



Report Date: January 10, 2025

GENERAL OVERVIEW

IMS is completing the Due Diligence phase for the Bond program. Selection of the design team has been completed. As reported last month, nine proposals were received for design services in December. The proposals were reviewed by a Selection Committee comprised of Bruce Clemetsen, Bud Shoemake, Chris Rogers, Dave Price, Marshall Roache, Robin Gintner, Sharon Hahn, Nancy Giggy (IMS) and Chris Giggy (IMS). Four proposals were selected for interviews: Glas+Hacker, Integrus, Opsis+HGE and Soderstrom. Interviews were held with all four firms on January 9 during which each group was asked a series of questions regarding their team, their design approach and their schedule. After evaluating and scoring each design team based on their proposals and their interview responses, the Selection Committee is recommending the Board approve the team of Glas and Hacker for the OCCC Bond Program design.

The final element in the Due Diligence phase is solicitation of the Construction Manager/General Contractor (CM/GC). This is the construction company that will build the OCATT Building and perform the renovations/improvements to the campuses. The first step in this process is for the Board to review a Finding of Facts documenting why the CM/GC method of construction contractor selection is being recommended for these projects. The Findings are included as a separate document with this report. The Board is being asked to comment on the Findings, and to provide time for a brief public hearing during the February Board meeting to hear any comments from the community about the use of this method. Unless the Board hears comments that dissuade them from approving this method, they will be asked to approve the Findings at the February Board meeting. See the Project-Specific Activity section below for more details.

BUDGET

The preliminary program budget summary is provided below. This summary includes the following sections:

Income

The actual bond sale and grant fund values are shown as well as interest on bond proceeds that will be applied to the projects.

Original Project Budgets

This is reference information taken from the early assessments and cost estimates prior to passage of the Bond.

Current Budgets

This section will be updated as individual project budgets are established through preliminary design cost estimates and the final contract values. We'll begin negotiations of the design fees after the January Board meeting. Then that fee will be added. The initial IMS fees are being captured under the OCATT Building project as a place holder.

Committed & Actual Costs

These sections will be updated with contract values and payments on those contracts. The values under the Central County Campus are for the roofing project completed last summer. Notice that these values are matched in the Current Budget section.

Detail Sheets for Individual Projects

The budget spreadsheet we've developed for your Bond program also includes detail sheets that capture the individual contracts and purchase orders for each project and building along with ongoing payments against those agreements. An example is shown below for the Central County Campus. The total values at the bottom of the Committed Cost and Actual Cost sections feed back into the overall values on the budget summary sheet. We'll update these sheets each month as the Bond program progresses and provide an update with each Board report.

OCCC Bond Program Budget Summary - Updated January 3, 2025

Budget Income Elements

	Original Budget		Current Budget	Actual To-Date		Notes
Bond Sale	\$ 33,100,000.00	\$	36,262,284.40	\$	36,262,284.40	Bond sale date of August 15, 2024. Current budget
						includes premium from bond sale of \$3,162,284.40.
State Matching Grant	\$ 8,000,000.00	\$	8,000,000.00			
Interest on Bond Proceeds	\$ -	\$	2,508,859.51	\$	-	Projected interest value added 10/24.
Totals	\$ 41,100,000.00	\$	46,771,143.91	\$	36,262,284.40	

Original Project Budgets

		OCATT Building	(Central County Campus		Aquarium Building		North County Center		South County Center		Total
Construction	\$	12,309,000.00	\$	3,740,600.00	\$	534,200.00	\$	942,290.00	\$	291,300.00	\$	17,817,390.00
Soft Costs	\$	1,510,900.00	\$	1,009,962.00	\$	144,234.00	\$	254,418.00	\$	78,651.00	\$	2,998,165.00
Furnishings & Equipment	\$	250,000.00							\$	-	\$	250,000.00
Construction Inflation	\$	-	\$	299,248.00	\$	42,736.00	\$	75,383.00	\$	23,304.00	\$	440,671.00
Owners Contingency	\$	1,830,100.00	\$	374,060.00	\$	53,420.00	\$	94,229.00	\$	29,130.00	\$	2,380,939.00
Total Original Project Budget	\$	15,900,000.00	\$	5,423,870.00	\$	774,590.00	\$	1,366,320.00	\$	422,385.00	\$	23,887,165.00
Note: Original budgets taken from 2023 GLAS Architects Assessment. Non-Project Costs											\$	100,000.00
											•	23 097 165 00

