



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

CITY COUNCIL October 24, 2023 Council Chambers • 411 SW 9th Street

COUNCIL MEMBERS

- Ed Fitch
Mayor
- Cat Zwicker
Council President
- Tobias Colvin
Councilor
- Clifford Evelyn
Councilor
- John Nielsen
Councilor
- Kathryn Osborne
Councilor
- Shannon Wedding
Councilor

OCTOBER 24, 2023

REGULAR MEETING AGENDA

6:00 PM

- I. CALL TO ORDER / ESTABLISH A QUORUM**
- II. BLESSING - Pastor Thomas Bengé, Redmond Community Church**
- III. PLEDGE OF ALLEGIANCE**
- IV. CITY ANNOUNCEMENTS**
- V. COMMENTS FROM CITIZENS AT THE MEETING**
Citizen comments are limited to three (3) minutes per person and will be accepted for a period of 30 minutes. Comments should be focused on City of Redmond business. Attendees are asked to refrain from interrupting, calling-out, or cheering during citizen comments.
- VI. CONSENT AGENDA**
 - A. Minutes of September 5, 2023, Council Workshop
 - B. Minutes of September 12, 2023, Council Meeting
 - C. Purchase of Two Used Cab & Chassis Trucks for the Public Works Transportation Division, in an amount not to exceed \$152,000.
- VII. PRESENTATIONS**
 - A. Evergreen Gym: Prioritization and Initial Considerations for Future Use
 - B. Initial Policy Discussion on determining the future use of the existing Redmond Police Department Building at 777 SW Deschutes Avenue
 - C. Closure of SW 8th Street to Connect Centennial Park: Timing, Purpose and Prioritization
 - D. Major Capital Project Update: Public Safety Facility
 - E. Major Capital Project Update: Airport Terminal Expansion
 - F. Major Capital Project Update: Redmond Wetlands Complex
- VIII. CONTRACT REVIEW BOARD**
 - A. Resolution #2023-21 - A resolution adopting findings in support of an alternative contracting method for the Redmond Wetlands Complex.
 - B. Resolution #2023-22 - A resolution adopting findings in support of an alternative contracting method for the Eastside Arterial Project.

- IX. ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING**
- X. CITY MANAGER COMMENTS**
- XI. COUNCIL COMMENTS**
- XII. MAYOR'S COMMENTS**
- XIII. ADJOURN**

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.

The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.

The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

SPECIAL CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD SEPTEMBER 5, 2023, IN CIVIC ROOMS 207/208.

COUNCIL MEMBERS PRESENT: Tobias Colvin – Clifford Evelyn – Ed Fitch – John Nielsen – Kathryn Osborne – Shannon Wedding – Cat Zwicker

STAFF PRESENT: City Manager Keith Witcosky – Parks Planner and Project Manager Maria Ramirez – Deputy City Manager/Chief Financial Officer Jason Neff – City Attorney Keith Leitz – Police Chief Devin Lewis – Communications Director Heather Cassaro – Public Works Director/City Engineer Jessica MacClanahan – City Recorder Kelly Morse

JUNIPER GOLF COMMITTEE MEMBERS PRESENT: Pam Garney – Maarty Leunen – Tom Majchrowski – Jim McDonald – Matt McGowan – Don Noldge – Jake Van Cleave

MEDIA PRESENT: None

Mayor Fitch called the meeting to order at 6:00 pm. Introductions of those in attendance took place.

PROCLAMATIONS

A. 22nd Anniversary of September 11, 2001

Councilor Zwicker moved, seconded by Councilor Evelyn, to approve the proclamation designating September 11, 2023, as a citywide period of honor and support for the 22nd anniversary of September 11, 2001, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

Councilor Nielsen read the proclamation aloud. Mayor Fitch recalled his memories of September 11, 2001, and was grateful the proclamation was brought to the Council.

PRESENTATIONS & DISCUSSIONS

A. Joint Workshop with the Juniper Golf Committee

Parks Planner and Project Manager Maria Ramirez presented the history and background of the Juniper Golf Course, the current operating agreement with CourseCo, future capital projects in comparison with available resources, and potential opportunities to expand services. The Council's direction was being sought on resources and the future of the golf course and restaurant.

