FINDINGS OF FACT

August 25, 2025

RECOMMENDATION FOR EXEMPTION FROM DESIGN-BID-BUILD, AUTHORIZE USE OF CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC) ALTERNATIVE CONTRACTING METHOD FOR THE CHEMEKETA COMMUNITY COLLEGE BUILDING 7 RENOVATION

Background

The Chemeketa Community College (CCC) Building 7 Renovation (the "Project") addresses a portion of the 2025 Bond project goals of upgrading and enhancements to the campus CTE, Technologies, Facilities and Safety Improvements. Building 7 Renovation will include a renovation of the main gym building and associated spaces, HVAC and lighting systems, parking lot improvements, roof upgrades, community athletic spaces and potentially new auxiliary gym.

On May 20, 2025, the voters of Marion, Linn, and Polk counties voted to pass bond measure 24-25-21 authorizing the sale of general obligation bonds in the amount of $140,000,000 with a state matching grant of $8 million to fund campus upgrades and enhancements such as:

- Expanded career and technical education; improve teaching and learning spaces:
    - Creation of a new Trades Center for skilled trades
    - Increase CTE capacity in health care, behavioral health, emergency services, health and fitness
    - Woodburn campus science lab
    - Brooks campus first responder expansion
    - Classroom and learning space improvements
    - Building/Infrastructure Improvements:
    - Extend useful life of buildings, HVAC, roofs, elevators, interior renovations
    - Modernize technology

- Leverage $8 million state grant for a community disaster resource site with seismic improvements, student center, health facility
- Community athletic fields
- ADA compliance

- Improved Safety
  - Cameras, lighting, parking lot improvements to enhance safety

- Site Improvements, demolition, furnishings, equipment, bond issuance costs

Project Scope

Out of the bond language shown above a portion of the work consists of Building 7 Renovation work and is currently identified by Chemeketa Community College as the Building 7 Renovation Project and will specifically include the following:

1. Include a project budget of approximately $39 million of which $8 million is a state match grant and project scheduled for completion end of 2028 or sooner.

2. Re-paving/re-striping of the existing Orange Lot adjacent to Building 7. Reconstruction of adjacent sidewalks to provide an accessible route meeting ADA standards.

3. A new potential auxiliary gym building adjacent to Building 7. This may be a freestanding structure or attached to building 7 via a seismic separation joint. A conceptual master plan of this immediate area will be evaluated in conjunction with this structure.

4. Remodel of the existing Building 7.
   a. Remodel priorities in order of importance:
      i. Roof: replacement of entire roof. Eliminate ballast and provide new insulation.
      ii. HVAC: Full redesign and upgrade of the roof mounted HVAC units and associated controls, and upgrade of the ductwork distribution within the areas where the existing ceiling will be upgraded or program space changes.
      iii. New LED lighting and lighting controls throughout the entire building.
      iv. Locker Room Renovation: reconfiguration of the locker room and restroom facilities to comply with current ADA Accessibility standards and equity considerations. Provide team rooms and specific training/support spaces for Athletics programs.
      v. Gym Floor and Bleacher Replacement.
      vi. Admin/Office & Classroom: replace existing “pencil” walls with standard stud framing and gyp board. Add operable partitions to create more flexible learning spaces.

vii. Racquetball Renovation: strategically remove walls to create more flexible spaces for education and athletics uses.

viii. Fitness Renovation: provide new finishes and potential openings to adjacent outdoor spaces to create more area for training opportunities.

b. Other considerations of the project may include:

i. Elective seismic upgrades to the existing building structure where remodel work occurs.

ii. Review of existing building entry points and utilization of an access control system for more effective monitoring of facility activities.

Construction Delivery Method Recommendation/Risks and Challenges Discussion

After an analysis of the various options of contract delivery such as the traditional Design-Bid-Build (Hard Bid) and alternative methods such as Design/Build (DB), CM/GC, Qual+Bid, Prequalification of a selected group of bidders, Integrated Project Delivery (IPD), etc. it was determined that CM/GC is the best approach to the Building 7 renovation Project.

Therefore, it is the recommendation of the project team to proceed with a CM/GC delivery method for construction of this project. While other methods were considered, there are several factors that add complexity to this project and therefore require a deeper level of commitment and understanding from the contractor and the Owner-Design-Construction Team as a whole.

