



**BOARD OF EDUCATION**  
**June 14, 2021**  
**Virtual Meeting**

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**6:45 pm Findings of Fact Hearing**

*To comply with the Governor’s executive orders, the Board will conduct this meeting by video conference only. Members of the public may,*

- *Watch the meeting via Zoom Webinar: <https://us02web.zoom.us/j/88926236859>*
- *Listen by Zoom Phone: +1-929-205-6099 with Webinar ID 889 2623 6859*

**AGENDA**

**TAB**

- |   |                          |
|---|--------------------------|
| <b>1. Call Meeting to Order</b>                     | Board Chair Zach Bessett |
| <b>2. Public Comments:</b> Submitted Electronically | Chair Bessett            |

*Members of the public may submit written comments by email [public.comment@springfield.k12.or.us](mailto:public.comment@springfield.k12.or.us). Clearly label the subject line as: “Public Comment: Findings of Fact Hearing – June 14, 2021.” The deadline for receiving public comment for the Board to review prior to the Hearing is noon on Monday, June 14, 2021. Public comment submitted by noon on Monday, June 14, 2021 will be posted to the District website as a handout by 4:00pm the day of the Hearing. The Board is committed to the public comment process and will consider all public comment seriously.*

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| <b>3. Closing of Hearing</b> | Chair Bessett |
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**SPRINGFIELD SCHOOL DISTRICT #19**  
**LOCAL CONTRACT REVIEW BOARD HEARING**  
**June 14, 2021**  
**REVIEW FINDING OF FACT FOR USE OF DESIGN-BUILD FOR**  
**CONSTRUCTION, REPAIR AND REVONVATION PROJECTS INCLUDING**  
**HVAC UPGRADES AND BUILDING SYSTEM IMPROVEMENTS**

**RELEVANT INFORMATION:**

Except as specified for certain circumstances, the Oregon Revised Statutes (279C) require that the procurement of all public improvement contracts be based upon competitive bids. Public contracting agencies may exempt public improvement contracts from the requirements of competitive bidding, based on findings described in ORS 279C.

The pre-design work on projects is beginning. At this time, the management team working on the projects has evaluated a method to construct the projects utilizing the Design-Build process.

Historically, public construction projects are competitively bid and awarded to the responsible low bidder. During recent project proposal meetings, the Design-Build contracting method has been discussed. This proves involves the selection of a Design-Build firm or firms during the predesign phase to involve a contractor's expertise to purchase/coordinate the design phase and hire contractors required to complete the construction phase of the projects. The Design-Build method has been successfully implemented by the following public agencies:

- Beaverton School District
- Gresham-Barlow School District
- Hillsboro School District
- Marcola School District
- Multnomah County
- Oregon Health Sciences University
- Salem-Keizer School District

ORS 279C.335 permits the Local Contract Review Board, which for Springfield School District is the Board of Directors, to exempt specific projects from the requirements of ORS 279C. In doing so, the statute specifically says that the Local Contract Review Board shall: "where appropriate, direct the use of alternative contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods, which are also consistent with the public policy of encouraging competition."

Oregon law and duly adopted resolution of the Gresham-Barlow School District permits the Springfield School District Board of Directors, acting as the Local Contract Review Board, to consider and approve specific finding that lead to the exemption of certain contracts/projects from traditional competitive public bidding. Selection of the Design-Build firms for these projects will utilize a Request for Proposal. The Request for Proposal will identify specific criteria to be utilized for the selection.

ORS 279C.335(4) requires Springfield School District to hold a public hearing of the Local Contract Review Board to allow comments on the Springfield School District's draft findings. Notice of this public hearing must be advertised in at least one trade newspaper of general statewide circulation not less than 14 days prior to the hearing.

Notice of public hearing was advertised in the Daily Journal of Commerce on May 24, 2021.

## **FINDINGS OF FACT**

### **1. Project Description**

The Springfield School District is currently in the pre-design phase for the development and construction of Heating Ventilation and Air Conditioning systems (HVAC) throughout the District. The projects will require tight schedule adherence to resolve issues that could impact timely completion and operation of schools for students and staff. The time required to complete the design, obtain bids from qualified subcontractors, and order the equipment/materials required will compress the time available for construction/installation. The management team, which includes district staff and project management, believe the design/bidding and construction should be the responsibility of the Design-Build firm or firms.

