

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

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OFFICE OF THE BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
BLANCHARD EDUCATION SERVICE CENTER
PORTLAND, OREGON

The Regular Meeting of the Board of Education came to order at 5:02pm at the call of Co-Chair Greg Belisle in the Board Auditorium of the Blanchard Education Service Center, 501 N. Dixon St, Portland, Oregon.

There were present:

Pam Knowles, Co-Chair
Ruth Adkins
Bobbie Regan
Tom Koehler
Steve Buel
Matt Morton - *absent*
Greg Belisle, Co-Chair

Andrew Davidson, Student Representative

Staff

Carole Smith, Superintendent
Caren Huson-Quiniones, Board Senior Specialist

PUBLIC COMMENT

Deborah Barnes, President of the North Clackamas Educational District, stated that they had bargained with their union using the IBIS method and asked why PPS was not doing that. From her perspective, there is nothing better than sharing a Margarita with the Superintendent when you are done bargaining, or speaking with a Board member during bargaining. You need to work together as a team.

Margi Brown asked the Board to provide a simple 3-part oral quarterly report which would include:

1) what are the quarterly process or project goals of selected key departments for achieving the year-end graduation rate and third grade reading outcomes in the compact agreement; 2) what was accomplished during the last quarter (including preparation during the summer); and, 3) what are the significant plans for the next quarter.

Michael Kelly, parent of a Metro Learning Center (MLC) student, stated that as a consequence of the recent negative publicity regarding MLC, a group of parents felt compelled to come here tonight to share an alternative perspective and to make public our commitment to resolving the issues at the school. MLC is a family. We are fiercely protective of MLC and this sometimes puts us in conflict with the district and sometimes the conflicts are internal. Fifteen members of the audience stood in support of Mr. Kelly's statement.

Ayana Horn, a member of the MLC community, stated that they are uncompromisingly committed to constructive engagement in the resolution of conflicts.

Scott Bailey, speaking on behalf of Our Portland Our Schools, commented that equity was at the center of their work and that they were in favor of shifting the school year to a balanced calendar. There have been a number of articles in the media about this.

Rees Bushman, parent of a MLC student, stated that there are many more varied options of what the Board may have heard. MLC parents are united in their advocacy for the school. It serves our students very well.

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ADOPTION OF 2012-2016 SUBSTITUTE TEACHER CONTRACT

Sean Murray, Chief Human Resources Officer, reported that the District and Union negotiated 12 times and held two mediation sessions. A tentative agreement had been reached. Major topics included: wages, insurance, building restrictions and clarification of discipline.

AUDIT REPORT: HIGH SCHOOL GRADUATION RATES

Auditor Richard Tracy provided a PowerPoint presentation. He indicated that he had compared PPS to other school districts both in Oregon and other states. His research identified 3 major predictors of dropping out: attendance, behavior, and course performance. Oregon has lower graduation rates than most other states (common measure nationwide). His audit results show that other large Oregon school districts outperform Portland. PPS has the lowest 2011-12 cohort graduation rate of the ten largest districts in Oregon; four-year completion rate is the third lowest. PPS dropout-non-completer rate is average compared to other large districts. However, PPS has improved graduation and dropout rates over the past four years. Mr. Tracy commented that his audit results show that school districts in Oregon and other states implement practices that contribute to improved graduation success. His Case Study Highlights include intensive and systematic focus on student attendance; coaches and mentors provide personal and year-round attention to help at-risk students and dropouts; reduced use of contract alternative schools and options; and, exposure to career and college in elementary and middle schools. What works is focus on attendance, student engagement through intensive intervention, more effort with middle school students, and structured mentoring and after-school programs.

Director Koehler mentioned that the report tells him that other districts are doing better with less money, and that the report calls out for a little less permissiveness.

Director Regan commented that this was the best audit because it is what they were here for. She is curious to hear more about districts moving away from community based alternative schools. Director Regan mentioned that the Salem-Kaizer Foundation funds dozens of mentors for struggling students and wondered if this was something the Portland School Foundation could also do.

Director Adkins stated that she hopes the High School Action Team covers all of the details of the audit, and that we need to address the accountability of principals in the graduation rates.

Co-Chair Knowles mentioned that looking at attendance was very important. Director Koehler asked what the timeline was for all the items included in management's response to the audit. Sue Ann Higgins, Chief Academic Officer, responded that the next step was to share the audit with principals and district leaders to develop a work plan.

Director Regan asked if the District should consider small schools such as those used elsewhere. Superintendent Smith responded yes, and that staff and Board members could visit other districts.

Director Buel stated that he has a lot of trouble in trying to figure out what we want to do. We need to create more autonomy for teachers and make classes more interesting and real world learning. We have not spelled out as a District what we want to do educationally. We need engaging classrooms where students are engaged in the work.