In the project scope above, there are three major scopes identified. From the onset of the project, the Owner has been very clear about the schedule restraints on Building 7. As it is the only gym facility on campus, it is used for Chemeketa Athletics programs during Fall, Winter, and Spring seasons. This allows for a very narrow timeframe where the building can be shut down, in part or in whole. It is understood that if the gymnasium is unavailable for multiple seasons of a sport, it may have detrimental impacts on the program. To mitigate this, extremely tight coordination between owner activities and construction must take place. This coordination must begin during the design phase so that a contractor has ample time to prepare an appropriate approach, as well as give the owner and design team feedback on potential impacts. Phasing of construction may also be needed to accommodate these program needs, or to avoid inclement weather where construction may be less feasible. A CM/GC contractor can plan those phases during the design period, which allows them to also schedule their staff who are best suited for each project type.

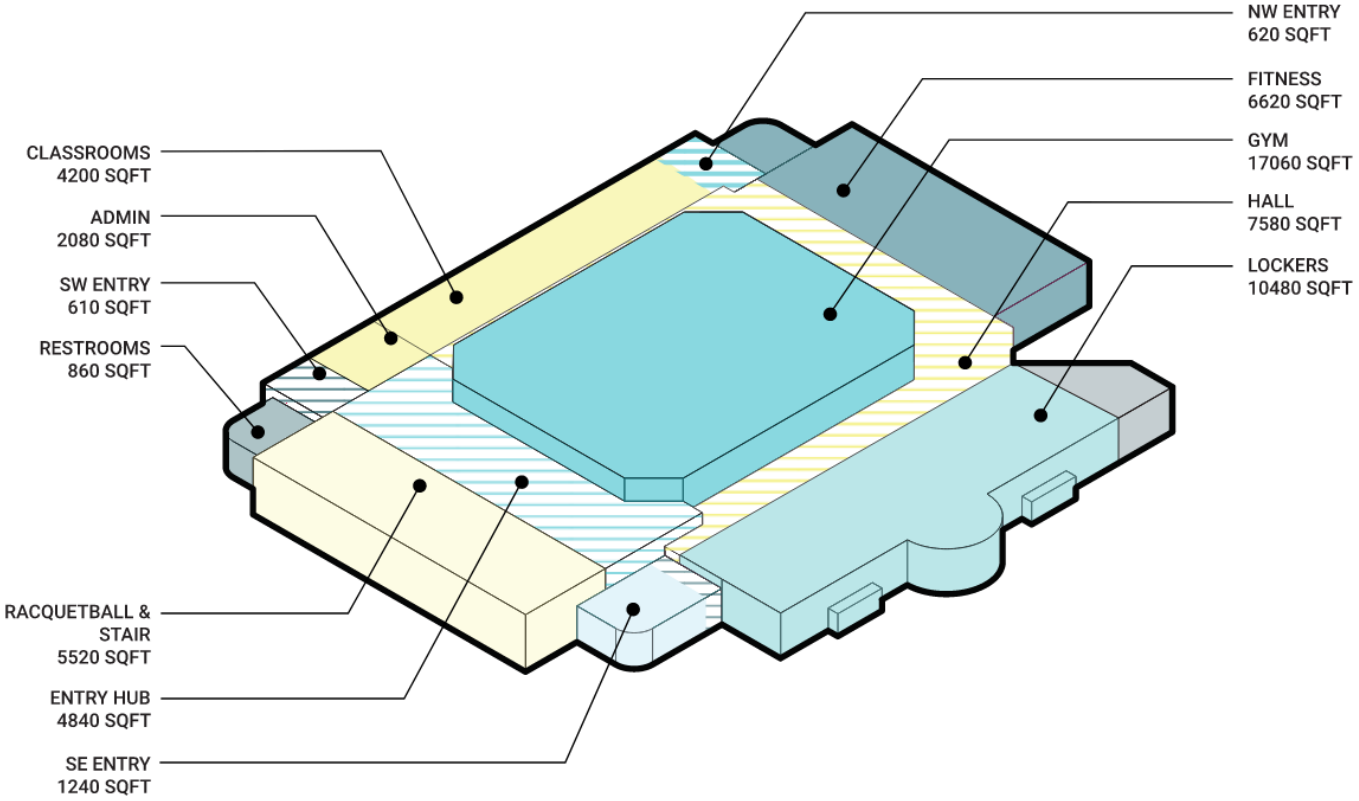
Of the three major scopes listed above, the biggest unknown by far are in the Building 7 Remodel. Building 7 was built in 1980 and has had no significant remodels since that time. This means there has been very little opportunity to verify the existing structure to determine if the building was built as the drawings state. This project will likely involve modifying several areas to various degrees of complexity. Waiting until construction to open up these areas will lead to more unforeseen conditions and slow down the progress of construction. A CM/GC contractor can work with the Owner and Design Team to target areas for investigative demolition during design and can help the design team provide more informed documents.