Current Budgets

	OCATT Building	Central County Campus	Aquarium Building	North County Center	South County Center		Total
Construction		\$ 1,596,487.08				\$	1,596,487.08
Design		\$ 89,717.16				\$	89,717.16
Consultants						\$	-
Project Management	\$ 38,088.16					\$	38,088.16
Permits & Fees	\$ 338.39					\$	338.39
Furnishings & Equipment						\$	-
Owners Contingency & Inflation						\$	-
Total Current Project Budget	\$ 38,426.55	\$ 1,686,204.24	\$ -	\$ -	\$ -	\$	1,724,630.79
•					Non-Project Costs	\$	58,532.41
						<	1 783 163.20

Committed Costs To-Date

	OCATT Building	Ce	entral County Campus	Aquarium Building	North County Center	South County Center		Total
Construction	\$ -	\$	1,596,487.08	\$	\$	\$	\$	1,596,487.08
Design	\$	\$	89,717.16	\$	\$	\$	\$	89,717.16
Consultants	\$	\$	-	\$ -	\$ -	\$ -	\$	-
Project Management	\$ 38,088.16	\$	-	\$	\$ -	\$	\$	38,088.16
Permits & Fees	\$ 338.39	\$	-	\$ -	\$ -	\$ -	\$	338.39
Furnishings & Equipment	\$ -	\$	-	\$	\$ -	\$	\$	-
Total Project Committed Costs	\$ 38,426.55	\$	1,686,204.24	\$ -	\$ -	\$ -	\$	1,724,630.79
						Non-Project Costs	\$	58,532.41
							5	1.783 163,20

Actual Costs To-Date

	OCATT Building	Central County Campus	Aquarium Building	North County Center	South County Center	Total
Construction	\$ -	\$ 1,596,487.08	\$ -	\$ -	\$ -	\$ 1,596,487.08
Design	\$ -	\$ 89,717.16	\$ -	\$ -	\$ -	\$ 89,717.16
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Management	\$ 38,088.16	\$ -	\$ -	\$ -	\$ -	\$ 38,088.16
Permits & Fees	\$ 338.39	\$ -	5 -	5 -	\$ -	\$ 338.39
Furnishings & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Project Actual Costs	\$ 38,426.55	\$ 1,686,204.24	\$ -	\$ -	\$ -	\$ 1,724,630.79
					Non-Project Costs	\$ 58,532.41
						\$ 1,783,163.20



Integrity Management Solutions

Sample Budget Detail Sheet

Central County Campus Improvements

Committed Cost To-Date

Organization	(Construction	Design	Consultants	Project Management	Permits & Fees	Furnishings	Purpose
GLAS Architects			\$ 89,717.16					Roof replacement
	L							
Todd Construction	\$	1,596,487.08						Roof replacement
	L							
	L							
Totals		1,596,487.08	89,717.16	\$ -	\$ -	\$ -	\$ -	
Total Co	mmi	itted To-Date =	\$ 1,686,204.24					

Actual Cost To-Date

Organization	(Construction	Design	Consultants	Project Management	Permits & Fees	Furnishings
	П						
	Т						
	Т						
GLAS Architects			\$ 89,717.16				
Todd Construction	\$	1,596,487.08					
All Totals	Ś	1,596,487.08	\$ 89,717.16	\$ -	\$ -	\$ -	\$ -

SCHEDULE

The Master Schedule for the Bond Program will be developed once the design team is on-board and we have an opportunity to develop the plan of attack for design and construction with them. In general, we will be pursuing the following major milestones:

- Late January 2025 begin design for the OCATT Building and for priority maintenance improvements to the existing facilities
- Summer 2025 start construction of priority maintenance improvements
- Fall 2025 start sitework and utilities for the OCATT Building
- Summer 2026/27 complete maintenance projects and other improvements to existing facilities

Progress on the Master Schedule will be presented in future reports.

PROJECT-SPECIFIC ACTIVITY

As mentioned above, the final part of the Bond program Due Diligence phase is to procure the construction contractor(s) through the RFP (Request for Proposal) process. For this program, we recommend using the CM/GC method of selecting the contractor(s). This is a widely used procurement method in the State of Oregon for public improvement projects that has been in use since the 1980s. It provides an alternative to the traditional hard-bid selection process. In a hard-bid process, the only criteria for being selected as the contractor is to have the lowest price. However, the CM/GC selection process allows public institutions to select a contractor based on a combination of price, experience, leadership team, schedule, project approach, safety record and references. In addition, the CM/GC is selected early in the design so they can participate with constructability reviews, cost estimates, existing condition evaluations, value-engineering suggestions, and feedback on the level of detail in the final design documents. These factors make the CM/GC process very advantageous to completing a high-quality project within budget, on-schedule and without significant impacts to campus occupants during construction.

