

**EXHIBIT A**  
**FACTUAL FINDINGS**  
**PROPOSED EXEMPTION FROM COMPETITIVE BIDDING**  
**Portland Fire & Rescue Station 21**

**I. EXEMPTION FROM COMPETITIVE BIDDING UNDER OREGON STATUTE**

Oregon law requires all public improvement projects to be procured by a competitive low bid method, unless an exemption is granted by the Local Contract Review Board. In order to obtain an exemption, ORS 279C.330 requires the Portland City Council, acting as the Local Contract Review Board, to make two findings:

1. That it is unlikely that the exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for the public improvement, and
2. The awarding of the public improvement contract under the exemption will likely result in substantial cost savings for the City of Portland ("Owner").

As used in ORS 279C.335, 279C.345 and 279C.350, "findings" means the justification for a contracting agency conclusion that includes, but is not limited to, information regarding:

- (1) Operational, budget, and financial data
- (2) Public benefits
- (3) Value engineering
- (4) Specialized expertise required
- (5) Public safety
- (6) Market conditions
- (7) Technical complexity
- (8) Funding sources.

**II. PROJECT BACKGROUND**

Portland Fire & Rescue's fireboats play a unique and critical role in the life of the citizens in and around Portland. As Portland Fire and Rescue (PF&R) strives to serve the citizens of Portland, the fireboats serve an important part of the critical mission and clearly illustrating the difference between fireboat and rescue boat capabilities. Late on May 23, 2009, a distraught mother pushed her

two children off the Sellwood Bridge into the dark Willamette River. Only one child survived. Portland Fire & Rescue's emergency response rescue team was not the first on the scene, because they were located approximately five miles away.

The 50-year-old Station 21 was closed in the early 1990's due to operational budget cuts. PF&R emergency operations were dispersed to other nearby stations; however, the Multnomah County Sheriffs staff remained at the location. PF&R's water response was moved to Station 6 which is approximately five miles down river. In 2009 PF&R resumed emergency operations at that location due to an increasing need for river rescues in the downtown area, gaining wide public attention by the aforementioned incident.

A General Obligation Bond passed in 1998 provided funds for seismic, gender and code-related upgrades to approximately 20 stations in previous years. Because Station 7 / 21 was not operational at the time the General Obligation Bond passed, monies were not specifically set aside to provide those necessary improvements, so Station 21 does not currently meet essential facility standards, nor does it have accommodations for a mixed male and female crew, or meet current accessibility standards.

The need for faster response for water rescue services within the downtown core was recognized and approved by the citizens of Portland when they authorized the sale of \$72.4 million in City of Portland general obligation bonds on November 2, 2010. A portion of the bonds - \$7.9 million total project cost with \$4.9 million budgeted for construction - will be used for capital construction, improvements and costs, which include "providing a fire station and related facilities". The related facilities include a boat house or boathouses that will shelter three emergency response watercraft. The boathouses will attach to the pilings supporting the existing Madison Street Dock, and will be procured separately. The dock built in 1999 and funded by PDC was permitted and constructed to provide a home for one of the watercraft, the David Campbell fire boat. The dock location was chosen because of its adjacency to the fire station, at that time called Station 7, housing the emergency response crew and land response apparatus.

This project provides the opportunity to replace a facility that no longer meets the operational requirements for PF&R and to provide a safe and efficient environment from which to provide essential emergency response services, including water rescue. The Madison Street Dock was designed and permitted to support PF&R's water rescue efforts, and operations will continue throughout the construction process. Utilizing the existing site and the Madison Street Dock will not only the City to provide for continuous water rescue service but also provides significant time and cost savings for the project.

The project is currently in the schematic design phase. Our desire is to hire a Construction Manager/General Contractor (CM/GC) about half way through design to provide the following services and benefits: constructability reviews, early value engineering, development of precise phasing plans in relation to construction document development, and cost savings resulting from early input of construction knowledge and project management skills. According to the "Oregon Public Contracting Coalition Guide to CM/GC Contracting" (February, 2002), the ability to affect project cost and quality over the project timeline diminishes the further the project progresses without the benefit of a CM. In other words, the sooner the CM can be brought on-board during design, the greater their positive impact.