Furthermore, the existing systems are past end of life and need replacement. The mechanical

system will need to be rebuilt entirely, which can be challenging within an existing structure. A CM/GC contractor can bid to the most qualified subcontractors that have this specialized experience. They can also work with the engineers to talk through various solutions to potential issues. This continues to accentuate the importance of coordination and continuity that is paramount to this project's success.

The budgetary constraints are also a concern for this project. Due to the age of the facility and quantity of desired renovations, it is understood that all sought after changes are not likely achievable within the given budget. We must consider all possible solutions and work as a team with the contractor to achieve creative design solutions that maximize the budget. Their participation during design will help the team consider more options. The budget is also affected by the bidding/construction process itself. While it may seem feasible to split the three scopes and bid to three separate contractors, this will add cost to the project due to paying for mobilization and general conditions items three separate times. Having one CM/GC contractor reduces excess overhead costs and provides continuity for end-product quality.

Example concepts on next page.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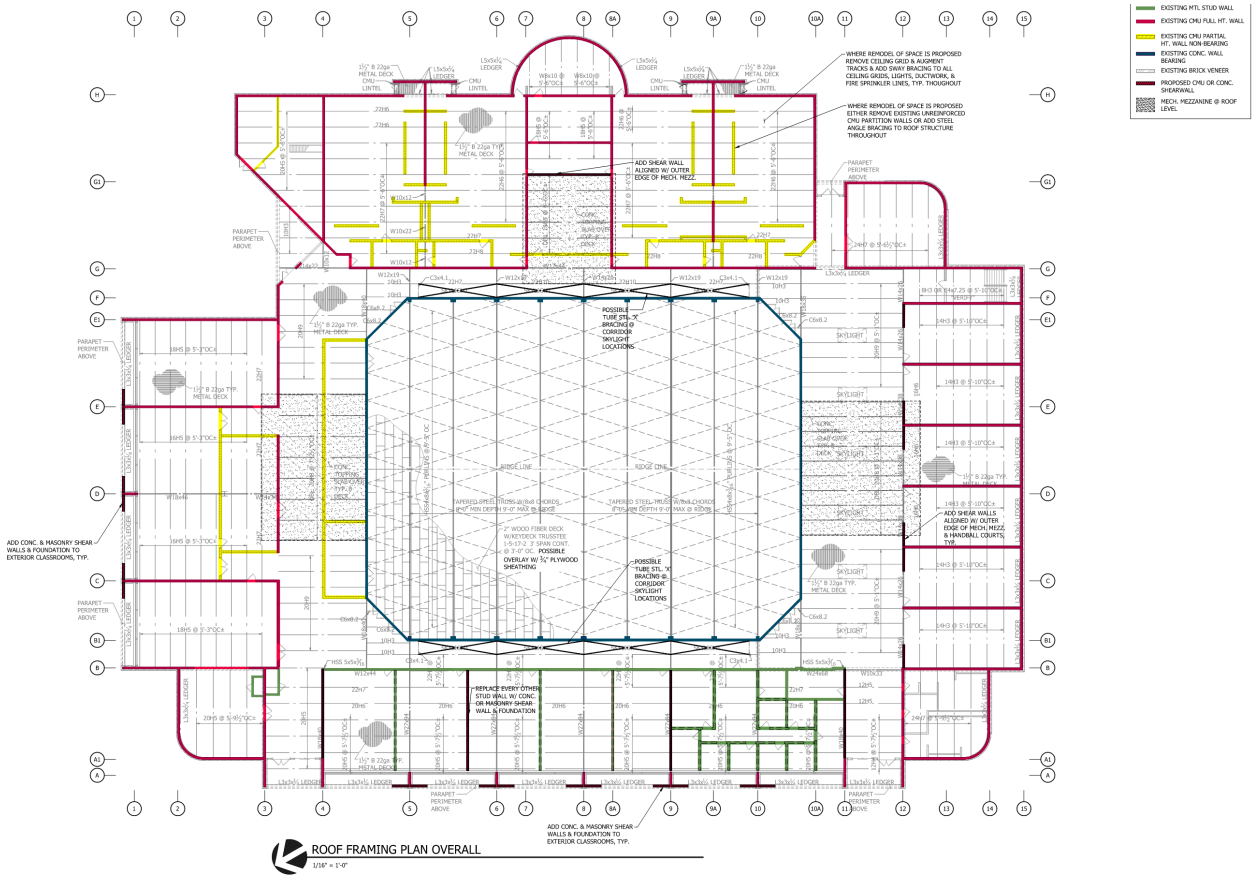
ROOF FRAMING PLAN OVERALL
1/16" = 1'-0"