UPDATE: EQUITY IMPLEMENTATION PLAN

Lorenzo Poe, Chief Equity Officer, reported that the Equity Office was excited about the direction of their work, yet also knows there is work to be done. The Office of Equity was tasked with leading the development and implementation of the Racial Equity Policy and monitoring District progress towards equity outcomes.

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Jeanine Fukuda, Assistant Director of Equity, walked the Board through the annual plan document which summarizes PPS progress for 2012-2013.

David Wynde, Deputy Chief Financial Officer, reported that the PPS Equity Policy makes two differentiations in resources. This year we used the racial equity lens which formed discussions on staffing and how we looked at the central budget.

Mary Pearson, Director of Special Education, provided their mission statement and strategic alignment framework.

Director Buel questioned what direction the District was going in terms of kids and what was the long-range plan for classroom management and cultural curriculum? Are we teaching children not to be racist and teaching their cultural history. Mr. Poe responded that he did not have specifics on the educational side of the Equity Plan. Superintendent Smith mentioned that Franklin High School has taken the equity topic to their leadership students. For PPS, it is about the adults and how we work with kids. Director Buel asked how the kids from Somalia play into our equity work and whether we were training our teachers on how to work with those students culturally. Mr. Poe responded that we engage with our community partners from ethnic backgrounds.

EDUCATIONAL SPECIFICATIONS FACILITIES VISION/DRAFT RESOLUTION DISCUSSION

Paul Cathcart, Project Manager, provided a PowerPoint presentation and introduced John Weekes and Nance Hamilton who assisted in putting together the vision process and working with constituents. Mr. Cathcart provided background information on the overall project. A set of facility guidelines have been created that establish the way school buildings support programs and curriculum, and establish baseline facilities across the District. Mr. Weekes explained the process that resulted in the document before the Board. Ms. Hamilton stated that folks want schools to be more welcoming and inviting and safe. The school buildings should also be more healthy and include light and air.

Director Regan commented that we want the buildings to be environmentally sustainable buildings and also want the buildings to reduce our operational costs. She hopes all new buildings will contain air conditioning. Ms. Regan mentioned that she did not feel the Vision Statement was as strong as it could be.

Director Koehler asked for staff to return with the cost of Phase I and Phase II.

Director Buel questioned if the windows will open in all of the new buildings we will be constructing. Mr. Cathcart responded that more light and air in the classrooms are a high priority.

PUBLIC HEARING: ALTERNATIVE CONTRACTING PROCESS CONSTRUCTION MANAGER/GENERAL CONTRACTOR FOR FRANKLIN AND ROOSEVELT HIGH SCHOOLS REMODERNIZATION PROCESS

Co-Chair Belisle convened the Board as the Local Contract Review Board and opened the public hearing on the Franklin High School Alternative Contracting Process. Receiving no public comment, he closed the public hearing and opened the public hearing on the Roosevelt High School Alternative Contract Process. Receiving no public comment, he closed the public hearing.

Elaine Baker, Procurement Director, reviewed the report, draft findings and recommendations.

Director Buel asked if the District has certain companies in mind that would bid on the projects. Jim Owens, Executive Director of the Office of School Modernization, responded that he expects 15-18 firms to bid. With an RFP, there are a number of firms that will respond. Staff will go through a scoring/ranking process and then enter into agreement with the highest ranking firm.

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Co-Chair Belisle re-convened the Board back into their Regular Meeting.

MONTHLY CAPITAL IMPROVEMENT BOND UPDATE

Mr. Owens reported that the Wilson Roofing Project would be completed on time and come in on budget.

Steve Henderson, owner of P&C Construction, provided a PowerPoint presentation on the work that was being performed at Wilson High School.

Mr. Owens reviewed the balanced score card and provided a financial update.

Director Regan asked if the Wilson roof would be able to have solar panels placed on it in the future. Mr. Owens responded that the consultant was looking at the feasibility and that we expect a report very shortly.

TABLED RESOLUTION

Director Buel withdrew his original Resolution No. 4790 from the previous meeting regarding Board meeting dates and start time.

BUSINESS AGENDA

In response to a question from Director Buel, Korrina Wolfe, Director of Education Options, explained district-wide alternative services and community-based alternative schools and organizations and that the District pays for slots at the contracted entities that serve our students. Small school settings are able to focus on an individual child's needs.

Co-Chair Belisle noted that Director Buel wished to submit a walk-on resolution and asked the Board to vote on suspending their rule of no walk-on resolutions. The Board voted 2-4 (2 yes, 4 no) on suspending their rules. The motion on suspending the Board rules failed.

ADJOURN

Co-Chair Belisle adjourned the meeting at 8:31pm.

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Purchases, Bids, Contracts

The Superintendent RECOMMENDED adoption of the following items:

Numbers 4793 and 4794

Director Knowles moved and Director Adkins seconded the motion to adopt the above numbered items. The motion was put to a voice vote and passed unanimously (vote: 6-yes, 0-no; with Director Morton absent and Student Representative Davidson voting yes, unofficial).