The project location has some unique site challenges which will require special construction expertise and experience. Located at the east pedestrian access to the Hawthorne Bridge and wedged between the Willamette River and the Eastbank Esplanade, bicyclists, pedestrians, and the public at large will want continued and safe use of both the Esplanade and the Madison Street Dock. The building sits on highly liquefiable soils; therefore, a robust structural strategy including multiple pilings and bank stabilization will be required. As a sensitive wildlife habitat, the river and riverbank will require protection from normal construction impacts and debris.

A strategic sequencing of construction tasks must be created to ensure continued unencumbered access to the Madison Street Dock where the emergency response watercraft is tethered, and to maintain worker safety, and cost-effective operations. Emergency responders will be temporarily housed in a facility close to the site during the construction period, and will continue to use the Madison Street Dock for emergency water response.

For these reasons and others, PF&R and the OMF Facilities Construction Project Manager are proposing the use of an alternative procurement method, namely the Construction Manager/General Contractor (CM/GC) method for this project, in lieu of the traditional Design/Bid/Build (DBB) method.

In the traditional DBB method, the construction contract is bid at the completion of the design documentation phase and is awarded to the bidder with the lowest responsive bid. The construction contractor performs the work under the oversight of the design and engineering consultants and the City's project manager. The City assumes all the risk for unknown conditions not documented in the contract documents, resulting in schedule delays and unanticipated costs and claims. The sequential nature of the DBB process requires a lengthy design and construction time frame to allow for the bidding process, which averages about six months from bid advertisement to notice to proceed. In DBB, there is no interaction between the design and construction contractors until construction begins and the design and permits are locked in and there is no room for changes in the design without added cost.

In a CM/GC procurement, the City obtains proposals from potential Construction Management /General Contractor firms, which occurs during the design process. The process is typically a two step process: (1) a pre-construction contract for services performed during design and (2) a construction contract for services during construction. During the pre-construction contract, the CM provides input to the design to reduce costs, minimize scheduling problems, provide constructability reviews, value engineering, and ensure safety. During this time the City will receive various cost estimates from the contractor which are typically verified from an independent cost estimator. Ultimately, the contractor proposes a Guaranteed Maximum Price ("GMP") early in the documentation phase which the City may accept or reject. Once a GMP has been established, a construction contract is executed and the pre-construction contract is terminated. Subcontractors are hired by the CM/GC using a competitive bidding process.

Using a CM/GC contract method would support successful completion of this project in the most cost-effective and efficient manner. Hiring a CM/GC contractor would provide the following benefits:

- Allows the City to select the most qualified contractor, as opposed to a minimally qualified contractor
- Evaluation of total project costs based on project design
- Guarantee of the maximum price at final design absent changes in the scope of work, or the occurrence of any conditions for which the City has assumed the risk.
- Technical expertise in planning for sequencing construction phases during design
- Experienced management of multi-disciplined technical subcontractors
- Team-building and partnering with the City's project team and the design team
- Coordinated responsibility for safety
- CM/GC assumption of some risk (i.e., inflation and increased construction costs, schedule, safety, maintaining service, and constructability, and potentially some of the unknown conditions risk, especially as they relate to extent of mitigation)
- Reduction of risk of construction delays and unanticipated costs for the City
- Accelerated schedule with early solicitation of subcontract bid packages and the early start of construction concurrent with final design
- The ability to evaluate the qualifications of the potential contractors to a far greater degree than the DBB would permit.

### **III. FINDINGS REGARDING REQUIRED INFORMATION**

#### **A. OPERATIONAL, BUDGET, AND FINANCIAL REQUIREMENTS**

Budget and Financial are included in Paragraph H with Funding.