Deputy City Manager/Chief Financial Officer Jason Neff addressed the course's historical operating cash flow, golf revenue, and expenditures.

Juniper Golf Committee (Committee) Chair Matt McGowan shared two of the Committee's ideas for expansion: expanding the driving range to two stories with covered stalls and Toptracer technology and constructing an events pavilion. Chair McGowan added that a driving range using the technology does not currently exist in Central Oregon. After doing a feasibility study on an events pavilion, the Committee believes it would cost more than the driving range expansion. The Council and the Committee discussed both ideas.

The Council requested additional information and more concrete costs for the two ideas brought forward, noting the importance of the return on investment and a marketing strategy. Councilor Colvin noted with the formation next month of the Tourism Committee, any tourism tax dollar requests would be made to the new committee.

Mr. McGowan described the next step for the driving range idea, which include a feasibility study, then asked if doing so would be worth the cost. Mayor Fitch stated there is some skepticism about investing

additional monies from the General Fund over what has already been allotted for the course. He spoke about opportunities to maximize revenue by converting the clubhouse to a banquet facility and having food trucks outside near the driving range. With CourseCo's contract expiring in 2025, a strong discussion is needed about the future of the course and how it will be managed. Mayor Fitch stated he was not in favor of doing a feasibility study right now due to the cost.

Councilor Zwicker suggested the Committee talk to large executive groups about whether they would be interested if the golf course operated something where they could host trainings, etc. Committee member Don Noldge urged building the course into a facility that attracts more families and particularly youth where people can practice all year long. Ms. Ramirez clarified the Committee was projecting \$20,000 for a Toptracer/driving range feasibility study. Mayor Fitch recommended putting together a list of items that can be addressed and improved at Juniper Golf Course.

Councilor Nielsen commented that any improvement which increases the number of vehicles will require addressing the current parking issues. The Council was in agreement with Councilor Colvin's recommendation of a phased approach with parking being the first consideration. In addition, Councilor Colvin suggested finding the necessary funding for the feasibility study. The Council concurred with Councilor Colvin's phased approach with a feasibility study.

Committee member Tom Majchrowski spoke about stakeholder communication and how the Committee can best work together. He recommended the Council attend the Committee meetings periodically to see what they are doing and to offer input.

Mayor Fitch recommended Ms. Ramirez put together a memo regarding the consensus from the meeting adding that the Council and Committee can then work out any clarity issues and move forward on phasing.

CourseCo Chief Operating Officer Tom Bugbee added they are proud of their partnership with the City and the work they have done at Juniper Golf Course. He added the worksession was helpful and will allow them to put together additional data for a firmer ask.

B. Support for Redmond Fire Levy

Mayor Fitch stated a letter of support was already signed by the Council.

There being no further business, the meeting was adjourned at 7:08 pm.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 24th day of October 2023.

Ed Fitch, Mayor

ATTEST:

Kayla Duddy, Deputy City Recorder

REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD SEPTEMBER 12, 2023, IN COUNCIL CHAMBERS.

COUNCIL MEMBERS PRESENT: Tobias Colvin – Ed Fitch (Virtual) – John Nielsen – Kathryn Osborne – Shannon Wedding – Cat Zwicker

COUNCIL MEMBERS EXCUSED: Clifford Evelyn

STAFF PRESENT: City Manager Keith Witcosky – Deputy City Manager John Roberts – Deputy City Manager/Chief Financial Officer Jason Neff – City Attorney Keith Leitz – Police Chief Devin Lewis – Public Works Director/City Engineer Jessica MacClanahan – City Recorder Kelly Morse – Communications Director Heather Cassaro – Water Utilities Manager Joshua Wedding – Network Administrator Christian Armatas

MEDIA PRESENT: None

Council President Zwicker called the meeting to order at 6:00 pm. A quorum was established.

BLESSING

Rabbi Yossi Feintuch from the Jewish Center of Central Oregon led the blessing.