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RESOLUTION No. 4793

Revenue Contracts that Exceed \$25,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$25,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

No New Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE ("IGA/Rs")

No New Intergovernmental Agreements/Revenue

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount Contract Total	Responsible Administrator, Funding Source
City of Portland	7/1/2013 through 6/30/2014	Intergovernmental Agreement/ Revenue IGA-R 59206 Amendment 1	Creative Science Center, Creston Annex and Kelly Center: Grant Funds to be used to support three extended-day Head Start classrooms.	\$257,053 \$514,106	H. Adair Fund 205 Dept. 9999 Grant G1347

LIMITED SCOPE REAL PROPERTY AGREEMENTS AND AMENDMENTS

No Limited Scope Real Property Agreements or Amendments

N. Sullivan

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RESOLUTION No. 4794

Expenditure Contracts that Exceed \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Portland Youth Builders	7/1/2013 through 6/30/2014	Personal Services PS 59933	District-wide: Alternative education services. RFP 2010-107	\$254,713	K. Wolfe Fund 101 Dept. 5485
Mt. Scott Park Center for Learning, Inc.	7/1/2013 through 6/30/2014	Personal Services PS 59968	District-wide: Alternative education services. RFP 2010-107	\$875,350	K. Wolfe Fund 101 Dept. 5485
Native American Youth & Family Center	7/1/2013 through 6/30/2014	Personal Services PS 59969	District-wide: Alternative education services. RFP 2010-107	\$688,800	K. Wolfe Fund 101 Dept. 5485
Pathfinders of Oregon	7/1/2013 through 6/30/2014	Personal Services PS 59972	District-wide: Alternative education services. RFP 2010-107	\$197,313	K. Wolfe Fund 101 Dept. 5485
Portland Community College	7/1/2013 through 6/30/2014	Personal Services PS 59973	District-wide: Alternative education services. RFP 2010-107	\$2,310,350	K. Wolfe Fund 101 Dept. 5485
Rosemary Anderson High School	7/1/2013 through 6/30/2014	Personal Services PS 59974	District-wide: Alternative education services. RFP 2010-107	\$1,155,175	K. Wolfe Fund 101 Dept. 5485
Youth Employment Institute	7/1/2013 through 6/30/2014	Personal Services PS 59976	District-wide: Alternative education services. RFP 2010-107	\$466,375	K. Wolfe Fund 101 Dept. 5485
Youth Progress Association	7/1/2013 through 6/30/2014	Personal Services PS 59977	District-wide: Alternative education services. RFP 2010-107	\$337,225	K. Wolfe Fund 101 Dept. 5485
Open Meadow Alternative Schools	7/1/2013 through 6/30/2014	Personal Services PS 59979	District-wide: Alternative education services. RFP 2010-107	\$1,255,625	K. Wolfe Fund 101 Dept. 5485
De Paul Treatment Centers, Inc.	7/1/2013 through 6/30/2014	Personal Services PS 60029	District-wide: Alternative education services. RFP 2010-107	\$258,300	K. Wolfe Fund 101 Dept. 5485
Albina Head Start	9/1/2013 through 8/31/2014	Personal Services PS 60027	Roosevelt & Madison: Provide Head Start program for 28 infants and toddlers.	\$200,000	K. Wolfe Fund 101 Dept. 4306

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NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
TriMet and City of Portland	9/1/2013 through 6/30/2014	Intergovernmental Agreement IGA 60xxx	District-wide: Implementation of student transit pass project to provide free transportation on regular TriMet and Portland Streetcar service routes to students enrolled at District high schools and designated Multiple Pathways to Graduation Department programs.	\$966,666	T. Magliano Fund 101 Dept. 5560

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

N. Sullivan

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Other Matters Requiring Board Approval

The Superintendent RECOMMENDED adoption of the following items:

Numbers 4795 through 4797

During the Committee of the Whole, Director Regan moved and Director Adkins seconded the motion to adopt Resolution 4795. The motion was put to a voice vote and passed unanimously (vote: 6-yes, 0-no; with Director Morton absent and Student Representative Davidson voting yes, unofficial).

During the Committee of the Whole, Director Regan moved and Director Knowles seconded the motion to adopt Resolution 4796. The motion was put to a voice vote and passed unanimously (vote: 6-yes, 0-no; with Director Morton absent and Student Representative Davidson voting yes, unofficial).

During the Committee of the Whole, Director Knowles moved and Director Regan seconded the motion to adopt Resolution 4797. The motion was put to a voice vote and passed unanimously (vote: 6-yes, 0-no; with Director Morton absent and Student Representative Davidson voting yes, unofficial).

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RESOLUTION No. 4795

2012-2016 Agreement between Portland Association of Teachers (Substitutes) and School District No. 1J, Multnomah County, Oregon

RESOLUTION

The Chairperson of the Board of Education and the Chief Human Resources Officer are authorized and directed to execute the 2012-2016 Agreement between the Portland Association of Teachers, representing substitute teachers, and School District No. 1J, Multnomah County, Oregon, on the terms presented to the Board and filed in the record of this meeting.