### **2. Scope of work**

The HVAC projects throughout the district may include additions, renovations, replacements and upgrades for the following Springfield School District sites and other buildings/sites owned by Springfield School District:

- Academy of Arts and Academics
- Brattain Campus
- Centennial Elementary School
- Douglas Gardens Elementary School
- Guy Lee Elementary School
- Mohawk Elementary School
- Mt. Vernon Elementary School
- Page Elementary School
- Riverbend Elementary School
- Springfield High School

- Thurston High School
- Thurston Middle School
- Two-Rivers/Dos Rios Elementary School
- Yolanda Elementary School
- Walterville Elementary School

### **3. Responsibilities of the Design-Build Firm or Firms**

- a) Design Phase: The Design-Build firm or firms will provide the design and construction documents required to obtain permits and competitive bids, development of construction schedules, bid packaging, cost estimating, and the review of design documents from the standpoint of value, long lead procurements, design feasibility, constructability and establishing a negotiated cost or bid for the work prior to the start of the construction phase.
- b) Bid Process: The Design-Build firm or firms will coordinate the competitive bid process and material procurement process for all work with full oversight and participation by Springfield School District. The Design-Build firms will provide a written recommendation to Springfield School District for each subcontract. Upon approval from Springfield School District the Design-Build firms will execute a contract with the approved subcontractor or subcontractors.
- c) Construction Phase: The Design-Build firm or firms will be responsible for the construction of the Project, including scheduling of materials procurement, delivery and all the work completed by their employees and by subcontractors. The Design-Build firms are responsible to complete the project on schedule, within the budget and at, or above, the quality defined in the specification prepared by the District.

### **4. Potential Benefits of Design-Build Process**

- a) Reduced Design Effort and Cost for Owner: Instead of retaining an architect or engineer to prepare 100% complete plans and specification, the District prepares performance-type specifications establishing the scope of the project including information that adequately describes the District's needs.
- b) Innovative Solutions to Construction Challenges: Construction documents suitable for competitive bidding under Design-Bid-Build need to address all construction issues in detail. This method and results may not always be the most advantageous to the District. Using the Design-Build process, in the course of completing the construction documents, the Design-Build firm may arrive at a better solution. This flexibility also means the District must define its expectations clearly and monitor the design development closely to ensure that it meets the project requirements.

- c) Improve Project Delivery Schedule: The initial design phase may be reduced because the District does not prepare construction documents required for Design-Bid-Build projects. Using the Design-Build process, the Design-Build firm may be able to complete the design more quickly. Subject to permitting procedures, a Design-Build firm may be able to begin construction before final plans for the entire project are complete. For example, work that does not need a permit can be underway before design for interior finishes, mechanical systems and special systems are finalized.
- d) Define Cost Early in the Process: The price of a fully designed project is not known until the owner opens bids. At that time, the District may discover that it cannot afford to build the project as designed. The rapid cost escalation of some construction materials has made cost forecasting even more difficult. Cost-reduction changes delay construction and increase design costs. Price escalation during the delay makes the budget a moving target. With Design-Build, the District knows what the project will cost when it awards the contract provided there are no material changes to the project or unforeseen conditions.
- e) Allows the District to consider factors other than price in selecting the Design-Build Firms: The ORS allows district to award projects based upon “best value and other criteria” such as technical design, construction expertise and life cycle costs.

## **5. Rationale to Utilize Design-Build Method**

- a) Competition: It is unlikely that such exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts as the Design-Build firms will be selected through an open, competitive process among qualified contractors. Springfield School District will receive written proposal from Design-Build firms with the experience and staff required to complete the project. The process will include Request for Proposal that will be publicly advertised and Springfield School District may interview the firms before recommend a firm to the School Board for approval.
- b) Multiple Construction Packages: The construction may be completed in phases and may require early bid or procurement packages. Completing the project in phases should result in cost savings.
- c) Procurement of Long Lead Items: The Design-Build method will allow the early procurement of long lead material/equipment. Examples include mechanical equipment and electrical equipment. Early procurement should result in cost savings.
- d) Schedule Complexity: The projects will face tight construction schedules to achieve timely occupancy. By phasing the completion of construction documents, bid, award and construction, the schedule efficiency required can be achieved. The Design-Build process allows the phasing that will be required.

