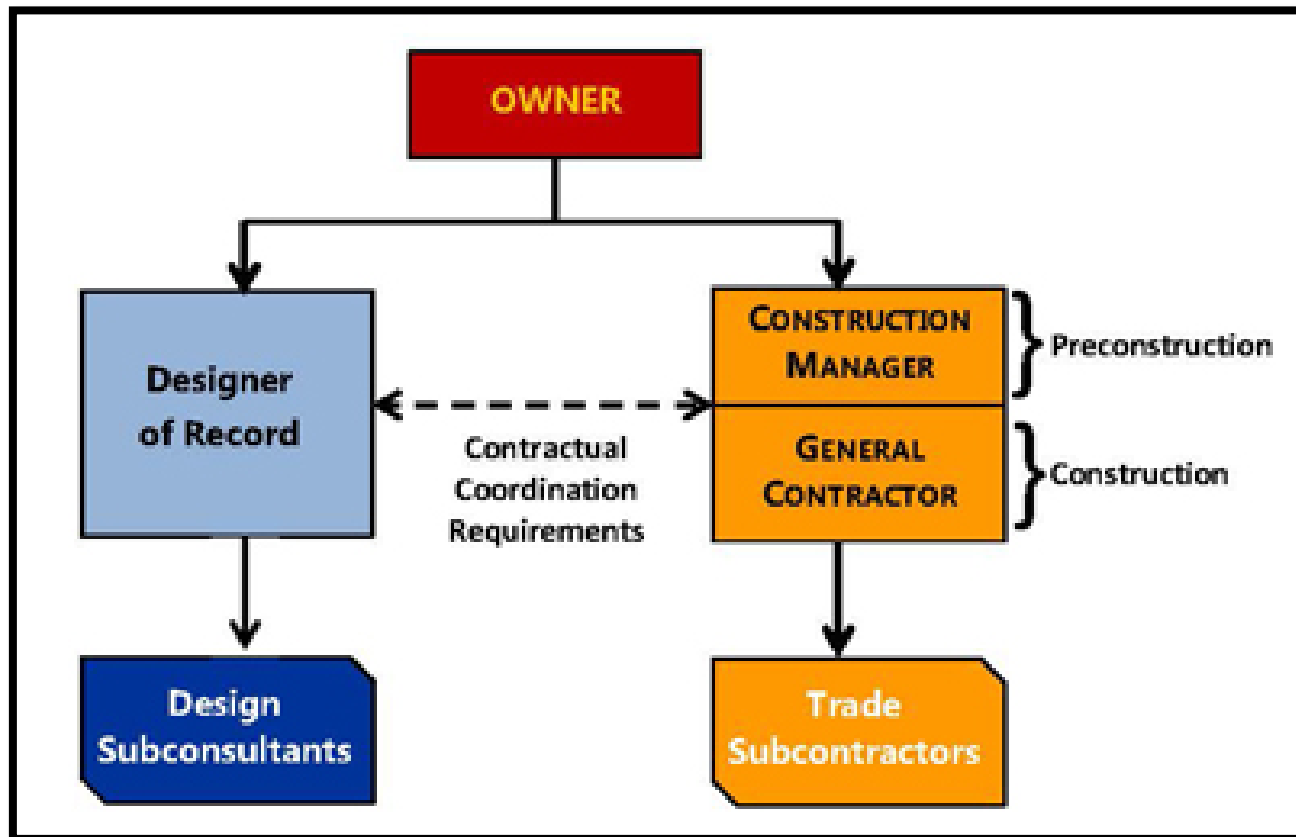


# Resolution No. 2021-58

## Contract Review Board

### Consideration of a Construction Manager / General Contractor Procurement for the Navigation Center



# Tonight's Consideration

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- ❖ **Consider an Alternative Contracting Method for design and construction of the Navigation Center Project.**
- ❖ **Review the Statutory Requirements**
- ❖ **Review the Findings**
- ❖ **Conduct a Public Hearing and Hear Public Testimony**
- ❖ **Vote on Resolution No. 2021-58**

# Navigation Center Project

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- ❖ **McMinnville was awarded \$1.5 Million from the State to develop and operate a Navigation Center**
- ❖ **HB 2006 describes a Navigation Center as a low barrier shelter open 24 hours, 7 days a week with on-site supportive services.**
- ❖ **City is partnering with YCAP to manage and operate the Navigation Center**

# Project Specifics

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- ❖ **Rehabilitating two existing structures and connecting them with new construction.**
- ❖ **Two structures are located on complex topographical parcels adjacent to each other.**
- ❖ **Sites have a steep slope and soil instability.**

# City Council Strategies

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**GOAL: CITY GOVERNMENT CAPACITY** – Strengthen the City’s ability to prioritize and deliver municipal services with discipline and focus.