S. Murray

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RESOLUTION No. 4796

Franklin High School Full Modernization Project and Roosevelt High School Full Modernization Project:
Exemption from Competitive Bidding and Authorization for Use of Construction Manager/General
Contractor (CM/GC) Alternative Contracting Method

RECITALS

- A. The 2012 Capital Improvement Bond includes funding to fully modernize Franklin High School (FHS) and Roosevelt High School (RHS) . These public improvement projects will result in schools that more effectively support school operations and the learning environment.
- B. The Board is designated as the Local Public Contract Review Board (Contract Review Board) under ORS 279A.060.
- C. ORS 279C.335 (2) authorizes the Contract Review Board to exempt certain public contracts or classes of contracts from the competitive bidding process; this statute allows for use of Alternative Contracting Methods, such as CM/GC.
- D. The District intends to complete the FHS and RHS Remodernization projects as part of the 2012 Capital Bond work. The FHS project has a budget of approximately \$85 million The RHS project has a budget of approximately \$70 million.
- E. Use of the CM/GC Alternative Contracting Method for the FHS and RHS Full Modernization projects has been reviewed and recommended by the 2012 Capital Bond Accountability Committee.
- F. The CM/GC process supports the District's Equity Plan. Other local public agencies have found that use of the CM/GC process commonly results in increased contracting with Minority-owned, Women-owned and Emerging Small Businesses.
- G. District staff have significant experience in use of Alternative Contracting and the CM/GC method.
- H. Staff have determined that the CM/GC Alternative Contracting Method is highly suited to the FHS and RHS full modernization projects. This determination is supported by Findings of Fact in Attachment A to this Resolution.
- I. These Findings specify financial, operational and logistical advantages gained through use of a CM/GC process for these two projects:
 - 1. Careful coordination and scheduling will be essential to both projects in order to minimize disruptions to school operations, tenant operations, and the surrounding neighborhoods. The alternative process allows for screening of firms to assure firms working on the project have the necessary experience and qualifications to successfully work in such site conditions.
 - 2. Experience has shown that the CM/GC process results in financial gain due to minimized delays and reduced requests for additional work; the CM/GC is engaged early in the design process and the CM/GC's expertise and knowledge is able to be fully utilized in the design as it progresses.

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- J. On August 6, 2013, the District issued two public notices in the Daily Journal of Commerce announcing the District's intent to utilize the CM/GC method for the FHS and RHS projects and availability of draft Findings of Fact for public review and comment. These notices were issued in compliance with ORS 279C and the PPS Public Contracting Rules.
- K. As of August 15, 2013 the District received no public comment regarding these draft findings.
- L. The Superintendent recommends exemption of both the FHS and RHS Full Modernization Projects from Competitive Bidding and use of Alternative Contracting Methods.

RESOLUTION

1. The Contract Review Board hereby exempts the Franklin High School and Roosevelt High School full modernization public improvement contracts from competitive bidding requirements, as provided in ORS 279C.335 and PPS Public Contracting Rules PPS-49-0145. The Contract Review Board approves District staff to instead utilize the Construction Manager/General Contractor Alternative Contracting Method as specified in PPS Public Contracting Rules PPS-49-0600 through PPS-49-0620
2. In compliance with ORS 279C.335 (2) and PPS-49-0145, this exemption is supported by the Findings of Fact provided in Attachments A and B.
3. The Contract Review Board hereby delegates authority to the Superintendent or her designee to issue a CM/GC Request for Proposal solicitation for the following public improvement contracts: Franklin High School Full Modernization and Roosevelt High School Full Modernization.

N. Sullivan / C. Sylvester

Attachment A: Findings of Fact – Franklin High School Modernization Project

Attachment B: Findings of Fact – Roosevelt High School Modernization Project

August 19, 2013

ATTACHMENT A

DATE: July 8, 2013
TO: Portland Public Schools
Board of Education
FROM: Jim Owens, PE
Executive Director – Office of School Modernization
SUBJECT: Alternative Contracting Methodology – Exemption from Public Contracting Rules
Use of the CM/GC Contract Method for the Franklin HS Modernization Project

REQUEST: The Board of Education (Board), acting as the Local Contract Review Board for the Portland Public School District (District), is requested to grant an exemption from the traditional Design-Bid-Build process and approve the Alternative Contracting Method of Construction Manager/General Contractor (CM/GC) for the remodel of the Franklin HS Modernization Project (Project). Further, that the District hold the requisite public hearing offering the opportunity for any interested party to appear and present comment at that hearing on the draft findings for this exemption. The foregoing being in accordance with PPS-49-0600 and related Oregon statutes.

