Multnomah County Central Courthouse

Project Delivery Recommendation

January 27, 2015

Agenda

Project Overview

- Introduction
- Project Delivery Comparison
- CM/GC - Recommendation
- Timeline
- Next Steps
- Q & A

Introduction

- What is the best fit to meet County Values
- Staff recommendation
- FAQ’s

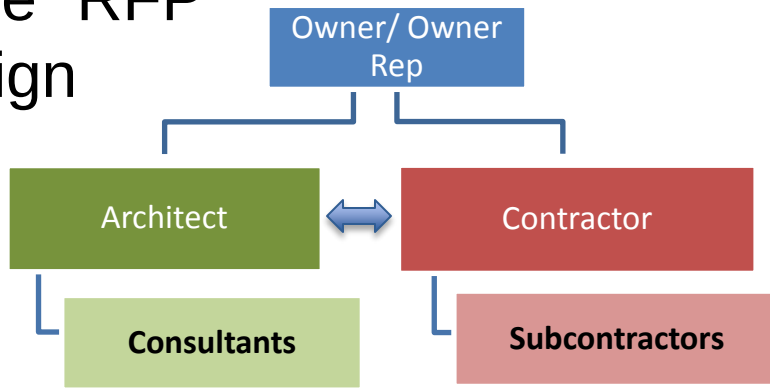
Project Delivery Comparison

- Construction Manager/General Contractor “CM/GC”
- Design Build “DB”

Procurement Method – CM/GC

Pros

- Quals based selection – “Best Value” RFP
- Maximizes Owner control over design
- Highly predictable & collaborative
- Competitively bid 85% of work
- Most flexible delivery process
- Reduces Owner risk
- Maximum utilization of MWESB & DBE
- Risks managed proactively by Owner and Contractor



Cons

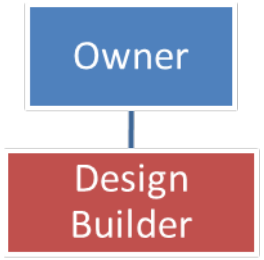
- Two contracts
- Contractor and Designer selected separately

Procurement Method – CM/GC

Oregon Examples

- **State & Federal Agencies**: DAS, ODOC, OSP, State Legislature, OSH, GSA, NOAA
- **City of Portland**, PWB, Parks & Rec. Department, Metro, PDC
- **Transportation**: TRIMET, PBOT, ODOT
- **Higher Education**: PSU, OSU, UO
- **Community Colleges**: PCC, CCC, OCCC etc.
- **K-12 - Schools**: Portland, Beaverton, West Linn, Clackamas, etc.
- **Ports**: Port of Portland, Newport, Tillamook etc.
- **Cities and Counties**: Wilsonville, Beaverton, Lake Oswego, Oregon City, Salem, Hillsboro, Medford, Multnomah & Washington County etc.
- **Private Sector**: SAIF, Nike, Intel, Private Universities State Wide
- **Healthcare Systems**: Providence, OHSU, LHS, AHS, PH, KP

Procurement Method- DESIGN BUILD



Pros

- Quals based selection – “Best Value”: RFQ / RFP
- Single source responsibility- one contract
- Fast delivery: similar timeframe to CM/GC
- Transfers risk to DB Contractor

Cons

- Longer procurement timeline
- Owner has to know what it needs
- Potential loss of control of design & quality
- Owner has less input into MWESB & DBE outreach
- Design Builder predetermines selection of design team