**OBJECTIVE:** Develop and foster local and regional partnerships.

**ACTION:** Identify strategies and venues to improve opportunities for access to regional and state resources.

**GOAL: HOUSING OPPORTUNITIES** – Create diverse housing opportunities that support great neighborhoods.

**OBJECTIVE:** Collaborate to improve the financial feasibility of diverse housing development opportunities.

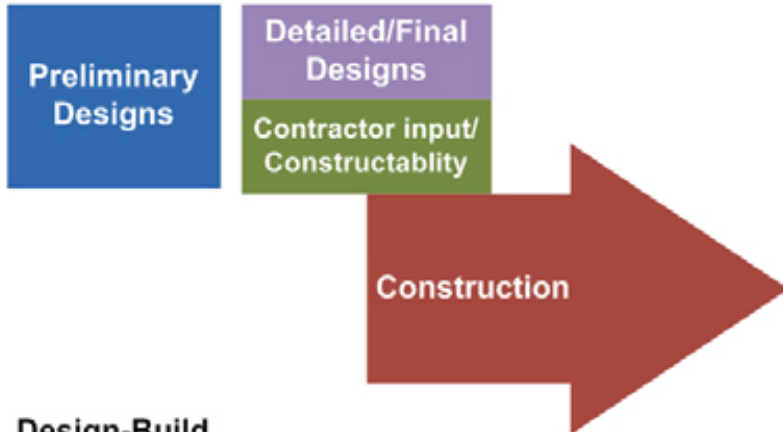
**ACTION:** Collaborate with Governor’s Office for housing development.