SITUATION: The 2012 Capital Improvement Bond includes funding to renovate Franklin High School to allow for full modernization of the school's facilities. The building requires certain improvements to upgrade the building so it will be more conducive to the High School's operation and learning environment.

PROJECT SCOPE: The project includes, but is not limited to, hazardous material abatement, mechanical/electrical/plumbing upgrades, structural reinforcing and informational technology improvements as well as new interior partitions, architectural finishes and site/landscaping improvements to a facility which includes historically significant components originally constructed in 1915.

CONSTRUCTION PLAN: This project will address many challenges and require careful planning and coordination during the design and construction phases to complete it effectively and efficiently as well as robust budget and schedule controls being essential to the project's success. It will be important to utilize a construction firm with the following specific traits,

- the requisite expertise in renovating historically significant facilities
- an exemplary reputation for on-time delivery
- has innovative approaches to unique opportunities
- understands the importance of an integrated project team to a project's success
- experienced working closely with architects and engineers with emerging technology such as Building Information Modeling
- advise the District on the state of the current market and engage the local sub-contracting community in support of the District's Equity in Public Purchasing and Contracting and Student Engagement programs

The conventional design-bid-build contracting methodology that represents the basis of public contracting in the State of Oregon would expose the District to a significant amount of risk based on the parameters of this project. The inherent complexity of aligning new construction with existing facilities to remain, multiple and interdependent project phases, and staff and the limited financial resource of the general obligation bond funding for the project are all critical issues which the project team, including the contractor, must address successfully. Traditional design-bid-build contracting approach, which only considers the lowest priced bid that conforms to the bidding requirements, does not allow the District to consider any of these issues when selecting the most appropriate contractor.

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To appropriately manage these critical needs within this project, the recommendation of PPS staff is to utilize the CM/GC Alternative Contracting Methodology. Through this selection process, a request for proposal (RFP) will be issued for the project, utilizing critical project issues as qualitative criteria for selecting a contractor. It is important to have the firm on board by late February or early March to work closely with the Architect and the District to set the strategic plan to successfully execute the work within the budget and time constraints during the design process.

PPS-49-0620 and ORS 279C.335 permits the PPS Board of Education to exempt specific projects from the competitive bidding requirements of PPS Public Contracting Rules and Oregon Revised Statute (ORS) 279C. Proposals from prospective CM/GC firms will include a competitive quote for their Fee for the Project. The selected CM/GC will provide the District with a Guaranteed Maximum Price (GMP) and a 100% Performance and Payment Bond for the work. Subcontract work will be competitively bid by the CM/GC.

PPS's Public Contracting Rules and ORS 279C require that the District create findings for the Board to consider and accept to approve this exemption. The Board is required to hold a public hearing to take comments on the draft findings for the exemption, and the District is required to publish a notice of the hearing at least fourteen (14) calendar days in advance of the hearing. Following are the staff's findings for the Board's consideration.

FINDINGS OF FACT

- 1. Finding Related to Operational, Budget and Financial Data:** Due to the invasive nature of this project, careful coordination and scheduling will be essential so as not to affect the surrounding neighborhood due to the limit site space. Staff finds that the ability to carefully screen firms for this ability to work in and around others without undue interruption and the firm's successful performance history with this kind of project will significantly affect the project outcome as it relates to the schedule and cost of the project. History in utilizing the CM/GC method has shown that it alleviates financial risk by to minimizing delay and requests for additional work through engaging the CM/GC early in the design process and incorporating the CM/GC's comments and experience into the on-going design efforts. This results in the reduction of design conflicts and limits construction challenges through informed design.

Staff therefore finds that reduced risks provide a significant value and cost savings to the District.

- 2. Finding Related to Public Benefit:** Creating a project team at the start of the project comprised of the Architect, the District and the Contractor, through selection of the CM/GC, allows the contractor to participate in the early design process offering current and tested solutions that create more informed, and better quality decision making. This results in better utilization of voter approved funding which demonstrates good stewardship of public funds by PPS. Furthermore, due to the constrained nature of the project site and its location embedded in a neighborhood, the use of the CM/GC contracting strategy will allow the team to utilize the CM/GC to develop noise and traffic mitigation plans and incorporate those requirements into the design of the project.

Staff therefore finds that a better informed and more efficient construction team reduces the District financial exposure and enhances delivery of the project for its education mission which benefits the constituents of PPS.

- 3. Finding Related to Value Engineering:** The CM/GC process offers a unique opportunity for value engineering that is not possible through the design-bid-build process where the contractor is not engaged until the project design is complete. Value engineering during the design process minimizes errors in contract drawings and specifications, develops more constructible solutions to complex building issues, enhances the overall value of the building through better system selection and allows for accurate scheduling and staff resourcing.

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Staff therefore finds that value engineering helps minimize cost and coordinates construction to deliver a better project in a timelier manner at a lower overall cost.

