

DRAFT Findings in Support of Alternative Contracting Method

For Inspection of Sanitary Force Main by Smart Pigging

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.330 provides that: "findings" means the justification for a contradicting 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 has been having problems with our sanitary sewer force mains that are over 50 to 60 year old and are starting to develop holes in the pipe that causes our maintenance crews to conduct emergency repairs. Instead of budgeting for the replacement of all the old force mains, the City plans run a devise (pig) through our force mains that will tell the City the condition of the force main. Instead of replacing the entire force main we will just replace the sections of the force main that deficient.

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 work with a contractor to design the infrastructure needed to insert and retrieve the pig into the force main and to schedule the amount of force main that will be pigged each year based on the approved

budget. The Contractor will give the City a not to exceed price for each project before construction is authorized by City Council.

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

The design of the pigging infrastructure and the type of pigs to use is dependent on the Force Main. Staff does not have the experience to design this type of system and would prefer to work with a contractor who will be conducting the work versus hiring a design consultant to design the system and then selecting a contractor based on a low bid. Staff preference when dealing with technical complex system hiring the best contractor with the best value for the City.

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 be able to construct the phases as funding becomes available. The approach requires the contractor to compete with other proposals and present the most affordable and efficient method of project implementation.

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 qualified contractor 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 the contractor's price.