The Project will entail many challenges and require careful planning and coordination during the design and construction phases for effective and efficient completion. Robust budget and schedule controls are essential to the Project's success. It will be important to utilize a construction firm with the following specific capabilities:

- Ability to provide a complete project within CCC's budget.
- Requisite expertise in renovating existing structures
- Seismic forensic expertise
- Exemplary reputation for on-time delivery with an aggressive timeline
- Supervisory staff experienced with working in and around occupied facilities and tight schedules
- Phasing logistical experience with various college programs utilizing space needs
- Innovative approaches to unique opportunities and unforeseen conditions
- Understanding of the importance of an integrated project team to the Project's success
- Experience working closely with architects and engineers
- Ability and commitment to advise CCC on the state of the current market and engage the local subcontracting community

CM/GC ALTERNATIVE CONTRACTING METHOD

The default method of procurement under the Oregon Public Contracting Code is competitive bidding, where a project is bid after completion of design and the contract is awarded to the lowest bidder. ORS 279C.337, however, authorizes the use of the Construction Manager/General Contractor (CM/GC) alternative contracting process provided that the Board of Directors, acting as the Local Contract Review Board, approves an exemption from competitive bidding. Under the CM/GC contracting method:

- The contractor is solicited prior to completion of the design phase pursuant to a competitive request for proposals process where selection is based upon evaluation of factors relating to the experience and expertise of the contractor rather than low bid.
- The contractor works with the owner and architect to develop the final design with the goals of improved constructability and value engineering, which results in fewer change orders and the ability to expedite the construction schedule. Under the standard design/bid/build method, the design is completed before the project is bid and the contractor brought on board.
- At the end of the design phase, the owner and contractor negotiate and agree on a

guaranteed maximum price (“GMP”) and the construction schedule for the construction phase of the project.

- Generally, execution of the GMP Amendment starts the construction phase of the project. Early work, such as site demolition and preparation and early procurement of long lead items can occur prior to completion of the design phase under an Early Work Amendment, which also helps to expedite the construction schedule as compared to the standard design/bid/build method.

- Selection of subcontractors by the CM/GC must be competitive and involve the college in final decision making

CM/GC is the commonly used alternative contracting method by local governments for complex projects such as major expansions, renovations, and remodels of existing facilities such as the Project.

Requested Action

Grant a specific exemption from the competitive bid process for a general contractor to allow the use of the Construction Manager/General Contractor method for the Building 7 Renovation Project. The request is based upon the draft findings in Exhibit A, which addresses the statutory requirements for an exemption from competitive bidding.

Exhibit A

ORS 279C.335 Competitive bidding requirement:
(2) Subject to subsection (4)(b) and (c) of this section, the Director of the Oregon Department of Administrative Services, a local contract review board or, for contracts described in ORS 279A.050 (Procurement authority) (3)(b), the Director of Transportation may exempt a public improvement contract or a class of public improvement contracts from the competitive bidding requirement of subsection (1) of this section after the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board approves the following findings that the contracting agency submits or, if a state agency is not the contracting agency, that the state agency that is seeking the exemption submits:

(a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.