4. **Finding Related to Specialized Expertise Required:** The challenge of performing this project in an occupied building while maintaining building operations is a significant task. Multiple phases, limited contractor layout yard space and close neighborhood proximity are all logistical challenges that must be successfully addressed to avoid delays to the project schedule and impacts to the budget. It is important to utilize a general contractor that has demonstrated expertise in managing, scheduling and performing in these types of conditions in a satisfactory manner.

Staff therefore finds that selecting a firm through the CM/GC process allows the District to contract with a firm with the appropriate expertise.

5. **Finding Related to Public Safety:** During the Bond development, Franklin High School construction was envisioned to start after students and staff had been relocated to Marshall High School, during the summer of 2015. Once the CM/GC is on board, and the Master Plan has been developed, there may be an opportunity to start construction prior to the completion of the academic school year.

Renovations in operational facilities place students, staff and the general public in close proximity to on-going construction operations such as open trenches, in-progress demolition or open building infrastructure such as electrical panels or mechanical units. Utilizing the proposed safety and security protocols as a selection criterion will enhance the District's ability to provide safe and secure buildings while completing major renovations to improve the learning environment for its students and staff which would not be considerations under the traditional design-bid-build contracting approach.

Staff therefore finds that the ability to select a firm that understands our security and safety needs reduces risk for the District during the construction phase.

6. **Finding Related to Technical Complexity:** This project includes a multiplicity of technical issues related to electrical systems, pipe routing, HVAC systems and fire alarm systems to name a few. Of critical importance is the interfacing of newly modernized facility space with existing systems or structure that are to remain as a part of the completed project. It is important to the project's success for both budget and schedule that the District have a general contractor that
 - understands the complexity of the existing and to be installed systems
 - has the ability/experience to manage these types of complex projects
 - is afforded the opportunity to explore and uncover unforeseen issues during design
 - can develop bid instructions to attract the appropriate subcontractors to perform the work.

Staff therefore finds that selecting a firm through the CM/GC process allows the District to contract with a firm early enough within the project to allow them time to appropriately investigate existing conditions and consider design alternatives in concert with the design team that will facility fully coordinated systems.

7. **Finding Related to Funding Sources:** This project is a part of the 2012 Bond Program. It is important to maximize the value of projects performed as a part of the Bond as critical factors in delivering the overall bond program successfully. Further, as a general obligation bond, the District is limited to a specific dollar amount for use to complete the bond projects. Once funding is depleted, any additional costs would have to be funded from the general fund, thus reducing operational funds for staff and other operational needs. By engaging the CM/GC during the design process, the CM/GC can assist the District in containing costs and aligning the project's on-going design with budgetary limits.

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Staff therefore finds, by past experience, that utilizing the CM/GC process allows the District to maximize its financial control effectiveness.

8. **Finding Related to Favoritism and Competition:** It is unlikely the requested exemption will encourage favoritism or substantially diminish competition. The District utilizes a RFP process to select the CM/GC firm. That procurement is formally advertised with public notice and disclosure of the planned Alternative Contracting Method, competition will be encouraged. Furthermore, the CM/GC process is a widely utilized contracting methodology in the State of Oregon and has frequently been utilized by other school districts on many similar projects. The general contracting market is familiar with the RFP process and generally accepts the CM/GC process as a standard delivery process. Many general contractors prefer and seek out CM/GC opportunities. The award will be based upon an identified selection criteria and contractors are afforded an opportunity to protest the process and the award. Once selected, the CM/GC will select subcontractors via competitive bid process in accordance with PPS Contracting Rules.

Staff therefore finds that the CM/GC process does not create favoritism nor limit competition due to the open public process of engaging the CM/GC.

9. **Finding Related to Cost Savings:** It has been staff's past experience that the CM/GC Alternative Contracting Method has produced a timelier, better coordinated project thus saving the District cost when analyzing the overall cost of a major construction process.

Staff therefore finds that the District will experience overall project cost savings in utilizing the CM/GC method of contracting.

RECOMMENDATION:

Request that the Board of Education:

1. Adopt the findings as presented
2. Grant an exemption from the traditional Design-Bid-Build process as provided in PPS-49-0620 and ORS 279C
3. Approve the alternative contracting method of CM/GC for the Franklin HS Modernization Project.

This work will be funded from the 2012 Capital Improvement Bond as well as other funding sources. It is required that the Board hold the public hearing offering the opportunity for any interested party to appear and present comment at that hearing on these draft findings for this exemption prior to the Board's adoption.

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Attachment B

DATE: July 8, 2013

TO: Portland Public Schools
Board of Education

FROM: Jim Owens, PE
Executive Director – Office of School Modernization

SUBJECT: Alternative Contracting Methodology – Exemption from Public Contracting Rules
Use of the CM/GC Contract Method for the Roosevelt HS Modernization Project

REQUEST: The Board of Education (Board), acting as the Local Contract Review Board for the Portland Public School District (District), is requested to grant an exemption from the traditional Design-Bid-Build process and approve the Alternative Contracting Method of Construction Manager/General Contractor (CM/GC) for the remodel of the Roosevelt HS Modernization Project (Project). Further, that the District hold the requisite public hearing offering the opportunity for any interested party to appear and present comment at that hearing on the draft findings for this exemption. The foregoing being in accordance with PPS-49-0600 and related Oregon statutes.

