

January 23, 2020

Housing Authority Board of Commissioners
Clackamas County

Members of the Board:

Public Hearing and Approval of Resolution No. 1942 for Exemption and Authorization to use the Request for Proposals Method to Obtain
a Construction Manager/General Contractor for the Webster Redevelopment Project

Purpose/Outcomes	Public Hearing before the governing body of the Housing Authority of Clackamas County and Approval of Resolution No. 1942 on the Proposed Exemption and Authorization to use the Request for Proposals procurement method to obtain a Construction Manager/General Contractor (CM/GC) for the Webster Redevelopment Project
Dollar Amount and Fiscal Impact	The Project has a construction budget of approximately \$8,000,000
Funding Source	Pending Awards: 4% Low Income Housing Tax Credit ("LIHTC"), Project Based vouchers, tax exempt private activity bonds, Metro Housing Bonds, Permanent bank financing, Permanent Supportive Housing Funding
Duration	If Resolution #1942 is approved, a Request for Proposal for a CM/GC will be issued and a contractor selected in the summer of 2020. The Project is expected to be complete by the end of 2021
Previous Board Action	6/6/19 – Approval of IGA with Metro to acquire the property
Strategic Plan Alignment	1. Sustainable and affordable housing 2. Ensure safe, healthy and secure communities
Counsel Review	1/6/20
Contact Person	Stephen McMurtrey, HACC Development Manager 503-650-3414 George Marlton, Chief Procurement Officer 503-742-5442

BACKGROUND:

The Housing Authority of Clackamas County (HACC), a Division of Health, Housing and Human Services Department, is requesting an exemption from the traditional competitive procurement process and authorization to use the Request for Proposals procurement method to obtain a Construction Manager/General Contractor (CM/GC) for the Webster Redevelopment Project ("Project").

The Public Hearing satisfies requirements under ORS 279C.355 to provide notice and the opportunity for a public hearing when an exemption to use the Request for Proposals method for construction contracting is sought by a public agency. Clackamas County Procurement placed a Public Notice on the Oregon Procurement Information Network (ORPIN) on January 8, 2020, and with the Business Tribune online edition on January 9, 2020 and its print version on January 14, 2020, which included the date and time of a Public Hearing to take place before the Board of the Housing Authority of Clackamas County (HACC Board).

The Project is the redevelopment of a 2.21 acre parcel with an existing 24,000 sq ft building that previously was used as a juvenile rehabilitation facility. The Project's goal is to create 44-50 single-room occupancy or studio units providing long-term supportive housing for individuals making less than 30% of area median income, with a focus on serving individuals existing homelessness.

The Project is one that has been developed and refined by Carlton Hart Architecture as well as the Housing Developers at HACC. The scope of work is one that anticipates replacing and upgrading aging building systems within the existing structure, including a potential seismic upgrade, replacing the original plumbing piping and fixtures, upgrading and repairing the existing HVAC system, bringing the electrical system up to current code, abating materials with asbestos and replacing interior finishes.

Because of the intricate nature of the proposed scope of work, a CM/GC is the preferred project delivery methodology for the Project. The current construction budget is estimated to be approximately \$8 million dollars.

A CM/GC is an alternative form of contracting that results in an agreement with a CM/GC contractor who becomes involved at a much earlier point in the Project compared to the standard low-bid process. This early involvement allows the contractor to provide input during the design phase and accelerate the overall construction schedule. The CM/GC contractor undertakes a scope of work that includes design development; constructability reviews; value engineering; scheduling; estimating; sub-contracting procurement and coordination; establishing a Guaranteed Maximum Price ("GMP") to complete the work as may be allowed under the contract; coordinating and managing the building process; general contractor expertise; and participating as a member of the project team along with HACC staff, project architects and engineers, and other consultants.

Once HACC has been approved to use the CM/GC process the following competitive process will be used to select the CM/GC Contractor:

1. Publicly advertise a Request for Proposal ("RFP").
2. The contractor will be selected through an evaluation process that will consider qualifications, construction team experience and will include both a technical proposal and fee proposal.
3. The submitted proposals will be reviewed and scored by the evaluation committee. Points will be awarded based on the relative merit of the information provided in response to the solicitation. The highest rated response in each area will be given the maximum number of points available. HACC may ask proposers to make oral presentations to discuss and clarify the submitted proposal.
4. The Selection Committee will provide a recommendation to the Board of HACC for their consideration.