The project rebuilds Station 21 including site improvements as required. A CM/GC process allows the City to hire the Contractor during the design phase of the project and allows the Contractor to develop a comprehensive construction schedule with input from the City's project team and the design team before initiating the work. A CM/GC process allows the contractor to provide input during the design phases, increasing opportunities to save money through value engineering. The interaction between the City's project team, the design team, and the CM/GC during the design process means it is more likely that the final design will take into account potential construction problems. Addressing potential construction problems in advance means it is likely the project will have fewer change orders, thus allowing the project to be constructed more economically.

It is necessary to carefully consider the means and methods of construction during design stages to ensure a minimum of delays and additional costs during construction. Adding the CM/GC Contractor to the design team during design would provide information on constructability and

permit the contractor to suggest a logical sequence for construction. The CM/GC method fosters coordination and efficiency in design and construction.

Confidentiality, security, and protection of the PF&R's critical operations during the design and construction process are essential. Coordination between contractors, consultants, and PF&R, and permitting agencies will be complicated and require a high level of contracting sophistication to keep operations running smoothly and minimizing disruptions of essential services. This construction contracting method carries both the lowest risk and lowest construction and operating cost compared with any other alternative. This approach also offers the greatest flexibility, risk reduction, and reliability.

***Finding:** A competitive selection of a CM/GC Contractor allows the City to minimize disruptions to essential emergency services and maintain operations during construction as well as addressing constructability during design. This approach also offers the greatest flexibility, risk reduction, and reliability. In comparison to the DBB process, the CM/GC process is less likely to cause budget overruns.*

## **B. PUBLIC BENEFITS**

PF&R must meet its commitment to the City of Portland by providing continuous emergency response to their Fire Management Areas, as well as water rescue services for the downtown core area during this construction. All PF&R operational activities based at this location must continue to function while the Facility is rebuilt. Therefore, it is necessary that construction of the project proceed smoothly and with a minimum of interruptions, delays, and claims.

It is likely there will be a lower chance of disruption to the schedule, cost overruns, and delays by using the CM/GC approach. Electing to adopt reasonable measures such as alternative contracting to meet its commitments falls well within the PF&R's core mission of providing emergency services to the City.

Utilizing the CM/GC contracting method will allow the City to minimize the risk of awarding the contract to an under-qualified contractor and subcontractors, which might increase public safety hazards, cause construction delays or increase construction costs due to inexperience or lack of expertise.

Finally, CM/GC contracting will allow construction of the facility at the lowest life-cycle cost of any other technically feasible alternative identified to date, including a DBB process. A CM/GC approach will thus allow the public to receive the benefits of both timeliness and lowest cost.

Using a CM/GC contract provides more opportunities during the design and construction phases to address constructability, modify construction means and methods, and work in partnership with the City permitting agencies and utilities. This construction approach helps provide the following public benefits:

- Minimizes disruptions to the neighborhood and existing modes of transportation.
- Success in neighborhood relations.

- Ensuring access to adjacent properties is maintained.
- Minimize odor, noise, vibration impacts, and utility disruptions.
- Provides most qualified contractor to be hired at the best value

**Finding:** *The competitive RFP method of CM/GC procurement maximizes public benefit by ensuring the selection of a contractor who is well qualified to effectively minimize the public impacts caused by the work. In contrast, the DBB process, which does not permit contractor to become involved in the project until after the design is complete, would be less likely to achieve these goals.*

### **C. VALUE ENGINEERING (VE)**

The CM/GC contracting process will give the contractor an opportunity to partner with the project team, the designer, and operations in performing value engineering (VE) and constructability reviews during design. Value engineering is a process by which project stakeholders compare the total project cost to project performance and evaluate the benefit-to-cost ratio. With a CM/GC procurement method, constructability is continuously evaluated and final costs are usually determined prior to completion of the final design. The early and realistic determination of costs allows the project team to adjust design and construction methods based on real costs. In contrast, contractor input into the project while it is being designed is not possible using the conventional DBB construction process.