SITUATION: The 2012 Capital Improvement Bond includes funding to renovate Roosevelt High School to allow for full modernization of the school's facilities. The building requires certain improvements to upgrade the building so it will be more conducive to the High School's operation and learning environment.

PROJECT SCOPE: The project includes, but is not limited to, hazardous material abatement, mechanical/electrical/plumbing upgrades, structural reinforcing and informational technology improvements as well as new interior partitions, architectural finishes and site/landscaping improvements to a facility which includes historically significant components originally constructed in 1921.

CONSTRUCTION PLAN: This project will address many challenges and require careful planning and coordination during the design and construction phases to complete it effectively and efficiently as well as robust budget and schedule controls being essential to the project's success. It will be important to utilize a construction firm with the following specific traits:

- the requisite expertise in renovating historically significant facilities
- an exemplary reputation for on-time delivery
- experienced supervisory staff working in and around occupied facilities
- has innovative approaches to unique opportunities
- understands the importance of an integrated project team to a project's success
- experienced working closely with architects and engineers with emerging technology such as Building Information Modeling
- advise the District on the state of the current market and engage the local sub-contracting community in support of the District's Equity in Public Purchasing and Contracting and Student Engagement programs

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The conventional design-bid-build contracting methodology that represents the basis of public contracting in the State of Oregon would expose the District to a significant amount of risk based on the parameters of this project. The inherent complexity of aligning new construction with existing facilities to remain, multiple and interdependent project phases, close proximity of students and staff and the limited financial resource of the general obligation bond funding for the project are all critical issues which the project team, including the contractor, must address successfully. Traditional design-bid-build contracting approach, which only considers the lowest priced bid that conforms to the bidding requirements, does not allow the District to consider any of these issues when selecting the most appropriate contractor.

To appropriately manage these critical needs within this project, the recommendation of PPS staff is to utilize the CM/GC Alternative Contracting Methodology. Through this selection process, a request for proposal (RFP) will be issued for the project, utilizing critical project issues as qualitative criteria for selecting a contractor. It is important to have the firm on board by late February or early March to work closely with the Architect and the District to set the strategic plan to successfully execute the work within the budget and time constraints during the design process.

PPS-49-0620 and ORS 279C.335 permits the PPS Board of Education to exempt specific projects from the competitive bidding requirements of PPS Public Contracting Rules and Oregon Revised Statute (ORS) 279C. Proposals from prospective CM/GC firms will include a competitive quote for their Fee for the Project. The selected CM/GC will provide the District with a Guaranteed Maximum Price (GMP) and a 100% Performance and Payment Bond for the work. Subcontract work will be competitively bid by the CM/GC.

PPS's Public Contracting Rules and ORS 279C require that the District create findings for the Board to consider and accept to approve this exemption. The Board is required to hold a public hearing to take comments on the draft findings for the exemption, and the District is required to publish a notice of the hearing at least fourteen (14) calendar days in advance of the hearing. Following are the staff's findings for the Board's consideration.

FINDINGS OF FACT

- 1. Finding Related to Operational, Budget and Financial Data:** Due to the invasive nature of this project, careful coordination and scheduling will be essential so as not to affect the school and/or its tenant operations. Staff finds that the ability to carefully screen firms for this ability to work in and around others without undue interruption and the firm's successful performance history with this kind of project will significantly affect the project outcome as it relates to the schedule and cost of the project. History in utilizing the CM/GC method has shown that it alleviates financial risk by to minimizing delay and requests for additional work through engaging the CM/GC early in the design process and incorporating the CM/GC's comments and experience into the on-going design efforts. This results in the reduction of design conflicts and limits construction challenges through informed design

Staff therefore finds that reduced risks provide a significant value and cost savings to the District.

- 2. Finding Related to Public Benefit:** Creating a project team at the start of the project comprised of the Architect, the District and the Contractor, through selection of the CM/GC, allows the contractor to participate in the early design process offering current and tested solutions that create more informed, and better quality decision making. This results in better utilization of voter approved funding which demonstrates good stewardship of public funds by PPS.

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Staff therefore finds that a better informed and more efficient construction team reduces the District financial exposure and enhances delivery of the project for its education mission which benefits the constituents of PPS.

3. **Finding Related to Value Engineering:** The CM/GC process offers a unique opportunity for value engineering that is not possible through the design-bid-build process where the contractor is not engaged until the project design is complete. Value engineering during the design process minimizes errors in contract drawings and specifications, develops more constructible solutions to complex building issues, enhances the overall value of the building through better system selection and allows for accurate scheduling and staff resourcing.