PLEDGE OF ALLEGIANCE

Councilor Osborne led the Pledge of Allegiance.

At this point in the meeting, Council President Zwicker accepted comments regarding the proclamations on the Consent Agenda from Redmond residents Liz Goodrich, Monica Huey, and Don Deland, Latino Community Association Interim Director Daniel Hernandez, and a member of the Veterans of Foreign Wars Deschutes Post 4108.

Hilda Leon read the Welcoming City Proclamation. Councilor Wedding read the Honor Flight of Central Oregon Welcome Home Day Proclamation. Council President Zwicker read the POW-MIA Awareness Day Proclamation. Councilor Nielsen read the Suicide Prevention Month Proclamation.

At this point in the meeting, Council President Zwicker moved to Comments from Citizens at the Meeting.

CITY COUNCIL ANNOUNCEMENTS

There were no announcements from Council.

At this point in the meeting, Council President Zwicker moved to the Consent Agenda.

COMMENTS FROM CITIZENS AT THE MEETING

A. Written Comments from Eastern Oregon Concerned Communities

Powell Butte resident Trish Davis addressed the Council regarding her concerns with the proposed location of Oasis Village.

Redmond resident Donna Abelein spoke about the American Revolutionary War.

Central Oregon Building and Construction Trades Council’s President David Burger and Secretary/Treasurer Mike Alldritt shared information on Community Benefits Agreements.

At this point in the meeting, Council President Zwicker moved to City Council Announcements.

CONSENT AGENDA

- A. Minutes of August 1, 2023, City Council Joint Workshop**
- B. Welcoming City Proclamation**
- C. Honor Flight of Central Oregon Welcome Home Day Proclamation**
- D. POW-MIA Awareness Day Proclamation**
- E. Suicide Prevention Month Proclamation**

Councilor Wedding moved, seconded by Councilor Colvin, to approve the Consent Agenda, motion passed. (Colvin-yes, Evelyn-absent, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

PRESENTATIONS

- A. Redmond Water Permit Application to Oregon Water Resources Department Update**

GSI Water Solutions' Principal Water Resources Consultant Adam Sussman and Water Resources Consultant Owen McMurtrey, and Central Oregon Cities Organization Lobbyist Doug Riggs provided an update on the status of Redmond's ground water permit application with the Oregon Water Resources Department (WRD). Questions from the Council were addressed throughout the presentation.

- B. Fiscal Year 2022/23 - 4th Quarter / Year-End Financial Report**

Deputy City Manager and Chief Financial Officer Jason Neff presented the 4th Quarter year-end financial report, noting that overall the City is in a good, stable financial position.

ACTION ITEMS

- A. Transcription Services Contract with ABC Transcription Services, LLC; Not to exceed \$100,000**

Deputy City Manager John Roberts requested approval to renew the contract for transcription services with ABC Transcriptions Service, LLC, in a not-to-exceed amount of \$100,000.

Councilor Nielsen moved, seconded by Councilor Colvin, to award a five-year contract for transcription services to ABC Transcription Services, LLC, in a not-to-exceed amount of \$100,000 and authorize the City Manager to sign the contract, motion passed. (Colvin-yes, Evelyn-absent, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

Redmond resident and business owner Joe Strong expressed concerns about Redmond's homeless situation.

Redmond resident Lena Barry spoke regarding Oasis Village and the various proclamations approved at the meeting.

CITY MANAGER COMMENTS

City Manager Keith Witcosky recognized the Transportation Division crew for their night work performing street maintenance. He also recognized the women in Redmond's Police Department because September 12, 2023, is designated as National Policewoman Day.

COUNCIL COMMENTS

Councilor Colvin announced that applications were now being taken for the newly formed Tourism Committee.

Councilor Osborne thanked Redmond’s first female Council President, Cat Zwicker, for successfully leading the meeting.

Councilor Wedding shared that the Redmond Area Park and Recreation District is seeking applicants for a bond oversight committee.

Councilor Nielsen announced that Sunday, October 1, 2023, is the Heaven Can Wait 5K which is a nonprofit cancer awareness walk benefiting Sara’s Project.