Approval to use the CM/GC method of contractor selection is governed by ORS (Oregon Revised Statutes) section 279C.335(2) which states:

"... A local contract review Board ... may exempt a public improvement contract ... from the competitive bidding (i.e. hard-bid) requirements ... after the local contract review board approves the findings that the contracting agency submits ...".

The complete ORS section 279C.335 is included in the following pages for reference. The Finding of Facts provided to the Board with this report was developed using the guidelines in section 279C.335(2) that are applicable to the Bond projects. The OCCC Board of Education is acting as the "local contract review board" in this application.

Another aspect of using the CM/GC method is the requirement of the contractor agency to "hold a public hearing before approval of the Findings" to consider any objections from the community (refer to ORS 279C.335(5)(a)). The public hearing "must be published in at least one trade newspaper of general circulation a minimum of 14 days before the hearing." We'll post a notice for the hearing in the DJC and local publications as

appropriate. We ask that the Board provide a brief period of time during the February Board meeting to serve as the hearing in case there are comments. Since the CM/GC method of contractor procurement is used so frequently for public improvement projects, it is unlikely there will be comments during the hearing.

Once the hearing is completed and the Board approves the Findings, we'll publish the RFP to begin the CM/GC selection process for the Bond program.

ORS 279C.335

Competitive bidding requirement

- (1) A contracting agency may award a public improvement contract only in response to competitive bids, except for:
- (a) A public improvement contract with a qualified nonprofit agency that provides employment opportunities for individuals with disabilities under ORS 279.835 (Definitions for ORS 279.835 to 279.855) to 279.855 (Entities that may obtain goods and services through Oregon Department of Administrative Services).
- **(b)** A public improvement contract that is exempt under subsection (2) of this section.
- (c) A public improvement contract with a value of less than \$10,000.
- (d) A public improvement contract with a contract price that does not exceed \$100,000 made under procedures for competitive quotes in ORS 279C.412 (Competitive quotes for intermediate procurements) and 279C.414 (Requirements for competitive quotes).
- (e) A contract to repair, maintain, improve or protect property the Department of Veterans' Affairs obtains under ORS 407.135 (Authority of department) and 407.145 (Purchase and control of property) (1).
- (f) An energy savings performance contract that a contracting agency enters into in accordance with rules of procedure adopted under <u>ORS 279A.065 (Model rules generally)</u>.
- A public improvement contract with an estimated contract price of \$250,000 or less that a contracting agency awards to an emerging small business certified under ORS 200.055

 (Certification as disadvantaged business enterprise, minority-owned business, woman-owned business, business that service-disabled veteran owns or emerging small business) and funds with moneys from the Emerging Small Business Account established under ORS 200.180

 (Emerging Small Business Account). A contracting agency that awards a public contract exempted from competitive bidding under this paragraph shall solicit competitive quotes as provided in ORS 279C.414 (Requirements for competitive quotes) before making the award.
- (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.

- (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;
- **(B)** The construction budget and the projected operating costs for the completed public improvement;
- (C) Public benefits that may result from granting the exemption;
- (D) Whether value engineering techniques may decrease the cost of the public improvement;
- (E) The cost and availability of specialized expertise that is necessary for the public improvement;
- **(F)** Any likely increases in public safety;
- **(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;
- (H) Whether granting the exemption will affect the sources of funding for the public improvement;
- (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;
- (J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;
- (K) Whether the public improvement involves new construction or renovates or remodels an existing structure;
- (L) Whether the public improvement will be occupied or unoccupied during construction;
- (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
- (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.
- As an alternative to the finding described in paragraph (b) of this subsection, if a contracting agency or state agency seeks an exemption that would allow the contracting agency or state agency to use an alternative contracting method that the contracting agency or state agency has not previously used, the contracting agency or state agency may make a finding that identifies the project as a pilot project for which the contracting agency or state agency intends to determine whether using the alternative contracting method actually results in substantial cost savings to the contracting agency, to the state agency 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. The contracting agency or state agency shall include an analysis and conclusion regarding actual cost savings, if any, in the evaluation required under ORS 279C.355 (Evaluation of public improvement projects not contracted by competitive bidding).

