EXHIBIT 1

FINDINGS OF FACT AND CONCLUSIONS SUPPORTING AN EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS AND ALLOWING THE USE OF THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC) COMPETITIVE SELECTION PROCESS FOR THE SELLWOOD BRIDGE PROJECT

I. BACKGROUND

A. The Construction Manager/General Contractor Project Delivery Method

On January 7, 2010, the Board of County Commissioners (BCC) adopted Resolution No. 2010-004 directing the Department of Community Services to investigate alternative project delivery methods including the Construction Manager/General Contractor (CM/GC) method. The Department of Community Services provided an analysis of alternative contracting methods to the BCC on March 4, 2010. The Department of Community Services recommended that the County use the CM/GC method to deliver the Sellwood Bridge Replacement Project.

The CM/GC method is a modern construction delivery method used by both public and private organizations. In the CM/GC method, the Owner hires an engineering design firm to perform the bridge, road, and other design elements of the project, and also hires a CM/GC contractor during the design phase to provide construction expertise to the Owner and the design firm. The Project Team is made up of Owner, Designer, and CM/GC. This Team continues throughout the duration of the project.

Near the completion of design, the CM/GC contractor negotiates a Guaranteed Maximum Price (GMP) with the owner. During construction, the CM/GC contractor is responsible for self-performing a percentage of the work and subcontracts out the remaining work elements.

In general the expected benefits of this delivery method are:

- Cost savings
- Higher quality plans and construction
- Faster completion of the project
- Greater flexibility for adapting to change

The CM/GC process, as an alternative to the competitive bid process, is becoming a more common approach for certain types of projects by public agencies within Oregon. The Oregon Public Contracting Coalition (PCC), composed of a diverse group of professionals involved with public contracting, developed a guide for those considering the CM/GC process. Some recommendations contained in the document were incorporated into ORS 279C by the legislature. A publication called the Oregon Public Contracting Coalition Guide to CM/GC Contracting, written by the PCC and the Construction Engineering Management Program, Department of Civil, Construction, and Environmental Engineering, at Oregon State University, February 2002, available on-line at http://www.agc-oregon.org/public/resource_center/publications/CM_GC_Guide_05.pdf

The guide suggests that the CM/GC method is most likely to benefit the Owner for projects that:

- are high risk,
- are technically complex,
- have unusual site conditions,
- have schedule constraints,
- require complex phasing schemes,
- have budget limitations,
- may realize cost savings resulting from value engineering,
- are greater than $2 million in cost.

B. Project Description – Sellwood Bridge Project

In 2004, Multnomah County discovered extensive cracking in the Sellwood Bridge. In 2005, a weight limit of 10 tons was posted that forced trucks, transit buses, and emergency vehicles to use alternate routes. Also, the existing 4' sidewalk has been identified as inadequate for bicyclists and pedestrians.

Multnomah County undertook a federally funded planning process that considered many viable alternatives including the "no-build" alternative. The Sellwood Bridge project produced a Draft Environmental Impact Statement in November 2008. The Board of County Commissioners selected a preferred alternative in February 2009. The project team has refined the preferred alternative and drafted a Final Environmental Impact Statement (FEIS). The FEIS draft is currently being reviewed by the Federal Highway Administration (FHWA). In addition, several other documents and processes are in progress that are essential before FHWA will issue a Record of Decision (ROD) for this project. The ROD is expected in late summer or early fall of 2010. The ROD signifies the end of the planning phase of the project. Until the ROD is granted, the Sellwood Bridge Project is not authorized to begin final the Preliminary Engineering, acquisition of Right of Way, and Construction phases.

Multnomah County considers completing this project of highest priority. The existing bridge is at risk of further subsidence and shifting of the ground due to the landslide at the west end and is not designed to withstand earthquakes.

Although the Preferred Alternative defines major elements of the project, there are several areas of the project where decisions remain. These include:

- The exact configuration and scope of facilities on the Westside;
- How the Lake Oswego to Portland Streetcar project will be accommodated;
- What accommodations will be made for streetcar accessing the new bridge;
- What type of bridge will be built;
- What architectural features will be included in the new bridge and other elements of the project;
- What streetscape amenities will be included;
- The exact extent of right of way necessary for the project (either temporary or permanent);
- How surface water from the project area will be managed.