The requested exemption will not encourage favoritism or substantially diminish competition. The College will utilize a competitive RFP process to select the CM/GC firm. That procurement is formally advertised with public notice and disclosure of the planned Alternative Contracting Method. Full competition will be encouraged, and all qualified contractors will be invited to submit a proposal. The award will be based upon an objective review and scoring of proposals by a qualified College review committee based identified selection criteria set forth in the RFP. Once selected, the CM/GC will select subcontractors via competitive bid process in accordance with ORS 279.337. The process will therefore provide for vigorous competition and provide the opportunity for all interested large and small contractors to participate in the project.

(b) Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency or the state agency that seeks the exemption or, if the contract is for a public improvement described in ORS 279A.050 (Procurement authority) (3)(b), to the contracting agency or the public. In approving a finding under this paragraph, the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board shall consider the type, cost and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:

(A) How many persons are available to bid;

Facilities staff regularly receive inquiries into working at CCC from qualified construction manager/general contractor firms of varied sizes. There have been close to a dozen interested CM/GC firms on this project who have spoken to project team members over this last year and many of those are anticipated to respond to the RFP solicitation.

(B) The construction budget and the projected operating costs for the completed public improvement;

Target value GMP budget of $26M for construction and $39M overall project been established and have been provided to the design team. Renovation of Gym and surrounding structures should reduce operating costs; renovation of remaining structures is focused on addressing deferred maintenance of existing buildings and overall campus operational costs. CCC has not conducted a detailed analysis of the operating costs but estimates the current operating costs for this facility at $375K per year and expects the improved design targeting improvements will substantially reduce long-term operating costs due to improved HVAC, upgrades in the roof and other building components. This is one of the design goals of the Project that will be addressed by bringing the contractor on board during the design phase.

(C) Public benefits that may result from granting the exemption;

Key benefits of using the CM/GC method is the coordination between the varied Project elements, including *coordination* of interruptions to campus activities, including pathway and utility shutdowns. During a CM/GC preconstruction phase the contractor will be performing exploratory destructive surveying of existing building conditions to help verify design and limit unknown conditions. We call this foreseeing the unforeseeable and planning accordingly. This service is non-existent in a hard-bid traditional method of contracting and would result in immediate change orders. Coordinated efforts between the elements will reduce burden on campus staff and minimize the impact to classroom wellness and gym activities and other student activities and will reduce change orders and limit delays during the construction phase. This benefits the public through cost savings, provides “guaranteed” costs, and therefore allowing the public tax dollars to be spent more efficiently. This is also more likely to result in timely delivery of the Project and can reduce the closure timeframe of public facilities.

Unlike traditional design/bid/build procurement, an RFP allows CCC to be able to review the resumes of the Project Manager, Superintendent, and Subcontractors who will make up the proposed general contractor’s project team, ensuring the selected firm(s) has experience and expertise in this type of complicated, interrelated project on an operating campus site.

(D) Whether value engineering techniques may decrease the cost of the public improvement;

Value engineering provided by a single Construction Manager should optimize trade production while on site and tighten the overall time frame of construction duration. Due to the proximity of construction zones of the varied elements, a Construction Manager looking at the time of implementation may suggest adjustment of scope between elements to better align with phasing of adjacent work. The resequencing of work to align Project scope and optimize utilization of trade labor is a significant advantage of the CM/GC contract approach for this project group. The CM/GC delivery method also allows for the general contractor and subcontractors with specialized expertise and common project goals to participate in the value engineering process during the design phase, to work with the Owner and Design

Team to evaluate and select true alternatives of comparable quality not simply reduce cost with value diminishment. This will also result in a more effective and efficient process as compared to value engineering by change order to a completed design.

(E) The cost and availability of specialized expertise that is necessary for the public improvement;

The RFP process allows for review of contractor expertise not afforded in traditional procurement. The Project is complex and requires a general contractor with specialized expertise due to the complexities of the campus, including:

- The renovation of Building 7, seismic work, HVAC, gymnasium, locker rooms, parking lot, auxiliary gym, lighting, gym floor, admin/office, classroom space, racquetball renovation, fitness center, roof and other related projects
- Executing the Project with the least disruption to critical campus safety operation.
- Cooperation and coordination with multiple consultant and contractors on this and other projects.
- Complex Phase logistics between college programs and needed spaces during construction

(F) Any likely increases in public safety;

Selecting a contractor with experience working on an operating campus will be critical to preserving Public Safety, as will selecting a contractor who is experienced with tight schedules and complex coordination. Because the Project directly impacts campus activities, it will be important to select a contractor with experience in renovating and relocating existing spaces. The renovation of various spaces in the Project will also require that safety barricades and egress paths be frequently adjusted as construction progresses. In this instance, minimizing disruption and ensuring smooth relocation and safe egress will directly improve campus operations.