- e) Change Order Cost Control: Change orders should be controlled in two ways:
  - a. By utilizing a Design-Build firm to provide cost analysis, construction feasibility reviews and long lead procurement, the final number of change orders should be reduced. Reduction in change orders should result in cost savings.
  - b. By proposing a fixed fee for overhead and profit, the Design-Build firm's fixed fee is added to the actual cost of the change. It is expected this will be less than the standard fee and markup added to change orders on projects awarded to a bondable, low bidder. Reduction of overhead and profit on change orders should result in cost savings.
- f) Acceleration: Utilizing the Design-Build approach will reduce the risk of acceleration expense to complete the Projects on time. Reduction or elimination of the cost to accelerate construction to complete the Projects on time should result in cost savings.
- g) Improved Cost Management: The financial track record of Design-Build projects is impressive. The Hillsboro School District, Beaverton School District and Gresham-Barlow School District have used the Design-Build method to complete many construction projects with significant success considering timeliness of the project completions, cost savings and adherence to budget limitations.
- h) Subcontractor Bidding and Selection: The Design-Build firms will have adequate time to prepare bid packages and review/analyze bids received from subcontractors. The work subcontracted will be awarded to the lowest responsible bidder. This bid process will not result in favoritism. Utilizing qualified subcontractors should result in better quality and cost savings.
- i) Market Conditions: Many general contractors and subcontractors are being impacted by the quantity of bids for funding projects in the next four years. Currently the cost of materials and labor is adjusting to market conditions. Ordering materials and equipment may take longer now as the manufacturers and distributors are not keeping large amounts of inventory in stock. The Design-Build firms will order the materials and equipment in a timely manner from manufacturers and distributors that can deliver the material and equipment on-time and avoid delays caused by late shipments.
- j) Awareness and Involvement by Local Contractors and Suppliers: The Design-Build firms selected will be required to identify local contractors and suppliers to starting the bid process. The project management team and the Design-Build firms will schedule meetings with contractors and suppliers to review the scopes of work and bid dates. This process allows for local contractor and supplier participation in the projects.

- k) Qualified Management: The project management team working on these projects are well equipped to manage the complexities of Design-Build construction processes, with experience and qualified district staff and external project management with successful experience.

## **6. Operational, Budget and Financial Data**

The projects will result in efficient mechanical and electrical systems thus minimizing operations costs. Generally the method of construction will have little effect on the operation budget. However, the Design-Build process may further reduce operational cost through the use of life cycle analytics to assist in the selection of systems and equipment.

## **7. Public Benefits**

The primary public benefit is more expeditious and cost effective completion of the projects. The Design-Build process provides for better collaboration to ensure the projects will be completed on time, on budget, and at, or above, the quality described in the construction documents. It provides better opportunities for reducing construction time by fast tracking construction where beneficial.

## **8. Value Engineering**

Because the Design-Build firm is responsible for the design, the Design-Build firm will identify and implement design solution and possible cost savings opportunities. This process allows the project team to evaluate quality materials, equipment and life cycle costs, thereby helping to reduce operating costs.

## **9. Specialized Expertise Required**

Completing a complicated project on time, on budget and at or avoid the quality expected requires the Design-Build firms to dedicate a qualified team with the experience and expertise to work with Springfield School District and the project manager. With such experience, mistakes are likely fewer and disruptions are likely to be minimized. The request for proposal used to select the Design-Build firm will enable Springfield School District to select the best contractor for the projects.

## **10. Public Safety**

The Design-Build firms will prepare a construction safety plan for the project. The construction safety plan will help ensure projects are built safely and will minimize risks to citizens and projects.

## **11. Technical Complexity**

Completing a fast track construction project on an occupied site is complex. The process Springfield School District has elected to use will address the technical complexity and should save time and reduce the final cost.

## **12. Funding Sources**

These projects will be paid for with Elementary and Secondary School Emergency Relief (ESSER) Funds. The Design-Build process will better enable Springfield School District to manage resources available to complete projects.

The Design-Build process will provide Springfield School District the following advantages:

- Cost savings, as described above.
- Reduction of schedule risk typically associated with complex construction projects.
- Opportunity to select qualified Design-Build firms versus award project to any bondable low bidder.
- Accurate cost data for project decisions.
- Greatest assurance of project completions.
- Higher confidence in completing quality construction.

## **RECOMMENDATION**

It is recommended that the Board of Directors, acting in the capacity of the Local Contract Review Board, review and approve the Findings of Fact supporting the use of the Design-Build process when the project management team believes it is in the best interest of Springfield School District.

Board action will occur during the regular board business meeting.