MAYOR’S COMMENTS

Mayor Fitch thanked Council President Zwicker for running the meeting, addressed editorials about the prayer at Council meetings, and commented on Oasis Village.

There being no further business, the meeting was adjourned at 7:34 pm.

Prepared by ABC Transcription Services, LLC
Reviewed by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 24th day of October 2023.

Ed Fitch, Mayor

ATTEST:

Kayla Duddy, Deputy City Recorder



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
Jessica MacClanahan, Public Works Director/City Engineer
FROM: Brad Haynes, Street Operations Manager
SUBJECT: Purchase of Two Used Cab & Chassis Trucks for the Public Works Transportation Division, in an amount not to exceed \$152,000.

Report in Brief:

This item requests authorization to purchase two used cab & chassis trucks in an amount not to exceed \$152,000.

Background:

The Street Operations Heavy Equipment Replacement Schedule has identified two 5-yard dump trucks for replacement. These trucks require considerable maintenance and are past their useful life.

Discussion:

New vehicles have been difficult to procure due to supply chain issues. The City is able to purchase two used cab and chassis trucks to meet the existing need for trucks in Streets Operations.

Fiscal Impact:

The cost to purchase this equipment is included in the Fiscal Year 2023/24 budget in the Transportation Capital Vehicle and Equipment Sub-Fund (22163-01-000-07-00-06).

Alternative Courses of Action:

1. Approve the purchase.
2. Do not approve the purchase.
3. Request more information.

Recommendation / Suggested Motion:

"I move to approve the purchase of two used cab & chassis trucks in an amount not to exceed \$152,000."







CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Chuck Arnold, Economic Development/Urban Renewal Program Manager
SUBJECT: Evergreen Gym: Prioritization and Initial Considerations for Future Use

Report in Brief:

The purpose of this item is to seek City Council's initial perspective and level of priority for the future of the Evergreen Gym Building located on the City Hall campus.

Background:

The 1940's era Evergreen Gym building is located on the southwest corner of the City Hall block. The building is approximately 20,000 square feet surrounded by a landscaped sidewalk perimeter for a total footprint of about one acre. From a land use perspective, the property is part of the City Hall parcel and is zoned Public Facilities.

The building is 80 years old and has been inoperable for about 14 years. It was not included as part of the 2016 renovation of the Evergreen School.

A 2017 structural analysis by FFA Architecture concluded the building has several issues which could cost upwards of \$6M - \$8.5M (at a minimum) including structural, HVAC, plumbing, accessibility, and life safety systems.

Discussion:

Possible Re-use/Future Use Requires further research and cost. Possibilities could include:

1) Restore Building

An architectural and engineering assessment in 2017 found that addressing the issues would likely require an investment of at least \$280 per square foot (in 2017 dollars), or about \$5.5 million investment. This investment would only bring the building to a level of structural safety and base operability. Essentially, a new building would be constructed within the existing structure.

According to more recent market analysis, historical renovations of this type have experienced construction costs increases of at least 50% since the 2017 analysis. In current dollars, building structure renovation could likely cost \$8.25 million.

Additionally, tenant improvements to re-use the building vary greatly depending upon the scope. For example, creating a childcare facility in that location would be a considered a middle range buildout (comparatively more than a warehouse or basic office, but less than a restaurant or medical facility). Middle range buildouts vary from \$81 to \$135 per square foot or approximately an additional \$1.5 to \$2.6 million.

2) Demolish Building

Based upon recent demolition costs of public buildings, including the Redmond Library and the buildings comprising the former City Hall, removing the building would cost around \$20 per square foot or about \$400,000. The Redmond Library building demolition and site clearing totaled \$300,000. The gym and library are similar in building size and property.

3) Redevelop Site

Any new use needs to consider zoning, neighborhood scale, adjacent uses, parking demand, proximity to other public investments, costs, and policy goals.

Of primary note, as the population of Redmond continues to increase, maintaining City service levels will require more space than is available at City Hall, and any re-use of the building should accommodate City staffing needs.