Options Analysis Comparison

	Financial Risk	Project Control	Project Cost	Schedule
CM/GC (Construction Manager / General Contractor)	• **Shared Contractor and Owner** • Risk items managed proactively by Owner and CM/GC. • Design Risk mitigated through collaborative process with risks quantified.	• **Owner** • Optimization of control over design and quality where A/E works directly for the Owner. • Highly collaborative process that engages Owner, Contractor, and Design team.	• **Reliable initial target cost** • GMP established at 50% Design. • Best opportunity to work with Contractor to optimize quality and minimize cost and schedule impacts	• **Shortest overall project duration** • Maximizes early procurement and overlap of design and construction.
DB (Design Build)	• **Contractor** • Risk transfer in procurement. • Contractor owns design errors and omissions and construction risk.	• **Contractor** • less owner control during design and construction. • Single point of contact through design and construction. • Limited input from County in oversight of Quality assurance.	• **Fixed Cost** • Less flexible to Owner program changes. • GMP established in Procurement phase. • After award changes may result in cost growth.	• **Longer front end selection process:** • Approximately 12-14 months. • Ability to overlap design and construction • May not compensate for delays in getting to selection.

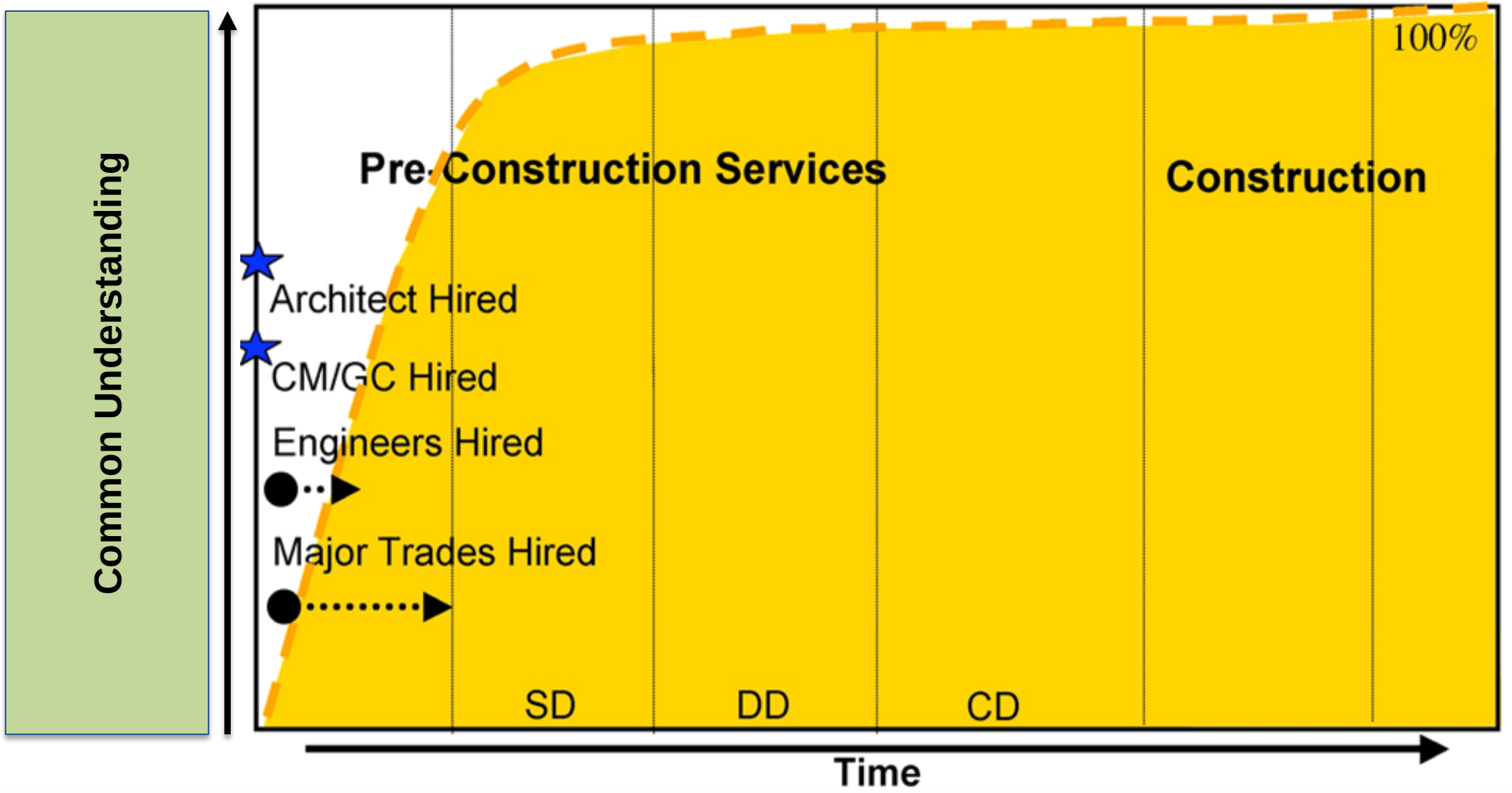
CM/GC RECOMMENDATION

- Staff recommendation
- Developing a Common Understanding
- Setting up the Project Team - Expectations
- Establishing a Baseline - Performance Metrics
- The Contractor Selection Process
- What Happens in Pre-construction
- Assembling a “GMP” Guaranteed Maximum Price
- FAQ Review

