



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 1/8/15
Agenda Item #: R.2
Est. Start Time: 9:40 am
Date Submitted: 12/22/14

Agenda Title: **Acting as the Public Contract Review Board, PUBLIC HEARING and RESOLUTION Approving Exemption to Use the Construction Manager/General Contractor (CM/GC) Contracting Method for the Broadway Bridge Rall Wheel Replacement Project**

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: January 8, 2015 **Time Needed:** 10 minutes

Department: Community Services **Division:** Bridges

Contact(s): Ian Cannon

Phone: 503-307-1297 **Ext.** **I/O Address:** 246/Sellwood

Presenter

Name(s) &

Title(s): Ian B. Cannon, PE, Program Manager

General Information

1. What action are you requesting from the Board?

The Department of Community Services is requesting an exemption from competitive bidding requirements on the pending public improvement contract for the Broadway Rall Wheel Replacement Project to be able to employ the Construction Manager/General Contractor (CM/GC) method of project delivery.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Broadway Bridge is a complicated Rall double-leaf bascule structure invented by Theodore Rall and constructed in 1913. The project will replace the four eight-foot diameter Rall Wheels that the Broadway Bridge Bascule leafs rotate around and roll on during openings. Substantial deterioration and fatigue for over 100 years has necessitated the replacement of the Rall Wheels. This task has not been performed on the Broadway Bridge before. Each wheel supports approximately two million pounds of the bridge during all phases of the bridge opening and when the bridge is in the closed position. In addition, the project will replace the tracks that the Rall wheels roll on and replace or make adjustments to the bridge counterweight struts. Adjustments may also be required to other bridge operating machinery.

The CM/GC method of project delivery offers advantages that make it more appropriate for the Broadway Rail Wheel Replacement Project than the standard lowest price design-bid-build methods. More specifically, the CM/GC delivery method:

- a. Provides opportunities to understand risk issues and to explicitly manage risk issues.
- b. Allows greater flexibility for design and construction for a technically complex project with unusual site conditions.
- c. Permits rapid completion of a project that has schedule constraints.
- d. Provides cost certainty at the time that the contractor provides a Guaranteed Maximum Price.
- e. Allows flexibility to work with other agencies on evolving design elements.
- f. Lets the County retain significant control over the project design.
- g. Incorporates construction contractor input and knowledge into the project design and value engineering.
- h. Enhances community mitigations and diversity participation.
- i. Frequently results in fewer disputes and claims at the end of the project.
- j. Provides opportunities to maximize contractor diversity.

The CM/GC project delivery system is unlike the low-bid project delivery method. In a low-bid, the project is designed and then contractors compete by trying to bid the lowest price. In the CM/GC method, a contractor is hired based on qualifications and lowest percent profit margin. The contractor has beneficial input during design. At an agreed upon point, the contractor gives a quote for a Guaranteed Maximum Price (GMP). This price is analyzed and may be negotiated. However, the County has the right to let the construction contract low-bid if the County and the CM/GC do not agree on a GMP.

3. Explain the fiscal impact (current year and ongoing).

The funding for the project is constrained to \$10 million. The project is funded with 89.73% FHWA funds and 10.27% County Funds. The County funds for design are in the Bridge Division FY2015 budget. County funds for construction will be included in the Bridge Division FY2016 budget. Multnomah County's General Fund will not contribute to the project.

4. Explain any legal and/or policy issues involved.

State law permits alternative project delivery methods, including CM/GC, instead of traditional competitive bidding. State law requires an exception process prior to final implementation of CM/GC.

ORS 279C.335(1) requires, with certain exceptions, that all public improvement contracts be based on competitive bidding and, under ORS 279C.375, be awarded to the lowest responsive and responsible bidder. ORS 279C.335(2) permits this Board, acting as the Local Contracting Review Board, to grant, under certain conditions, specific exemptions from the requirement for competitive bidding, upon the approval of specified findings.

5. Explain any citizen and/or other government participation that has or will take place.

Under ORS 279C.335 (5) a public hearing must be held before these findings are adopted, allowing the opportunity for all interested parties to comment on the draft findings. This request for exemption was advertised in the *Daily Journal of Commerce* on December 19, 2014, and was also posted on the County website at: www.multcopurch.org

At the public hearing on this exemption request during the January 8, 2015 Board meeting, the public will have the opportunity to make comments, either oral or written.

Required Signature

**Elected
Official or
Department
Director:**

Kim Peoples /s/

Date:

December 22, 2014

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.