The anticipated cost savings from the exemption to use the Request for Proposals Method to Obtain CM/GC Construction Services is as follows:

1. The CM/GC approach will provide for an accelerated Project timeline that will assist HACC in addressing the critical scope of work items quickly while meeting critical financial milestones required by third parties.

2. The selection of construction methods and sequencing will benefit the Project significantly by involving a single entity for both management and construction of the site improvements. The CM/GC approach provides HACC with many alternative approaches to the Project. Therefore, it is less likely that an optimal solution will be overlooked due to time and resource constraints.
3. Project costs may be lower because of the close working relationship between the designer and constructor. This may lead to incorporation of more economical design features and the application of cost-saving construction methods while optimizing the final product within the Project budget.
4. The Project may proceed more efficiently because designers and contractors are members of the same team thereby fostering a cooperative exchange of ideas. This dynamic will allow for design efficiencies to be woven into the construction process and allow for resolution of design issues that arise during construction.
5. HACC gains the opportunity to fix the total project cost early in the process cooperatively with the CM/GC team.
6. HACC's administrative burden for the Project is reduced by conducting one solicitation for the project, as opposed to conducting multiple solicitations for a design/ bid/ build approach.
7. One of the highest potential areas for claims filed by subcontractors, or excessive bid costs involves issues related to perceived schedule difficulties, delays and disruptions in the workflow. This type of project is especially prone to such problems if not continually and carefully supervised. Construction expertise and considerations for constructability are incorporated into the Project because the CM/GC is working closely with the design team and HACC. Resolution of construction conflicts or deficiencies is the responsibility of the CM/GC entity, not HACC.

RECOMMENDATION:

Staff respectfully recommends the HACC Board take the following actions:

- 1) Hold a Public Hearing to provide the opportunity for members of the public to provide statements related to the request for an exemption.
- 2) Direct Housing Authority staff to make any changes necessary to the proposed exemption as a result of the Board's consideration of any testimony received.
- 3) Barring the need for significant revisions to the exemption findings, proceed with approval of Resolution No. 1942 by the HACC Board on January 23, 2020.

Respectfully submitted,

 ASK, HAS DEPUTY / FOR

Richard Swift, Director
Health, Housing and Human Services

Placed on the Agenda of _____ by Procurement and Contract Services

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A RESOLUTION GRANTING
EXEMPTION FROM COMPETITIVE
BIDDING FOR THE WEBSTER
REDEVELOPMENT PROJECT BY
MEANS OF A CONSTRUCTION
MANAGER/GENERAL CONTRACTOR
AND AUTHORIZING SELECTION BY
REQUEST FOR PROPOSALS



RESOLUTION NO. 1942

WHEREAS, the Board of the Housing Authority of Clackamas County (“Board”) acts as the local contract review board for the Housing Authority of Clackamas County (“HACC”), and in that capacity, has authority to exempt certain contracts from the competitive bidding requirements of ORS Chapter 279C; and

WHEREAS, ORS 279C.335 provides a process for exempting certain contracts from competitive bidding and authorizes the selection of a contractor through the request for proposal (“RFP”) process; and

WHEREAS, draft findings, attached hereto as Exhibit A and incorporated herein (“Findings”), addressing competition, operational, budget and financial data, public benefits, value engineering, specialized expertise required, market conditions, technical complexity, public safety and funding sources recommended by the HACC were available 14 days in advance of the public hearing on this Resolution as related to the Webster Redevelopment Project (“Project”); and

WHEREAS, the Findings also highlight the public benefits of using the RFP process for selection of a Construction Manager/General Contractor and using the Construction Manager/General Contractor method of project delivery;

WHEREAS, the Board has reviewed the Findings and is satisfied with the supporting information and materials that has been provided to justify the application of the exemption and the use of the RFP process in its place;

NOW THEREFORE, BE IT RESOLVED BY BOARD OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY THAT:

1. The Board adopts the Findings, as set forth in Exhibit A to this Resolution, and makes the following additional findings:
 - a. The exemption from competitive bidding will promote competition and will not encourage favoritism because the contractor will be chosen by the RFP process, and the major portion of the construction work may be performed by subcontractors chosen by competitive bidding.

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- b. The exemption from competitive bidding is likely to result in substantial cost savings to HACC, for the reasons set forth in the adopted Findings.
2. The Board authorizes the Housing Authority of Clackamas County to proceed with the procurement of Construction Manager/General Contractor services for the Project using the Request for Proposals process in accordance with the Attorney General Model Rules under ORS 279A.065(3).

ADOPTED this ____ day of _____ 2020.

HOUSING AUTHORITY OF CLACKAMAS
COUNTY:

Chair

Recording Secretary