# Design-Bid-Build vs. CM/GC vs. Design Build

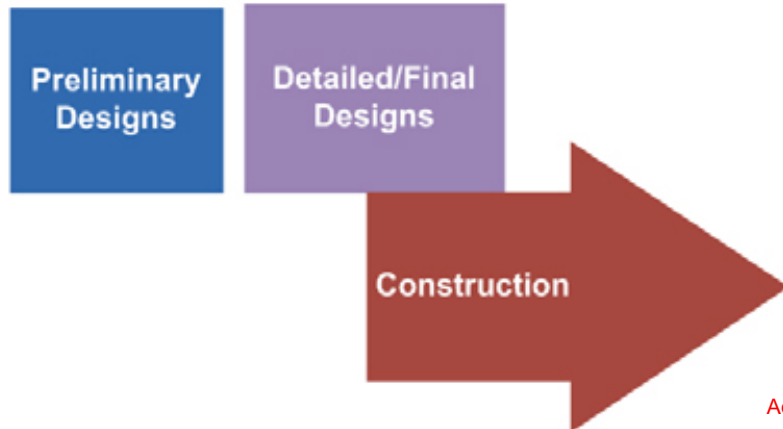
## Design-Bid-Build



## Construction Manager/General Contractor (CM/GC)



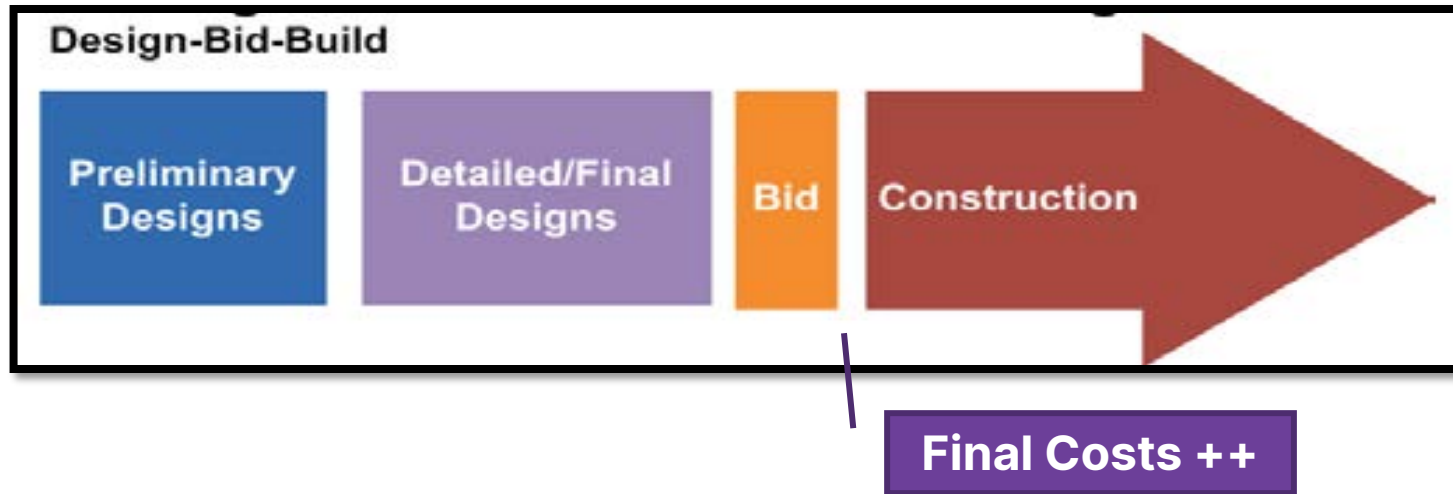
## Design-Build



Added on 12.14.2021

# Comparison of Procurement Processes

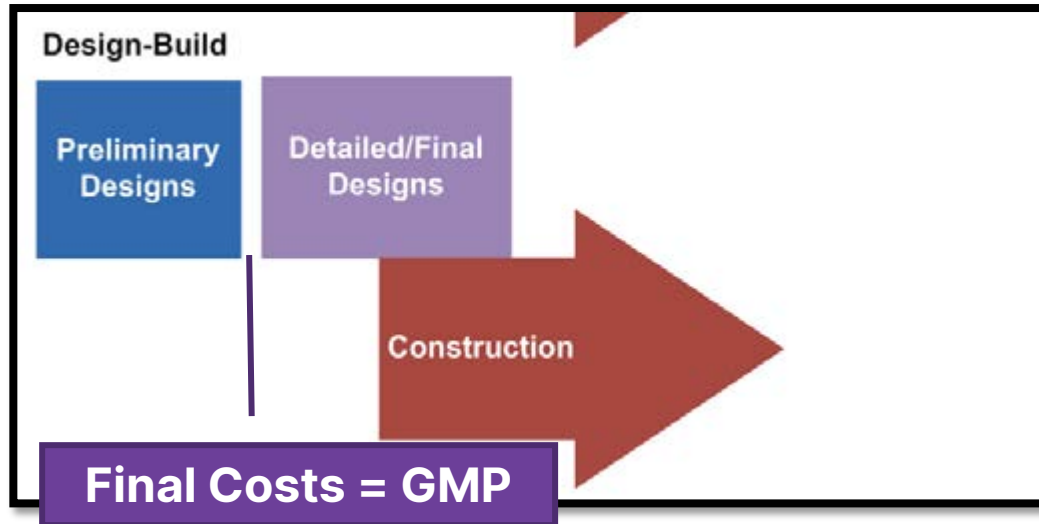
# Design-Bid-Build (DBB)



- ❖ **Traditional Low Bid Process**
- ❖ **Potential conflict between design and construction.**
- ❖ **Need confidence in design upfront to avoid change orders.**
- ❖ **Owner manages project.**
- ❖ **Linear process = time.**