Other concepts that have been mentioned in the past include housing, childcare, community uses, among others.

Questions for Policymakers to Consider:

- 1) What is the priority (meaning timing) to determine the future of the building?
- 2) Should there be additional technical analysis on re-use costs?
- 3) Should there be an interim-use (meaning demolish as an initial step)
- 4) Can it accommodate more than one use (will require technical analysis.
- 5) Should Urban Renewal resources be invested in this property?

Fiscal Impact:

For policy discussion only. No fiscal impact at this time.

Alternative Courses of Action:

For policy discussion only.

Recommendation / Suggested Motion:

No recommended motion.



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Chuck Arnold, Economic Development/Urban Renewal Program Manager
SUBJECT: Initial Policy Discussion on determining the future use of the existing Redmond Police Department Building at 777 SW Deschutes Avenue

Report in Brief:

The purpose of this item is to receive City Council's initial thoughts on a strategy and timing for determining the future use consideration of the Police Department Building and property at 777 SW Deschutes Avenue, tax lot 151316AB12400 (PD Building). The Redmond Police Department is expected to vacate the building in early 2025.

Background:

The PD Building is located on the northwest corner of SW Deschutes Avenue and 7th Street in Downtown Redmond. The location is in the Central Business District and is inside the Downtown Overlay District (D.O.D.). Zoning in the D.O.D. is intended to encourage a vibrant mix of pedestrian-oriented uses, including residential, shopping, and entertainment uses. The property is amongst many other public buildings, including the Deschutes Public Library site to the west, City Hall to the southwest, Deschutes County to the south and north, and Centennial Park and parking lot also to the south.

Discussion:

The PD Building was constructed in 1998, and is 13,978 square feet surrounded by a 40-stall paved parking lot for a total footprint of 1.10 acres. The single-story concrete block and brick building has been occupied by the Redmond Police Department for its entire history. Major building systems including sewer and HVAC are failing. The property does not have adequate land to support a building expansion. Additionally, the building is not designed to support a second level making expansion difficult.

Value:

A July 2022, appraisal from Bratton Appraisal Group valued the building and property at \$2.375 million. The Deschutes County Assessor's Real Market Value is \$2.856 million.

Future Use Considerations:

Urban Renewal sees a need to encourage private use in the immediate area. Seizing the opportunity to convert the property to private use was also recommended in the Bratton Appraisal. The appraisal discusses the highest and best use to be office or retail.

Adaptive Reuse:

Reusing the building would offer some cost savings but would severely restrict future opportunities.

Demolition:

The appraisal deems demolition to not be the most appropriate path, as the value of the property with the improved building on site is much greater than a vacant site. However, given the condition of the building systems and inability to add a second story, demolition may be required to allow for a varying set of redevelopment options. Based upon some recent demolition costs of public buildings, we could expect removing the building to be roughly around \$400,000.

Urban Renewal Resources:

With other demands and priorities of Urban Renewal resources, staff and policymakers should further explore the trade-offs of the investment level in this property.

Questions to Consider:

- 1) What are the priority end goals that the property should achieve? (e.g., be active and engaged with downtown, provide public space, taxable improvements, etc.)
- 2) What specifically would be the best next use for the property? (e.g., mixed-used housing, public building, park, etc.)
- 3) Should Urban Renewal resources be invested in this property?
- 4) If so, how should that investment be formed? (land purchase, developer incentives, etc.)

Fiscal Impact:

For policy discussion only. No fiscal impact at this time.

Alternative Courses of Action:

For policy discussion only.

Recommendation / Suggested Motion:

No recommended motion.



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Chuck Arnold, Economic Development/Urban Renewal Program Manager
SUBJECT: Closure of SW 8th Street to Connect Centennial Park: Timing, Purpose and Prioritization

Report in Brief:

This purpose of this item is to receive City Council's input on the concept of closing the southern half of SW 8th Street between SW Evergreen Avenue and SW Deschutes Avenue to provide a connect between both phases of Centennial Park.