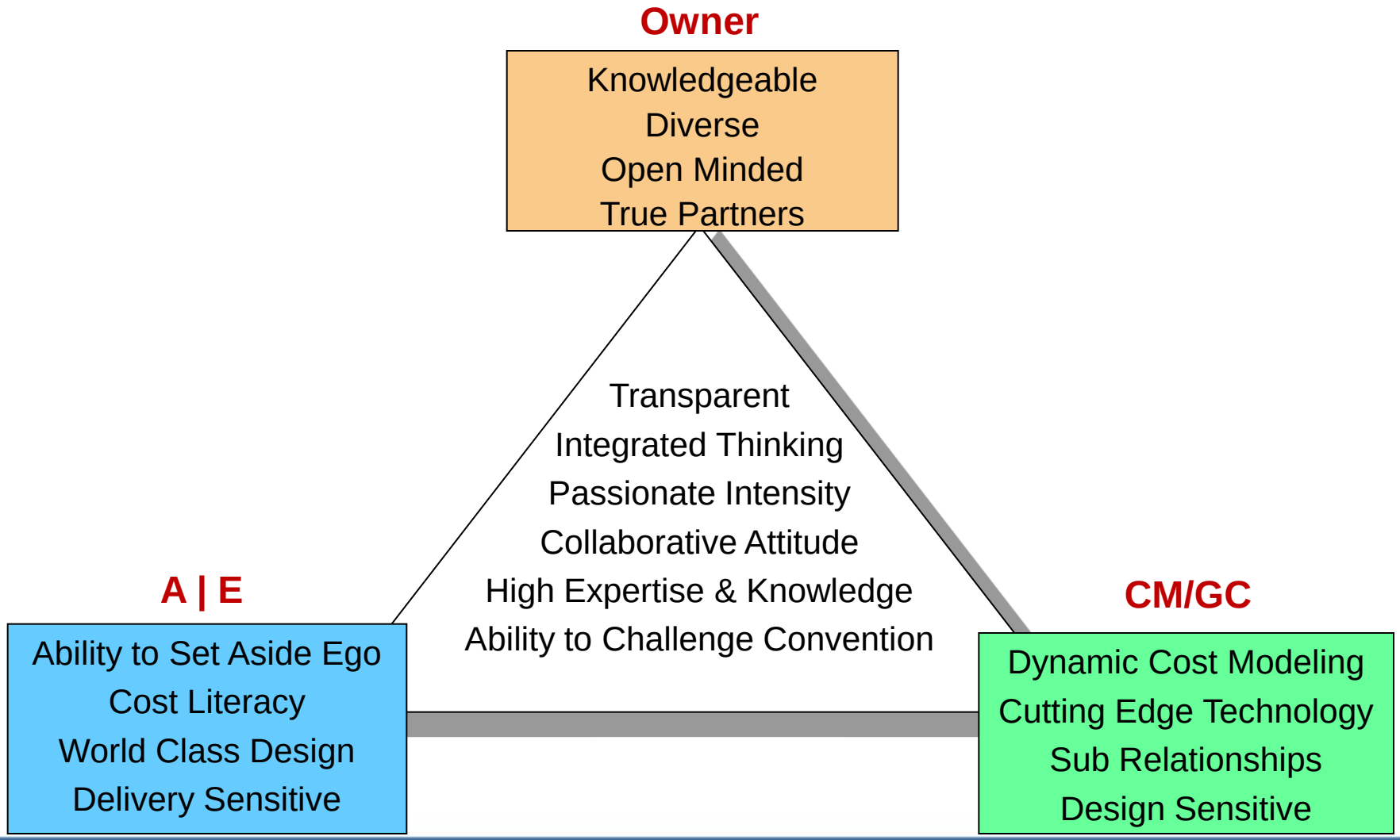
STAFF RECOMMENDATION – CM/GC

- Best value fit
- Maximizes County control
- Enhances MWESB / DBE diversity goals
- Optimizes stakeholder engagement
- Long term Operations & Maintenance costs minimized
- Increased budget confidence and cost transparency
- Risk reduction to the County
- Adaptable to change & technical complexity
- Increased quality, equity, and sustainability
- Proven delivery method preferred by public agencies

CM/GC
Level of Common Understanding



CM/GC - Setting Up the Project Team: Expectation of Participants



CM/GC -Establishing a Baseline Performance Metrics /Targets Top 10

- Successful administration of Owner's core values
- MWESB / DBE outreach workforce Utilization
- Target Savings of 5% Across All Project Budgets
- Target Value Design: Predictability of costs
- Reduce "Time of Construction" Schedule
- Waste Minimization and Value Enhancement
- Implementation of Lean Strategies: Building Information Modeling
- Integration of Design and Construction: Quality Assurance
- Minimize changes, claims and errors
- Sustainability: LEED metrics: energy savings

CM/GC Contractor Selection

What happens in procurement phase?

- Open to all contractors
- Request for Qualifications “Best Value” RFP
- Short-list and interview
- Fee and General Conditions priced and scored
- Contract award for pre-construction services

CM/GC Pre-construction

What happens in pre-construction?

- Detailed plan and schedule
- Cost estimates and target GMP
- Budget & Value Engineering options
- Constructability reviews: Design assist
- Market the project to local subs and suppliers