- (3) In making findings to support an exemption for a class of public improvement contracts, the contracting agency or state agency shall clearly identify the class using the class's defining characteristics. The characteristics must include a combination of project descriptions or locations, time periods, contract values, methods of procurement or other factors that distinguish the limited and related class of public improvement contracts from the agency's overall construction program. The agency may not identify a class solely by funding source, such as a particular bond fund, or by the method of procurement, but shall identify the class using characteristics that reasonably relate to the exemption criteria set forth in subsection (2) of this section.
- (4) In granting exemptions under subsection (2) of this section, the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board shall:
- (a) If appropriate, direct the use of alternative contracting methods that take account of market realities and modern practices and are consistent with the public policy of encouraging competition.
- (b) Require and approve or disapprove written findings by the contracting agency or state agency that support awarding a particular public improvement contract or a class of public improvement contracts, without the competitive bidding requirement of subsection (1) of this section. The findings must show that the exemption of a contract or class of contracts complies with the requirements of subsection (2) of this section.
- (c) Require a contracting agency or state agency that procures construction manager/general contractor services to conduct the procurement in accordance with model rules the Attorney General adopts under ORS 279A.065 (Model rules generally) (3).
- (5) Intentionally left blank —Ed.
- (a) A contracting agency or state agency may hold a public hearing before approving the findings required by subsection (2) of this section and before the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board grants an exemption from the competitive bidding requirement for a public improvement contract or a class of public improvement contracts.
- (b) Notification of a proposed exemption under subsection (2) of this section must be published in at least one trade newspaper of general statewide circulation a minimum of 14 days before the date on which the contracting agency intends to take action to approve or disapprove the exemption.
- The notice must state that in response to a written request, the contracting agency or state agency will hold a public hearing for the purpose of taking comments on the draft findings for an exemption from the competitive bidding requirement.
- (d) If the contracting agency or state agency conducts a public hearing, the contracting agency or state agency shall offer an opportunity for any interested party to appear and comment.
- (e) If a contracting agency or state agency must act promptly because of circumstances beyond the agency's control that do not constitute an emergency, notification of the proposed exemption may be published simultaneously with the agency's solicitation of contractors for the alternative public contracting method, as long as responses to the solicitation are due at least five days after the agency intends to take action to approve or disapprove the proposed exemption.
- (6) The purpose of an exemption is to exempt one or more public improvement contracts from competitive bidding requirements. The representations in and the accuracy of the findings,

including any general description of the resulting public improvement contract, are the bases for approving the findings and granting the exemption. The findings may describe anticipated features of the resulting public improvement contract, but the final parameters of the contract are those characteristics or specifics announced in the solicitation document.

- (7) A public improvement contract awarded under the competitive bidding requirement of subsection (1) of this section may be amended only in accordance with rules adopted under ORS 279A.065 (Model rules generally).
- (8) A public improvement contract that is excepted from the competitive bidding requirement under subsection (1)(a), (c), (d), (e), (f) or (g) of this section is not subject to the exemption requirements of subsection (2) of this section. [2003 c.794 §103; 2003 c.794 §\$104,105a; 2005 c.103 §\$12,13,14; 2005 c.625 §\$58,59,60; 2007 c.70 §\$69,70,71; 2007 c.764 §\$14,15,17; 2013 c.522 §8; 2021 c.127 §1; 2021 c.630 §49a]

FINDING OF FACTS FOR THE USE OF THE CM/GC CONTRACTING METHOD

Before the Board of Education of the Oregon Coast Community College Sitting as Public Contract Review Board Regarding the OCCC GO-Bond Construction Program

The Oregon Coast Community College (OCCC) has passed a general obligation bond in the amount of \$33.1 million to cover the costs associated with new construction and renovations at the various campuses. An additional \$8 million has been awarded to OCCC in a matching grant from the State. Planning and design are currently underway. Construction activities will begin in late 2024. Work will be completed in multiple projects. The budget and schedule for completing the projects are limited, there is a high potential for unforeseen existing conditions during construction, and safety is a primary concern since much of the work will occur when the campuses are occupied.

In consideration of these facts, an alternative method of construction will be considered as an exception to the standard Public Contracting Statutes and Rules. Therefore, under Oregon Statutes and the following findings, OCCC is recommending the use of the Construction Management/General Contractor (CM/GC) method of construction contracting for some or all the projects.

The guiding applicable statute is ORS 279C.335 which requires, with certain exemptions, that all public contracts be based on competitive bidding and be awarded to the lowest responsive and responsible bidder. ORS 279A.060 and ORS 279C.335(2) permit the Board of Education to act as the public contract review authority and to grant, under certain conditions and upon certain findings, specific exemptions from the requirement for competitive bidding.

Finding of Fact

Use of the CM/GC method to construct the OCCC GO-Bond projects will: (a) result in cost savings and reduce risk; (b) allow selection of a contractor with the specialized expertise required; (c) benefit the public by improving safety and coordination during construction; and (d) not encourage favoritism or diminish competition.