Some of these elements will be determined through a public involvement process managed by the project team. Other elements will be decided through negotiations between Multnomah County and other agencies (sponsors of other projects) as the designs of the other projects develop. The Lake Oswego to Portland Streetcar and the

possible Tacoma Street Streetcar are at different stages of project development from the Sellwood Bridge project. The Lake Oswego to Portland project is starting its environmental phase and has not yet issued a Draft Environmental Impact Statement. The planning for the streetcar line across the Sellwood Bridge and along Tacoma Street is at the very early conceptual stage. Neither of these projects is as advanced in their development as is the Sellwood project. This creates challenges for the design of the Sellwood Bridge project.

The timing of ROW certification (the time when all necessary ROW has been secured) adds another area of schedule uncertainty to the project. Right of Way (ROW) acquisition for the project has not started. As mentioned earlier, this effort cannot begin until after the FHWA has issued the ROD for the project. This project, as defined by the preferred alternative, will necessitate the acquisition of numerous properties. Some of the property will be needed permanently for the project; other parcels will only be required during construction of the project. It is not known at this time if any of the parcels will be unusually difficult to acquire. However, the timing of ROW acquisitions is uncertain due to the many variables and the sensitive nature of ROW acquisition.

The Sellwood Project is a large project with a high level of technical complexity. In the preferred alternative the County committed to only minimal closures of the Tacoma Street Corridor to traffic. It is anticipated that the bridge will be constructed in phases so that traffic can be maintained throughout the project. The South half will be built first, then the old bridge will be demolished, and the North half of the bridge will be constructed. In addition to the bridge, the interchange at Highway 43 will also need to be constructed in phases to coordinate with the construction of the bridge and to coordinate with the modifications to Highway 43.

The west hillside also presents complex technical issues. The site is a historic landslide. The west slope moved approximately 3 feet between 1925 and 1960. Measurements indicate that the slope continues to move between 1/8" and 1/4" per year. Mitigating this slide condition will require advance geotechnical engineering and construction. This work must be sequenced appropriately with other work on the project.

Additional complexity is added by the congestion on the west side of the project. Demands in the constrained area include the bridge and interchange, streetcar tracks and station, a multi-use path, a habitat park, riparian areas, access for the floating home community, and Highway 43.

The project will require permits from numerous agencies including the Army Corps of Engineers, National Marine Fisheries Service, City of Portland, United States Coast Guard, and Oregon Department of State Lands. The requirements included in these permits will need to be negotiated with the various agencies and will increase the technical complexity of the project. These requirements are frequently specific to particular means and methods of construction.

II. FINDINGS REGARDING COMPETITION

ORS 279C.335(2) requires that an agency make certain findings as a part of exempting certain public contracts or classes of public contracts from competitive bidding. ORS 279C.335(2)(a) requires an agency to find that: *"It is unlikely that such exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts."*

The County's procedures for procurement of the CM/GC contractor will be designed to encourage competition. It is anticipated that many qualified candidates will compete for this contract due to the size of the project.

The CM/GC contractor will be selected through the County's standard Request for Proposal ("RFP") process which is an open competitive process. The RFP sets out guidance for how a proposal should be structured and what the potential contractors should submit. The selection criteria are clearly stated in the RFP and will include: experience in delivering similar projects, evidence of quality in previous work; innovative ideas for improving and streamlining construction, available resources to meet schedule requirements; experience in CM/GC contracting, evidence of successful schedule and budget management, references from previous owners they have worked for, and their fee statement.