Added on 12.14.2021

# Design Build (DB)

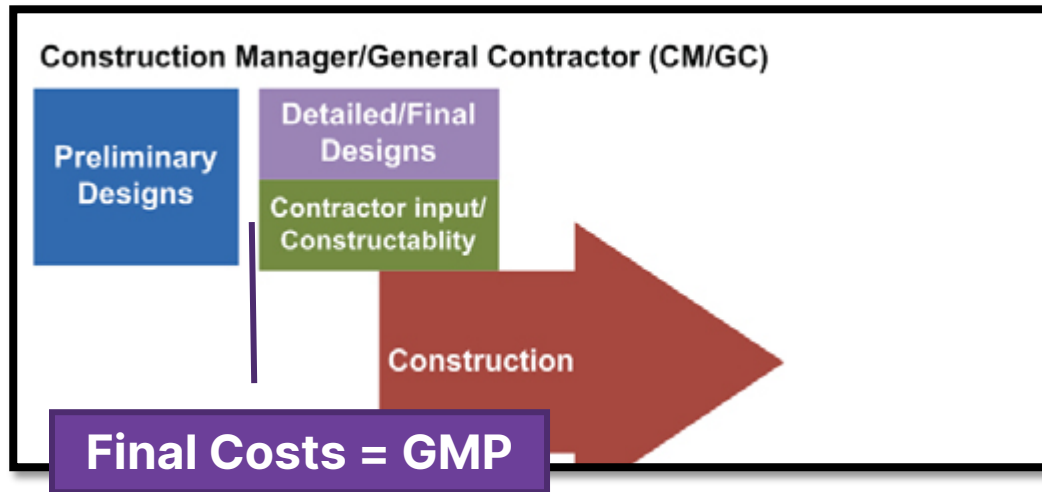


- ❖ Hire a team (Designer and Contractor) based on qualifications.
- ❖ Guaranteed Maximum Price established early on.
- ❖ Less design control.
- ❖ Timeline = Early Completion. Can leverage design and construction concurrently.

Added on 12.14.2021



# Construction Manager / General Contractor (CM/GC)



- ❖ **Construction Manager is part of the Design Process**
- ❖ **Paying for time of construction manager usually is offset by cost savings in collaboration with designer.**
- ❖ **Allow for City to control design.**
- ❖ **Allow for public process.**
- ❖ **Construction occurs during final design.**