Staff therefore finds that value engineering helps minimize cost and coordinates construction to deliver a better project in a more timely manner at a lower overall cost.

4. **Finding Related to Specialized Expertise Required:** The challenge of performing this project in an occupied building while maintaining building operations is a significant task. Multiple phases, limited contractor layout yard space, and coordinating construction deliveries with school operations are all logistical challenges that must be successfully addressed to avoid delays to the project schedule and impacts to the budget. It is important to utilize a general contractor that has demonstrated expertise in managing, scheduling and performing in these types of conditions in a satisfactory manner.

Staff therefore finds that selecting a firm through the CM/GC process allows the District to contract with a firm with the appropriate expertise.

5. **Finding Related to Public Safety:** Renovations in operational facilities place students, staff and the general public in close proximity to on-going construction operations such as open trenches, in-progress demolition or open building infrastructure such as electrical panels or mechanical units. Utilizing the proposed safety and security protocols as a selection criterion will enhance the District's ability to provide safe and secure buildings while completing major renovations to improve the learning environment for its students and staff which would not be considerations under the traditional design-bid-build contracting approach.

Staff therefore finds that the ability to select a firm that understands our security and safety needs reduces risk for the District during the construction period.

6. **Finding Related to Technical Complexity:** This project includes a multiplicity of technical issues related to electrical systems, pipe routing, HVAC systems and fire alarm systems to name a few. Of critical importance is the interfacing of newly modernized facility space with existing systems or structure that are to remain as a part of the completed project. It is important to the project's success for both budget and schedule that the District have a general contractor that
 - a. understands the complexity of the existing and to be installed systems
 - b. has the ability/experience to manage these types of complex projects
 - c. is afforded the opportunity to explore and uncover unforeseen issues during design
 - d. can develop bid instructions to attract the appropriate subcontractors to perform the work.

Staff therefore finds that selecting a firm through the CM/GC process allows the District to contract with a firm early enough within the project to allow them time to appropriately investigate existing conditions

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and consider design alternatives in concert with the design team that will facilitate fully coordinated systems.

7. **Finding Related to Funding Sources:** This project is a part of the 2012 Bond Program. It is important to maximize the value of projects performed as a part of the Bond as critical factors in delivering the overall bond program successfully. Further, as a general obligation bond, the District is limited to a specific dollar amount for use to complete the bond projects. Once funding is depleted, any additional costs would have to be funded from the general fund, thus reducing operational funds for staff and other operational needs. By engaging the CM/GC during the design process, the CM/GC can assist the District in containing costs and aligning the project's on-going design with budgetary limits.

Staff therefore finds, by past experience, that utilizing the CM/GC process allows the District to maximize its financial control effectiveness.

8. **Finding Related to Favoritism and Competition:** It is unlikely the requested exemption will encourage favoritism or substantially diminish competition. The District utilizes a RFP process to select the CM/GC firm. That procurement is formally advertised with public notice and disclosure of the planned Alternative Contracting Method, competition will be encouraged. Furthermore, the CM/GC process is a widely utilized contracting methodology in the State of Oregon and has frequently been utilized by other school districts on many similar projects. The general contracting market is familiar with the RFP process and generally accepts the CM/GC process as a standard delivery process. Many general contractors prefer and seek out CM/GC opportunities. The award will be based upon an identified selection criteria and contractors are afforded an opportunity to protest the process and the award. Once selected, the CM/GC will select subcontractors via competitive bid process in accordance with PPS Contracting Rules.

Staff therefore finds that the CM/GC process does not create favoritism nor limit competition due to the open public process of engaging the CM/GC.

9. **Finding Related to Cost Savings:** It has been staff's past experience that the CM/GC Alternative Contracting Method has produced a timelier, better coordinated project thus saving the District cost when analyzing the overall cost of a major construction process.

Staff therefore finds that the District will experience overall project cost savings in utilizing the CM/GC method of contracting.

RECOMMENDATION:

Request that the Board of Education,

1. Adopt the findings as presented
2. Grant an exemption from the traditional Design-Bid-Build process as provided in PPS-49-0620 and ORS 279C.
3. Approve the alternative contracting method of CM/GC for the Roosevelt HS Modernization Project.

This work will be funded from the 2012 Capital Improvement Bond as well as other funding sources. It is required that the Board hold the public hearing offering the opportunity for any interested party to appear and present comment at that hearing on these draft findings for this exemption prior to the Board's adoption.

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RESOLUTION No. 4797

Proposal to Revise Calendar of Regular Board Meetings
School Year 2013-2014

RECITAL

After approving a Board meeting calendar at the May 20, 2013 Board meeting, the Board of Education would like to reconsider the date and time of scheduled Board meetings

RESOLUTION

The Board of Education hereby directs staff to come back to the Board on September 9th with a calendar reflecting a schedule moving the Regular Board Meetings for the upcoming 2013-2014 school year to begin at 6pm on Mondays.