- MWESB / DBE outreach program
- Risk items managed and mitigated collaboratively
- Early work amendments
- Assemble the GMP @ 50% design or sooner

CM/GC Questions & Answers

Q: ***When is CM/GC best****?*

A: For projects where pre-construction services are valuable and local market conditions and regional subcontractor outreach and MWESB / DBE utilization is critical. Projects with technical complexity that require greater flexibility for adapting to change. Projects where enhanced community mitigations and communications are required

Q: ***Does CM/GC cost more****?*

A: No. Final costs to client are lower with more reliable results & managed risk

Q: ***Are there change orders on CM/GC projects****?*

A: Yes. For owner-initiated scope changes

Q: ***Are there savings on CM/GC projects****?*

A: Yes. All unspent funds are savings returned to the Owner

Q: ***Is this the way projects are built in the private sector****?*

A: Yes by a wide margin

CM/GC TIMELINE

Milestones:

• Approval of Findings	February 12, 2015
• Issue Request For Proposal's	April 2015
• Receive and Evaluate of Proposals	May-June 2015
• Select Architect and Contractor	July 2015
• Start final design	August 2015
• Establish Guaranteed Maximum Price	2nd quarter 2016
• Early Site Preparation	Fall 2016
• Construction Start	Spring 2017
• Construction Completion /Occupancy	April 2020

NEXT STEPS

- **Public hearing and vote for the exemption** from competitive bidding (ORS 279C.335) by the BCC acting as the Local Contract Review Board: **February 12, 2015**

- **Development of RFP's** for Procurement

- **Procurement** of A/E and CM/GC firms

QUESTIONS

Q & A