After the proposals are submitted, the evaluation process will include the following steps:

a) Proposals will be evaluated by an Evaluation Panel consisting of at least five County and non-County professionals well acquainted with the Sellwood Bridge Project.

b) Proposals will be checked for completeness and compliance with the minimum requirements listed in the RFP. Complete and responsive proposals will then be evaluated under the criteria stated within the RFP.

c) Members of the Evaluation Panel will independently score the proposals. The independent scores of each panel member will be combined into overall scores for each proposer.

d) The Evaluation Panel will identify a group of the highest scoring proposers that will be short-listed to move on to the next phase of the evaluation process. This group of proposers will receive an invitation to a face-to-face interview after an appropriate protest period.

e) The Evaluation Panel will conduct interviews with the short-listed proposers.

f) The Evaluation Panel will score the interviews, and these scores will be combined with the written proposal scores to yield a total score for each of the short listed proposers. Based upon these final scores, the Evaluation Panel will rank the Proposers and provide an award recommendation.

g) Upon expiration of the mandatory award protest period, the County will attempt to negotiate a contract with the top ranked firm. If negotiations are not successful, negotiations will be conducted with the next ranked firm. At the successful conclusion of negotiations, the County will enter into a contract with the successful CM/GC proposer.

Multnomah County finds that selecting a CM/GC contractor pursuant to the exemption is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts.

III. FINDINGS REGARDING SUBSTANTIAL COST SAVINGS

ORS 279C.335(2) requires that a public agency make certain findings as part of exempting certain public contracts or classes of public contracts from competitive bidding. ORS 279C.335(2)(b) requires an agency to find that *"The awarding of public contracts pursuant to the exemption will result in substantial cost savings to the public contracting agency," or, if the contracts are for public improvements as described in ORS 279A.050(3)(b)* (such as this one), *to the contracting agency or to the public.*

ORS 279C.330 provides that: *"'Findings' means the justification for an agency conclusion that includes, but is not limited to, information regarding: (a) Operational, budget and financial data. (b) Public benefits. (c) Value Engineering. (d) Specialized expertise required. (e) Public safety. (f) Market conditions. (g) Technical complexity. (h) Funding sources."*

This section presents a series of findings that describe how cost savings accrue to Multnomah County and the general public, by means of employing the CM/GC method of project delivery.

A. Operational, Budget, and Financial Data

The total project cost is estimated to be $330 million. Multnomah County has committed to raise a projected $127 million bond for the Sellwood Bridge Project funded through a $19 per year vehicle registration fee. The rest of the project funding plan is described in Section III.H.

Multnomah County's General Fund is not likely to be able to contribute to the project. The current general economic recession has caused the County to cut general fund programs, reduce staff, and freeze salaries to stay within its overall budget.

Multnomah County's financial resources for the Sellwood Bridge Project are constrained.

B. Public Benefits

The Sellwood Bridge project is expected to provide a number of long term public benefits including:

- A structurally sound bridge with capacity for all legal loads;
- Facilities that will enable vehicles, bicyclists, and pedestrians to access and use the bridge safely;
- An enhanced interchange with Oregon Highway 43; and
- Enhancements in the parks near the west end of the bridge.

When compared to the typical low bid method of project delivery, the CM/GC method is expected to provide the added benefits of expediting the schedule and improving overall project quality.

In CM/GC, the construction contractor is selected before the design is complete. This allows the contractor to have input into the design and assist the County and designer in structuring the project for an optimal schedule. In addition, the contractor can start work on elements of the project that can be designed early. Elements of the project that are not decided early may be phased to start later in the schedule. The ability to give the work to the contractor in packages that are subsets of the project allows significant scheduling

flexibility. It is expected that the CM/GC method will allow the Sellwood project to be delivered approximately a year sooner than if the traditional project delivery method were used.

In the CM/GC method, quality decisions are made throughout design and into construction. The design incorporates input and review from the designer, the County, and the contractor. Decisions about cost and quality tradeoffs are made in a more collaborative environment based on the best information that the designer, County, and contractor can provide. The design and specifications are reviewed by the owner and contractor for errors, omissions, and constructability. The contractor is selected based primarily on qualifications, so there is opportunity to seek information about work quality and past performance during the selection process. Since the contractor is involved during the design phase and in discussions about quality expectations, there is an expectation that the bridge construction work in the field will reflect this understanding. The County also performs quality assurance to make sure that field work conforms to the specifications and plans. The CM/GC method is well suited to provide a quality product on a project like the Sellwood Bridge with a high level of technical complexity and an aggressive schedule. The County will have the best control over the tradeoffs between cost and quality as the project moves forward.

The CM/GC process will benefit the public by delivering wanted features, expediting construction, and improving quality.