Early involvement of the CM/GC contractor likely will reduce overall project costs and more efficiently attain the project objectives. The CM/GC contractor can see conditions while design is ongoing and provide input. The CM/GC's construction experience and knowledge will help identify and resolve issues prior to construction and will aid in early identification of effective measures to minimize disruption. This partnering will likely reduce the need for change orders, claims, and delays, resulting in significant cost savings and delivery of quality facilities on time.

Early CM/GC procurement best leverages VE ideas from a contractor, as they can be implemented during the design phase, in comparison with the DBB method in which such VE ideas often require additional costs associated with re-design, also causing project delays.

**Finding:** *Hiring a contractor through the CM/GC procurement method allows hiring the construction contractor during design and participating in the design and development of the project making it a more cost effective project. In contrast, the DBB process does not permit contractor involvement during the design phase of the project and limits value engineering possibilities.*

### **D. SPECIALIZED EXPERTISE**

The new Station 21 will meet the same criteria as all the other PF&R fire stations that were either rebuilt or remodeled with proceeds from the 1998 Bond. This station must also meet essential facilities standards. These more stringent requirements mean that the facility can continue to function even after a major event such as an earthquake or other catastrophe. Both the design and construction of these enhanced facilities require a higher level of expertise than is required for a standard building. In addition, Station 21 construction will require a highly organized contractor in order to meet the tight project schedule and technical site constraints. For example, the Corps of

Engineers require any impacts to the river, which may include bank work, be allowed only during a specific four month construction window. The CM/GC process allows the City to contract with a contractor that demonstrates the desired specialized expertise. Utilizing a CM/GC will allow the contractor to provide valuable input during the design process. Constructability issues can be addressed preceding the actual construction activities.

Expertise in construction methodology, sequencing, scheduling and cost estimating is essential to make sure the City realizes an optimum design that remains practical and within budget. The CM/GC contracting process will provide the best opportunity to select the most knowledgeable contractor with the necessary expertise for this project. An alternative contracting method, such as CM/GC provides a realistic way to make sure that expertise is available during the project design phase. In contrast, the DBB method does not permit the City to use the contractor's expertise to help design the project as the contractor is selected after the design is complete. Although the DBB process, through the use of contractor prequalification permits the City to make sure that minimally qualified contractors bid on the project, it does not permit the City to select the most qualified contractor to perform this work. Using specialized expertise on this project in the most beneficial way requires a CM/GC contracting process to maximize the project success and to minimize unanticipated costs.

***Finding:*** *Procurement using CM/GC method allows the City to evaluate the qualifications of the contractors seeking contract award, including an evaluation of their expertise. In contrast, the DBB process sets a minimum threshold for qualifications and does not permit the City to evaluate contractors based on their expertise. As a result, the CM/GC process is more likely to find the best contractor for the job than the DBB process.*

#### **E. PUBLIC AND CITY STAFF SAFETY**

The CM/GC process enables the selected contractor to provide input during the design process including establishing a safety plan and a coordinated construction phasing plan. This process is more likely than the DBB process to result in early implementation of health and safety measures to protect the public, construction workers, and emergency responders throughout the project. These health and safety measures will ensure minimal disruption.

As a public project, it is important to build the project with safety foremost in the contractor's approach to ensure safe working conditions for the contractor, emergency responders, and the public who could be affected by the project.

***Finding:*** *CM/GC procurement method allows actual safety performance on similar projects to be considered as a selection criteria. It also permits the City to work closely with the contractor during the design phase of the project to ensure that the design permits appropriate safety measures, that the contractor understands the City's safety concerns and that the contractor will take appropriate steps to address them. In contrast, the DBB process does not permit the City to discuss safety issues with a contractor until after the design is completed and does not permit the close interaction with the contractor to make sure that the City's safety concerns are well understood.*

## F. MARKET CONDITIONS

A CM/GC contracting process would reach the same or greater market of construction contractors as the DBB process. The Request for Proposals for specialized skills, size of the project and major components of work necessary for the project helps ensure that the project design and construction sequencing will employ all market innovations in means and methods. A CM/GC would be selected using the City's alternative procurement process that evaluates qualifications and proposals to ensure the best combination of technical expertise at a cost-effective price. See Paragraph I, Competitive Bidding, for more discussion of the process.

