DRAFT Findings in Support of Alternative Contracting Method

For Wastewater Treatment Plant Septage Acceptance and Grit Decanter Stations

Introduction

The Use of Alternative Contracting methods, such as the Progressive Design Build method, is made possible under ORS Chapter 279C, which permits certain contracts or classes of contracts to be exempt from competitive public bidding under strict procedural safeguards.

Pursuant to ORS 279C.335, a local contract review board may exempt specific contracts from traditional, competitive bidding by showing that an alternative contracting process is unlikely to encourage favoritism or diminish competition and will result in cost savings to the public agency. The Oregon Attorney General's Model Public Contract Rules provide for public notice and opportunity for the public to comment on draft findings in favor of an exemption before their final adoption.

ORS 279C.33O provides that: "findings" means the justification for a contracting agency conclusion that includes, but is not limited to, information regarding:

- Operational, budget and financial data;
- Public benefits;
- Value engineering;
- Specialized expertise required;
- Public safety;
- Market conditions;
- Technical complexity;
- Funding sources

Background

The City's Wastewater Treatment Plant is location at 5000 SE Port Ave. The Septage Receiving Acceptance Plant and Grit Handing System need upgrading. The City has general goals for the required upgrades but desires that a design/construction team review the goals of the project and recommend solutions to problems so that City staff can determine the best solution considering design and actual costs.

Operational, Budget, and Financial Data

The project has budget limits and working within approved budget is critical. Using the Progressive Design Build contracting process will allow the City to price different design options during design with a contractor involvement in the design. The Contractor will give the City a not to exceed price before construction is authorized.

Market Conditions

The Progressive Design Build contracting process is a modern construction delivery method used by both public and private organizations. The team is tasked with knowing the latest construction techniques and products. The chosen contractor is given the opportunity to

incorporate their knowledge of current market conditions, labor and materials availability, and construction methodologies and reduce construction time and costs.

Technical Complexity

There are several design options for the upgrade to the Septage Acceptance Station and the new Grit Decanter Station varies in the recommended design solutions. The design specifics will consider the user needs and new permit requirements as well as the cost to construct each potential design solution. There are limitations with site work, existing utilities, and the availability of materials. Having a civil engineer select a method and develop plans and then bid the contract does not offer the City the guaranteed lowest cost and most effective project.

Funding Sources

The Progressive Design Build method of contracting provides the greatest cost controls for limited budgets and therefore benefits the City. This method allows the flexibility to look at potential solutions with costs early in the concept stage so that the City can request project construction budget from City Council early in the project that is based on a contractor's estimate.

Unlikely to Encourage Favoritism or Diminish Competition

It is unlikely that the process of selecting a contractor through the Progressive Design Build method will encourage favoritism in the awarding of the public contract or substantially diminish competition for the public contract. Competition will not diminish because the Progressive Design Build contract will be awarded based on a competitive process, with clearly identified criteria. Any contractor/engineer team can propose.

Summary

Using the Progressive Design Build method of contracting allows the City to determine the best design solution with the best price. This method eliminates the uncertainty in construction costs because the contractor has been involved in the design process and the unknowns are removed from the construction process thereby reducing costs and delivering the improvements that will meet the City's needs.