C. Value Engineering

Value Engineering (VE) is encouraged by Multnomah County and has resulted in both initial savings as well as long-term savings for many other County projects. On a CM/GC method project, the relationship of the owner, construction contractor, and designer fosters a team approach to value engineering. Multiple options for high cost or impact items, specific construction methods, optimal material choices, environmental permitting, and local design requirements can be analyzed at various times during the project to evaluate costs and benefits. Under the traditional design/bid/build method, value engineering typically occurs just once during the design phase.

With design-bid-build, savings from value engineering measures suggested by the construction contractor are divided between Multnomah County and the contractor. Under CM/GC, those savings accrue mostly to the County.

The CM/GC method facilitates ongoing value engineering throughout the project.

D. Specialized Expertise Required

This project will require a construction team with specialized expertise due to the numerous complexities described in section I.B and listed briefly here:

- Traffic management and phasing to keep traffic flowing on both the Tacoma Street and Highway 43 corridors;
- Construction of a major bridge in two halves;
- Construction of the interchange during continued traffic;
- Modifications to Highway 43 during continued traffic;
- Buildings adjacent to the bridge at the east end;
- West hill side slide;
- Congestion on the west side from Highway 43, Bike/Ped path, Park uses, Streetcar;
- Complex permitting; and
- In-water work limitations.

The CM/GC selection process is based on qualifications, with price as a major factor. The fee is, however, less important than the overall qualifications and specialized expertise. The County may score proposers by such factors as:

- their established experience in building similar projects;
- their experience working on projects with high public involvement;
- their qualifications in the areas of bridge construction, foundations and landslides;
- their references from previous owners and engineering firms; and
- their ideas for how to efficiently stage and construct this specific project.

A low bid process does not provide the opportunity to obtain the most qualified contractor with the specialized expertise needed for the project.

The CM/GC process allows the County to select a contractor based on qualifications as well as price to acquire necessary specialized expertise.

E. Public Safety

Safe traffic flow must be maintained across the Willamette River and along Highway 43 during the four to five years of construction. It is crucial that all work be highly coordinated to avoid unnecessary delay and safety risks to the traveling public and to ensure efficiency in construction. The CM/GC process may reduce safety risks by:

- screening potential contractors based on their safety record and approach;
- cooperatively planning the work sequencing with input from the owner, designer, and contractor; and
- encouraging ongoing safety input from the entire Project Team.

A Project Team approach including the County, designer, and contractor (such as the CM/GC approach) is well suited to provide for public safety while avoiding delays.

F) Market Conditions

The current economic conditions have created a market for construction services and materials that is favorable to project owners. The prices of materials such as timber, concrete, and steel are down compared with a few years ago. Less construction has led to competitive pricing from contractors with many projects being bid for significantly less than expected. It is expected that CM/GC will enable the County to benefit from these market conditions in several ways:

- CM/GC will enable the County to start construction sooner than the traditional method of contracting would because of the ability to start construction before all elements of the project are designed;
- CM/GC will allow the project to be delivered in a shorter overall time than would the traditional method; and
- CM/GC facilitates the early purchase of certain project elements (such as large steel fabrications) if appropriate to take advantage of market prices.

The CM/GC approach provides opportunities to shorten construction duration and to take advantage of the current favorable market conditions which will result in a lower overall cost for the project.

G) Technical Complexity

During the design process using the CM/GC method, a contractor will contribute valuable practical knowledge of how things may be put together. But this project is complex both in a technical sense (large bridge construction, traffic management, landslides) and also in terms of coordination with many public entities. The ability to coordinate and manage this project, while working with and responding to several distinct local governments and major stakeholders, is highly complex in nature.

The CM/GC process enables the County to competitively select a prime contractor based on qualifications and cost factors. The selection process will allow contractors the opportunity to explain how their experience qualifies them to deal with the technical complexities, work cooperatively with outside jurisdictions, provide quality workmanship, quote fair and reasonable prices and provide efficient management all to the benefit of the Project Team.

Adaptability is about the ability of the particular contracting method to incorporate changes and evolving developments. On the Sellwood project there are a number of potential areas where change may be anticipated, including:

- Developing understanding of complicated site conditions;
- The public involvement process;
- Desires from other public agency stakeholders;
- Evolution of the adjacent streetcar projects;
- Updated permitting requirements.