(G) Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement;

The CM/GC process will mitigate risks as described above and listed below:

- Site coordination.
- Site staging and laydown coordination.
- Site safety and work hours.
- Use of a highly qualified renovation team.
- The establishment of the GMP will provide a complete project within CCC's budget.

- CM/GC contracting allows for CCC to engage in early work agreements that give more insight and site verification of unforeseen conditions to the architects, contractors, and CCC, as well as expedite the construction schedule by starting early work during the design phase.

- Prior to the establishment of the GMP, the CM/GC will provide collaborative cost alignment during the reconciliation process with real-time cost information in conjunction with Design Team and a third-party Cost Estimation Team.

(H) Whether granting the exemption will affect the sources of funding for the public improvement;

This project is to be funded with proceeds from the 2025 general obligation bond proceeds and $8 million state grant. The contracting method has no impact on the funding source.

(I) Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;

Because the CM/GC process appoints the general contractor early into the design, CCC takes advantage of market prices by facilitating early purchase of certain project elements, if needed. The construction manager can also seek the help of specialized subcontractors regarding information about specific equipment needs and gain advanced notice of when price increases are expected. This allows CCC to make better informed decisions and reduce the risk of acting prematurely or reacting too late. The preconstruction efforts of a construction manager should also help to explore alternative suppliers of equipment and materials along with alternative construction methods to react to changing market conditions and control project costs.

(J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;

The Project is very complex, and the work will be spread out in various areas, rather than focusing work on a single, isolated area. A construction manager can forecast the shifting needs of construction and better predict the schedule, allowing CCC to communicate more effectively with campus programs. Having a single construction manager for this group of project elements will minimize the need for CCC staff to coordinate various trade activities between scopes and instead focus on coordination of projects with campus entities.

(K) Whether the public improvement involves new construction or renovates or remodels an existing structure;

The project scope is both new and renovation of existing structures within and around the Building 7 campus area, reference campus map in Project Scope section above. Procuring a contractor with experience in new, renovation and remodel on a live learning campus setting is critical.

(L) Whether the public improvement will be occupied or unoccupied during construction;

The Building 7 gymnasium and surrounding spaces may need to remain in a fully functional operation during the construction renovation. Other structures may not be intended to be occupied during active construction yet areas in close proximity to active gym classroom, fitness, admin and office spaces and campus pathways will most likely need specialized access consideration.

(M) Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and

The project phasing and logistics will most likely require multiple complex and specialized construction phasing. The preconstruction period required by the CM/GC method of contracting allows careful study, analysis and planning to ensure minimal disruption in construction to occupancy overlapping to minimize disruptions. Other project elements may combine phases or be best executed in conjunction with standalone phasing scopes.

(N) Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

Current facilities management, retained consultants, and bond staff have successfully developed project management tools and executed many CM/GC projects to substantial completion on past bond measures on campus for CCC and other community colleges in Oregon. This same staff and tool set will be used for this project Building 7 Renovation Project.

CCC has used this alternative contracting method on the following projects: The Agricultural Science Building Project in 2020 utilized CM/GC, Health Science Complex in 2008 and Yamhill Valley Campus in 2010 both utilized CM/GC successfully.

CCC's project management consultant, DPM Company, LLC, and outside legal counsel, Miller Nash LLP, has extensive experience with the CM/GC alternative contracting method and with utilization of the CM/GC contracting on community colleges and other public-body construction projects throughout Oregon.

The above findings addressing ORS 279C.335(2)(b)(A)-(N) fully consider the information as required under "Findings" defined, 279C.330(1)(a)-(h).

Based upon the analysis above, granting the exemption will likely result in substantial cost savings and other substantial benefits to CCC.

CONCLUSION

For the reasons stated above, the draft findings support an exemption from competitive bidding under ORS 279C.335 to utilize the CM/GC alternative contracting process for the Building 7 Renovation Project.