CM/GC contracting has the added benefit of allowing the selected contractor to solicit competitive bids for various aspects of work (equipment, labor, etc.) as the work is ready to go out to bid and coordinate construction activities among all resources to minimize construction risks and delays. The CM/GC will be able to prepare material and equipment submittals early and issue purchase orders to suppliers and vendors during design for timely delivery. This would also provide increased opportunity to identify and reach out to qualified minority, women, and emerging small businesses that may otherwise not have an opportunity to participate in the project. The selected CM/GC will work with Procurement Services to develop and implement an M/W/ESB subcontractor and supplier plan, which can include innovative means to provide subcontracting opportunities. Overall, the CM/GC process provides the best assurance that the most-qualified and most cost-effective subcontractors, suppliers, and vendors would be available to meet the demanding schedule at minimum cost.

Current market conditions are very attractive because of the current economic conditions. Early procurement allows the City to take advantage of this environment.

***Finding:** CM/GC procurement method uses a competitive selection process with qualifications being one of the criteria. This selection does not significantly change the pool of contractors qualified to bid on the project. CM/GC procurement can start earlier taking advantage of the current economic market. In contrast, the DBB process does not permit the contractor to get an early start on the project.*

## G. TECHNICAL COMPLEXITY

This is a technically complex project because of the physical limitations and circumstances that exist within and adjacent to the project site. The CM/GC process allows the City to acquire a highly qualified contractor, as opposed to a minimally qualified contractor that the DBB process might produce. As a result, it is more likely that the CM/GC can resolve the technical complexities of the project more efficiently, in part because of its qualifications and in part because it will have additional time to think about how such problems can be handled during the design and construction process.

As previously stated, the Station 21 site is a physically constrained construction site. The river is on the west, the Eastbank Esplanade on the east, SE Main Street to the north, and access to the Madison Street Dock directly south with pedestrian access to the Hawthorne Bridge also to the south. Two levels of the Marquam Bridge are overhead. ODOT owns the property on the east side of the Esplanade. Portland Parks & Recreation (PP&R) will manage and maintain the Eastbank Esplanade and adjacent related properties; they plan to cede the Madison Dock to PF&R to manage and



maintain for emergency operations via a Memorandum of Understanding. The CM/GC method will allow the contractor to proactively be involved in the design to develop construction approaches and methods that will minimize impacts in and around the project site while still maintaining pedestrian, bicycle and vehicular traffic. Such involvement in the design stage would not be possible using the traditional DBB contracting method

The planned approach for this project is: to carefully demolish the existing building, stabilize the bank, drive pilings to support the new structure, build the new structure and related site improvements, and move the emergency responders back into the new building. During demolition and construction, the emergency responders will occupy a facility in close enough proximity that will allow them to respond in a timely manner to river emergencies utilizing the watercraft in the boathouses attached to the Madison Street Dock.

In addition to maintaining operations during construction, the project requires establishment of a construction phasing plan, construction mitigation plan, habitat protection plan, construction management plan, erosion and stormwater control plan, traffic control plan, health and safety plan; and a shoring plan. Some of these plans will require close coordination with the public, City Bureaus and permitting agencies. This is a complex and time-consuming process. The CM/GC process allows the contractor additional time for this planning and permitting process, thus making it more likely that the project can be completed without delays. In-water construction in the Willamette River is only allowed four months out of the year, so it is crucial that construction schedules are maintained.

The CM/GC would be responsible for hiring and coordinating the various subcontractors to complete the work. The CM/GC would coordinate the phasing, safety, and installation methods. This technical complexity requires that the construction contractor understand and be able to manage all aspects of work. A qualified and informed contractor is imperative to managing these elements. The CM/GC contracting process permits selection of the most qualified contractor to function as a partner in the design and construction process, rather than requiring the City to accept the contractor that submits the lowest bid.

The conventional DBB process, based strictly on the initial price, does not guarantee hiring the contractor best able to handle the technical complexity of this process. Hiring a DBB contractor based strictly on submittal of the lowest bid may well cause the City additional short- and long-term costs and risks.