Background:

The section of SW 8th Street proposed for closure runs north from SW Evergreen Avenue halfway to SW Deschutes Avenue. The Urban Renewal and City investment in both phases of Centennial Park created a large, permanently protected open space in downtown Redmond. The completed park is utilized for community events regularly during the summer, and is frequently used by the general public as well.

Discussion:

Issue:

SW 8th Street acts as a barrier between the two park phases. Users of the park need to navigate the open street in order to connect between the two public phases, particularly during events. Permanent closure of the street, however, would mean loss of direct connectivity through the civic center to the new Redmond Library and existing police department building, and may also directly affect access to the adjacent businesses (a dining establishment and the Becky Johnson Community Center).

A very low confidence cost estimate for infrastructure to enable closing the street as needed for events or permanently closing the half block ranges from \$50,000 to \$250,000.

It is important to note, the Police Department uses this route when responding to calls and would prefer any closure occur after they have moved to their new facility in 2025.

Questions for Policymakers to Consider:

- 1) What is the policy purpose of closing a portion of 8th Street during events?
- 2) Should the City consider a permanent closure, temporary closure, or no closure?
- 3) Should Urban Renewal resources be invested in this project?
- 4) What additional analysis should occur and what level of priority is this work/timing?

Fiscal Impact:

For policy discussion only. No fiscal impact at this time.

Alternative Courses of Action:

For policy discussion only.

Recommendation / Suggested Motion:

No recommended motion.



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
FROM: Devin Lewis, Police Chief
SUBJECT: Major Capital Project Update: Public Safety Facility

Report in Brief:

Update on the progress of the new Public Safety Facility (PSF) project. See attached PowerPoint.

Background:

Update on the progress of the new PSF project. See attached PowerPoint.

Discussion:

Update on the progress of the new PSF project. See attached PowerPoint.

Fiscal Impact:

All funding for the \$49 million PSF project has been secured, including \$5.9 million from the ARPA (CSLFRF) funds, \$3 million from the State Lottery Funds, \$100,000 from the General Fund, and the \$40 million voter approved General Obligation Bond.

Alternative Courses of Action:

No action required - project update only.

Recommendation / Suggested Motion:

No action needed.



Public Safety Facility
Project Update – October 24, 2023



PRESENTED BY

City of Redmond

Devin Lewis – Police Chief

Jason Neff – Deputy City Manager / CFO

Cumming Management Group

Wayne Powderly – Director Project Management

FFA Architecture and Interiors Inc.

Ian Gelbrich – Design Principal

Phil Lopez – Project Designer

Rachel Zanetti – Project Architect

Pence Contractors

John Williamson – Project Executive



AGENDA

- Project Overview
- Progress to Date
- 100% DD Plans
- Project Budget
- Project Schedule
- Next Steps
- Questions and Discussion



PROJECT OVERVIEW

Project Goals

- The new Public Safety Facility will meet the current and future needs of the community as Redmond
- The new Public Safety Facility will triple the square footage of the existing facility
- The new Public Safety Facility will be a warm and welcoming facility for all the community to visit and enjoy



PROGRESS TO DATE

Stakeholders Engagement, Meetings, Presentations

- Weekly Owner/Architect/Contractor Meetings
- Design Charrettes
- Programming
- Police Dept. Staff Involvement
- Open House Community Engagement