Due to the significant probability of change during the Sellwood project, a method that provides maximum adaptability to change may be most appropriate.

CM/GC can accommodate change until 100% design. Since the work can be separated into several construction packages, work that is 100% designed early may be let for construction early. Work that is not 100% designed until later in the project can be

packaged for construction later in the project. Areas of uncertainty, such as the exact alignment of the Portland to Lake Oswego streetcar through the Sellwood project area, can be left until later in the project, while areas that need to be designed and constructed early, such as the in-water bridge foundations, can be designed and packaged for construction early in the project. In addition, since the contractor has input into the project decisions, the work can be scheduled and packaged to minimize cost and schedule impacts. The work packaging and areas of uncertainty are not surprises for the contractor, so claims for change are less likely. The flexibility of CM/GC is well suited to a project with an aggressive schedule, technical complexity, and stakeholder public engagement like the Sellwood project.

The CM/GC process enables the County to evaluate the qualifications of the contractor during the selection process. This ensures that the County will get a technically competent contractor who is adaptable and allows the project to be responsive to public input.

H) Funding Sources

The Sellwood Bridge Project has an estimated cost of $330 million, which is expected to be funded from a combination of sources:

- Carry forward from Planning Phase (Federal) $ 11 Million
- Multnomah County Vehicle Registration Fee $127 Million
- City of Portland Transportation Grant $100 Million
- State of Oregon $ 30 Million
- Reauthorization (Federal) $ 40 Million
- Clackamas County $ 22 Million

The variety of funding sources can create more uncertainties and more varied expectations than a typical project with fewer funding sources. Selecting a CM/GC contractor that has a history of working with a wide range of public agencies on projects brings additional expertise to the Project Team. Having them involved early on in the design phase creates a deeper understanding of the milieu and a greater flexibility when it comes to problem solving.

A variety of funding sources adds uncertainty and complexity to a project. The CM/GC approach is more able to adapt to change.

I) Substantial cost savings

The Sellwood Project is a technically complex project with difficult site conditions and adjacent projects that are evolving. Technical complexities include construction of a major bridge in two halves which must be joined together; construction of the project while maintaining traffic on the Tacoma Street corridor and on Highway 43; construction of a complicated interchange during continuous traffic; construction in close proximity to residences, and the land slide on the west side of the river. In addition, the Portland to Lake Oswego streetcar project is being designed, but the design is not as developed as the Sellwood project. There is a potential Tacoma Street streetcar project.

CM/GC does not include as direct an element of cost competition during the selection process as does the traditional method. There is usually not enough project design completed at the time of selection for a firm bid. Profit margin may be a factor in selection. Pricing for the construction packages is negotiated. On a technically complex project with an aggressive schedule and elements that are still uncertain CM/GC offers several

benefits that could lead to a lower overall project cost. The design incorporates input from the contractor and can be optimized for the selected contractor. The ongoing input from owner, designer, and contractor into the design can result in fewer design errors or omissions. Knowledgeable cost estimating and strong auditing from the owner can provide a check against inflated prices through negotiations when work packages are assigned. Additionally, the owner can reserve the right to bid a work package if a satisfactory price can not be negotiated. An area where CM/GC can potentially provide a major benefit on a project like the Sellwood is in the avoidance of costly changes. Areas of uncertainty can be identified early in the project and managed proactively through such measures as additional investigation, appropriate schedule or cost contingency, or placing work where uncertainties exist into later work packages to allow time for issues to be resolved. These factors combine to suggest that CM/GC will yield a lower total price at completion than the other methods on a complex, schedule constrained project like the Sellwood.

While it may be impossible to predict exactly how much lower the cost will be, there is some historical data: The Oregon Department of Corrections has significant experience with the CM/GC process and has identified achieved savings of 5% of the construction costs. On a project of this size ($330 million) a cost savings of 5% is $16,500,000. In addition, as mentioned earlier, shortening the project duration by a year through overlapping design and construction would save another $14.2 million in annual inflation.

The awarding of public contracts pursuant to the exemption will result in substantial cost savings to the County.