***Finding:*** *CM/GC procurement method allows hiring a contractor with technical expertise to participate in the design and construction to identify and resolve technical issues effectively. The same reasons that support the finding regarding specialized expertise are applicable here and are incorporated by reference.*

## **H. FUNDING SOURCES, BUDGET AND FINANCIAL REQUIREMENTS**

Funding for this project is through a general obligation bond passed in 2010. \$4.9 million has been targeted as the construction budget for this project which would include pre-construction (CM) services. There are no other identified funding sources for this project. An overall project contingency of 15% to be held by the City has been budgeted. The contingency is a percentage of project costs above the stated amount the project may exceed. A project contingency includes not

only a contingency for construction, but also all other project cost increases, such as additional services for consultants. As the project design progresses from early to later design stages, the confidence rating improves and the contingency percentage relegated to the design process may go down, freeing it up for construction if needed. This means that, as the design progresses, the estimation of how much the project will cost may vary from the budgeted amount, and in theory, may be reduced.

***Finding:** Project is funded using the proceeds from General Obligation Bonds sold by the City of Portland. While funding does not change based on use of the CM/GC process, the project budget is likely to be more stable as a result of that process and it is less likely that there will be project overruns. The DBB process does not provide that same assurance.*

## **I. COMPETITIVE BIDDING**

Based on all the findings above, the following Finding can be reached:

ORS 279C.335 (2) requires that an agency make certain findings as a part of exempting 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 an exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for public improvement contracts.* This conclusion is supported by the following:

The City will issue a Request for Proposals (RFP) for a CM/GC for this project in accordance with procedures that will attract competition for this contract from highly qualified contractors in the construction community. The RFP will be advertised in the *Daily Journal of Commerce*, and will be posted on the City of Portland's ebid website. Potential contractors will submit proposals. A Selection Committee consisting of personnel from the PF&R, OMF Facilities and others from the community, including an Alliance of Minority Chamber, will provide evaluator(s) who will evaluate the proposals and select a contractor based on evaluation of the proposals and subsequent interviews, if deemed necessary. The selection process will be completed under the supervision of Procurement Services. The evaluation process will be based on predefined criteria such as demonstrable technical qualifications, the proposed fixed fee for the CM/GC during construction, diversity in employment and sustainability, project team, project understanding, and safety. Subcontracted portions of the work will be contracted by the Contractor through a competitive bidding process. The CM/GC contracting process will not limit competition or encourage favoritism in the selection process when compared to the standard Design Bid Build (DBB) process.

The selected contractor's level of experience and knowledge must be high. This is a unique, complicated, and important project for PF&R. Selection of a contractor based on technical qualifications is critical to obtaining a contractor that can effectively coordinate all the pieces of the project and to the overall success of the project. Significant risks are associated with this project. A competent contractor on this project will minimize risks, reduce change orders, and maintain the critical path of the project. The experience of this contractor will enable the schedule to stay on track and assure that the project will operate correctly to meet the requirements of the approved schedule. The CM/GC process is critical in allowing the contractor to be intensely involved in the design, value engineering, schedule, risk-reduction, and overall successful completion of this project. The CM/GC method maintains competition among qualified proposers.

**Finding:** *CM/GC selection process and hiring of subcontractors use competitive procurement. Selection of a CM/GC does not limit competition or encourage favoritism in the selection process.*

## **J. COST SAVINGS**

Based on all the findings above, the following Finding can be reached:

ORS 279C.335 (2) requires that a public agency make certain findings as part of exempting 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 improvement contracts under the exemption will result in substantial cost savings to the public contracting agency.* This finding is supported by the following:

### **Cost Savings**

CM/GC provides opportunities for cost savings in a variety of ways. The inherent flexibility and openness of the process allows the Owner to more easily change the design and scope of work as necessary to meet the project budget during design development. The greatest impact on construction cost occurs during the planning and design stages of a project. As a result of early involvement in the project, the CM/GC firm works closely with the designer to develop the design. Early involvement allows for enhanced determination of project costs and for increased opportunity to change or reduce these costs to meet the Owner's needs before they are incurred. It is much easier to impact the completed project, and impacts can be much greater, while the design is being conceived and is in its infancy. Any increase in cost due to subcontractor bids higher than estimated, or added cost of scope items included in the contract documents but left out of the CM/GC firm's estimate, must be absorbed by the CM/GC firm within the GMP. The CM/GC firm has no incentive to identify change orders that require additional funds and an overhead premium for the original scope of work. All costs, other than Owner changes, must be held within the GMP. Additionally, if the Owner requests a major scope change, the CM/GC firm receives only reimbursement for the direct cost of the change plus its stated fee percentage applied to the cost of the change. This percentage is typically less than the amount of mark-up that a general contractor would charge on a scope change on a DBB project.

The CM/GC will be required to prepare several comprehensive construction cost estimates during the design phases of project. These cost estimates for this project will be verified for accuracy by a third-party independent cost estimator hired by the architect-of-record. When these cost estimates more-or-less align, a final cost estimate prepared by the CM/GC is used as the basis for a contractually agreed upon GMP. Included in the GMP are the expected costs to construct the project, the CM/GC firm's fee, and a contingency amount that the CM/GC firm believes should be available to cover changes to the proposed scope.

CM/GC benefits for this project include opportunity for significant cost and time savings through innovation. These innovations include improved project staging, incremental completion of design and commencement of construction, integrated planning between designers and contractors from the beginning of the project, and reduced formal design effort because the working plans and detailed specifications do not have to be of a biddable level of detail.

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The CM/GC method of contracting rewards innovation, allows for concurrent acquisition, design, and construction functions, and takes advantage of the ability to acquire materials and order fabrication incrementally. It also provides incentives to the contractor to engineer and stage the project to optimize efficiencies in construction. These methods contribute to reduce project duration, encourage long-term cost savings, and support meeting project performance objectives.

The City of Portland's experience in the CM/GC construction method has shown significant advantages to the qualifications-based selection for complex projects, the early collaboration between the design team and the contractor, and the ability to reduce costs through contractor input into the construction methods.

For the Station 21 project, the advantages and potential cost savings would result from working closely with the selected contractor to plan the construction staging in a manner that cost effectively supports and coordinates detailed construction sequencing to maintain PF&R's emergency response throughout the construction period.

The Station 21 Project could benefit from a CM/GC with:

- Real-time cost estimating
- Controlling cash-flow schedule
  - Earlier construction start to reduce inflation impacts on the project budget
  - Allows early purchase of long-lead items
- Reduced overall project duration leads to reductions in overhead costs

***Finding:*** *CM/GC procurement method has a higher likelihood of resulting in substantial cost savings to the public contracting agency compared to the DBB process.*

#### IV. CONCLUSION

City of Portland meets the requirements for allowing an exemption to the competitive bidding process as identified in ORS 279C.335 (2). Use of CM/GC alternative procurement process for the Portland Fire & Rescue Fire Station 21 project allows:

- Evaluation of total project costs based on project design
- Guarantee of the maximum price at final design, absent changes in the scope of work.
- Access to technical expertise in planning for sequencing construction phases during design
- Taking advantage of the contractor's knowledge and experience in assessing constructability and developing cost effective designs,
- Experienced management of multi-disciplined technical subcontractors

- Team-building and partnering with the project team and the design team
- Early procurement of long lead time materials and equipment
- Coordinated responsibility for worker safety
- CM/GC assumption of some risk (i.e., cost, schedule, safety, maintaining service, and constructability).
- Reduction of risk of construction delays and unanticipated costs for PF&R
- Accelerated schedule with early solicitation of subcontract bid packages and early construction concurrent with final design
- Selection of a highly Qualified Contractor as opposed to a minimally qualified contractor
- The ability to enhance M/W/ESB subcontracting opportunities by requiring a subcontractor and supplier plan that addresses means to increase participation