Added on 12.14.2021

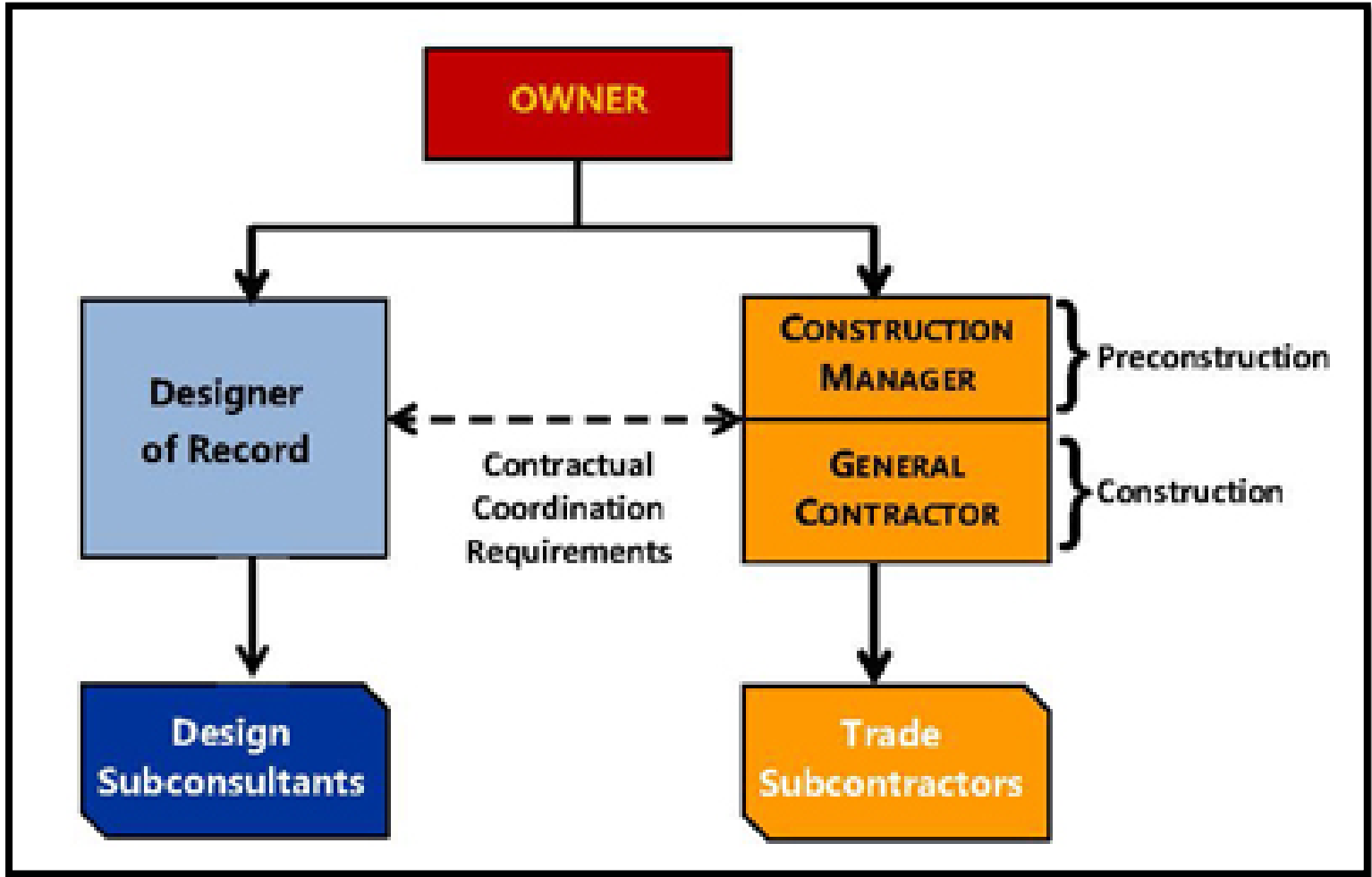
# What is CM/GC

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**A Project Team consisting of three components:**

- ❖ **City**
- ❖ **Contract with a Designer**
- ❖ **A Two-Phase Contract with a General Contractor:**
  - **Phase 1 – A “Construction Management” consulting contract to help with design.**
  - **Phase 2 – A “General Contracting” contract to build the project.**

# What is CM/GC



Added on 12.14.2021

# Reasons for CM/GC

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- ❖ **Constructability of designs.**
- ❖ **Timely cost information.**
- ❖ **Cost Certainty**
- ❖ **Faster Schedules**
- ❖ **Owner input into design decisions.**
- ❖ **Team atmosphere**

# Statutory Compliance

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- ❖ **ORS 279c governs procurement for public agencies, requiring a competitive bidding process unless a statutory exception applies.**
- ❖ **ORS 279C.335 governs how to consider an alternative contracting method.**
- ❖ **Alternative contracting method means any method that does not use the traditional design-bid-build, with award based solely on price (which is the competitive bidding process described in ORS 279C).**

# Two Statutory Tests

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## ORS 279C.330

**Operational, budget**

**Public Benefits**

**Value Engineering**

**Specialized Expertise Required**

**Public Safety**

**Market Conditions**

**Technical Complexity**

**Funding Sources**

## ORS 279C.335(2)

**No Favoritism**

**Cost Savings to Public**

# ORS 279C.335(2)

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## ❖ Favoritism

- ❖ **Competitive RFP process for CMGC and Design Team, which will be advertised.**
- ❖ **Objective selection criteria and formal selection process**
- ❖ **CMGC will be required to ensure fair and open competition for subcontractors.**

## ❖ Cost Savings to Public

- ❖ **Allows constructability feedback based on site conditions during design phase prior to final construction documents to head off costly change orders.**
- ❖ **Value engineering during design.**
- ❖ **Guaranteed Maximum Price**

# ORS 279C.330

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**Operational, budget: \$900,000 – \$1,000,000**

**Public Benefits: Cost savings, homeless shelter**

**Value Engineering: Allows for value engineering in design.**

**Specialized Expertise Required: Site complexity / topo**

**Public Safety: Team approach to monitor public safety**

**Market Conditions: Saves time to combat increasing costs.**

**Technical Complexity: Steep slope / soil instability, topo differences between two structures.**

**Funding Sources: Provides cost controls for public funds.**



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