Specific findings which substantiate these conclusions are as follows:

- 1. Finding: The CM/GC method will result in savings and reduce financial risk.
 - a. Reduced Financial Risk: The projects will take place during challenging economic conditions for construction. A large number of projects are underway in Oregon, especially infrastructure upgrades for public facilities. Labor and material costs are escalating. As a result, there is a high probability of contractor default from extending themselves beyond their capabilities and financial means. It would be very costly and disruptive if such a failure occurred during work on this project. Using the CM/GC

- process will allow OCCC to evaluate the general contractor's workload and financial strength and eliminate participation by those companies who do not have the financial strength to successfully complete the project(s).
- b. Guaranteed Maximum Price (GMP) establishes a maximum prior to starting construction: The CM/GC will be able to obtain a complete understanding of project needs, the design intent, the scope of the project and the operational needs by participating in the development of the design documents. With the CM/GC's participation in this phase of the project, they will offer suggestions for cost savings and improvements to the design. With the benefit of this knowledge, the CM/GC will be able to guarantee the maximum price for these projects before completing the final design and allow final adjustments as necessary to stay within budget.
- c. Schedule Development with the CM/GC: With the general contractor's active participation during design, they will have a thorough knowledge of construction scope and be able to accurately predict the schedule to complete the work. They will also contribute ideas for construction phasing to eliminate impacts. With this process, schedule delays and the corresponding financial impacts will be minimized.
- d. Fewer Change Orders: When the CM/GC participates in the design process, fewer change orders will occur during the construction process. This is due to the CM/GC's better understanding of the project needs, the design intent, and their feedback on construction document details during design. As a result, the project is more likely to be completed on time and within budget.
- e. GMP Change Orders Cost Less: The traditional Design-Bid-Build method typically results in contractors charging 15% mark-up on change orders. The CM/GC method applies predetermined mark-ups. The current industry standard for mark-up is in the range of 5% to 7%.
- f. GMP Savings: Unlike the Design-Bid-Build method, OCCC will enjoy full savings with the CM/GC method. When the general contractor completes the project, actual costs are reviewed against the GMP and any savings are returned to OCCC.
- 2. Finding: The CM/GC method is necessary to take advantage of specialized expertise of the contractor.
 - a. Existing Conditions Review: Involving the general contractor during design will enable them to participate in reviewing existing building elements and professional reports for soils and structures. They will conduct walkthroughs and selected investigations to expose hidden conditions, as appropriate, and enable the designers to capture these conditions in the construction documents. This will eliminate unforeseen conditions that would otherwise impact the budget and schedule.
 - b. Construction Activities in Close Proximity to Occupied Campus Operations: Some construction activities will take place around and within the operating campuses. An intense and well thought out safety and coordination plan must be implemented to ensure students, staff and the community are kept safe while activities are not disrupted. Utilizing the

CM/GC process will allow OCCC to select a contractor who has a proven safety record and demonstrated experience with successfully working in close proximity and in direct coordination with ongoing activities.

- 3. Finding: The CM/GC process will result in improving public safety during construction activities. Under the competitive bidding process, specifications can be developed requiring the contractor to provide for the public safety. However, there is often a large gap in the knowledge between contractors who can properly implement these safety requirements and maintain good public relations. Through the CM/GC selection process, OCCC will be able to select a contractor who understands the project goals and who is committed to fully implementing a comprehensive safety and communication plan.
- 4. Finding: OCCC has engaged a knowledgeable Owner's Representative and Project Manager to provide the necessary expertise and assistance in managing the CM/GC contracting procedure and process for the advantage of OCCC.
- 5. Finding: There will be no impact to the funding source as a result of this exemption. OCCC's funding source for this project will remain the same whether accomplished through a traditional Design-Bid-Build process or through the CM/GC process.
- Finding: Competition will not be inhibited nor will favoritism be encouraged as a result of this exemption. The CM/GC will be selected through a competitive process in accordance with a fee and qualification-based process per ORS 279C.337.
- 7. Finding: There will be no adverse impact on the operation or budget if this exemption is provided. Whether construction contractors are selected through a traditional design-bid-build method or through the CM/GC process, the operational and budgetary impact will be the same other than the potential savings mentioned in Finding #1.

Conclusion of Findings of Fact

BE IT RESOLVED: It is in the best interest of OCCC to utilize the CM/GC project delivery method for the GO-Bond construction projects. The CM/GC method will (a) result in cost savings and reduced risk; (b) allow selection of a contractor with the specialized expertise required; (c) benefit the public by improving safety and coordination during construction; and (d) not encourage favoritism or diminish competition.

Chair of Board of Education	Date