Due Diligence

- Planning Dept.
- Building Dept.
- Engineering Dept.
- ODOT





STAFF VISIONING

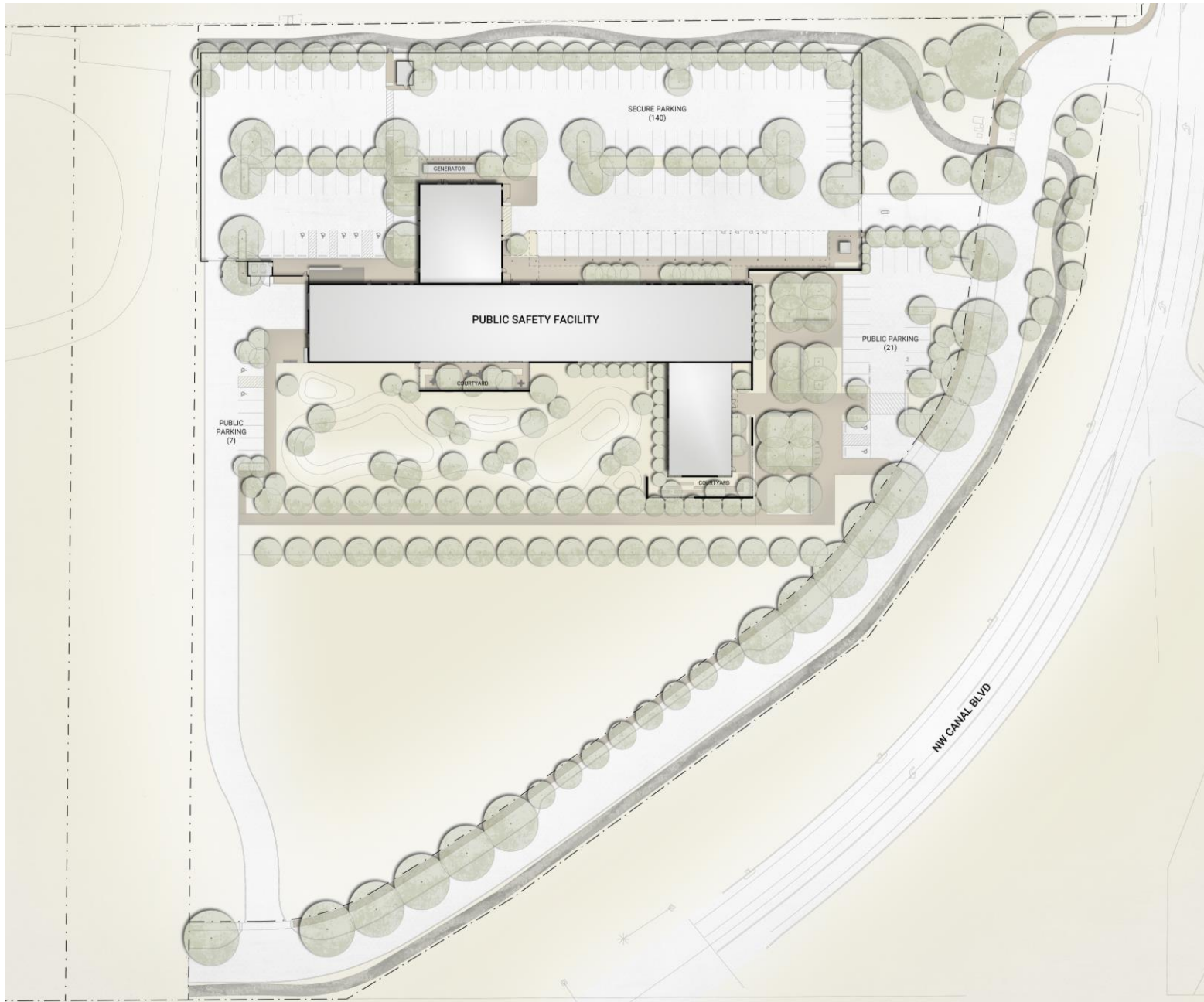


PROJECT DESIGN GOALS

- Provide a warm, welcoming, and open environment
- Support a family culture and high-performing teams
- Create a profession environment without being “formal”
- Connect to nature
- Support physical and mental well-being of staff
- Seek innovative and forward-thinking ideas

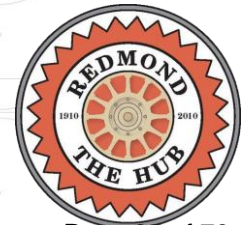


SITE PLAN





FLOOR PLAN | LEVEL 1





FLOOR PLAN | LEVEL 2





REDMOND PUBLIC SAFETY FACILITY

ENTRY VIEW





SOUTH VIEW





COMMUNITY ROOM





BREAKROOM





PATROL
ROOM





FITNESS ROOM

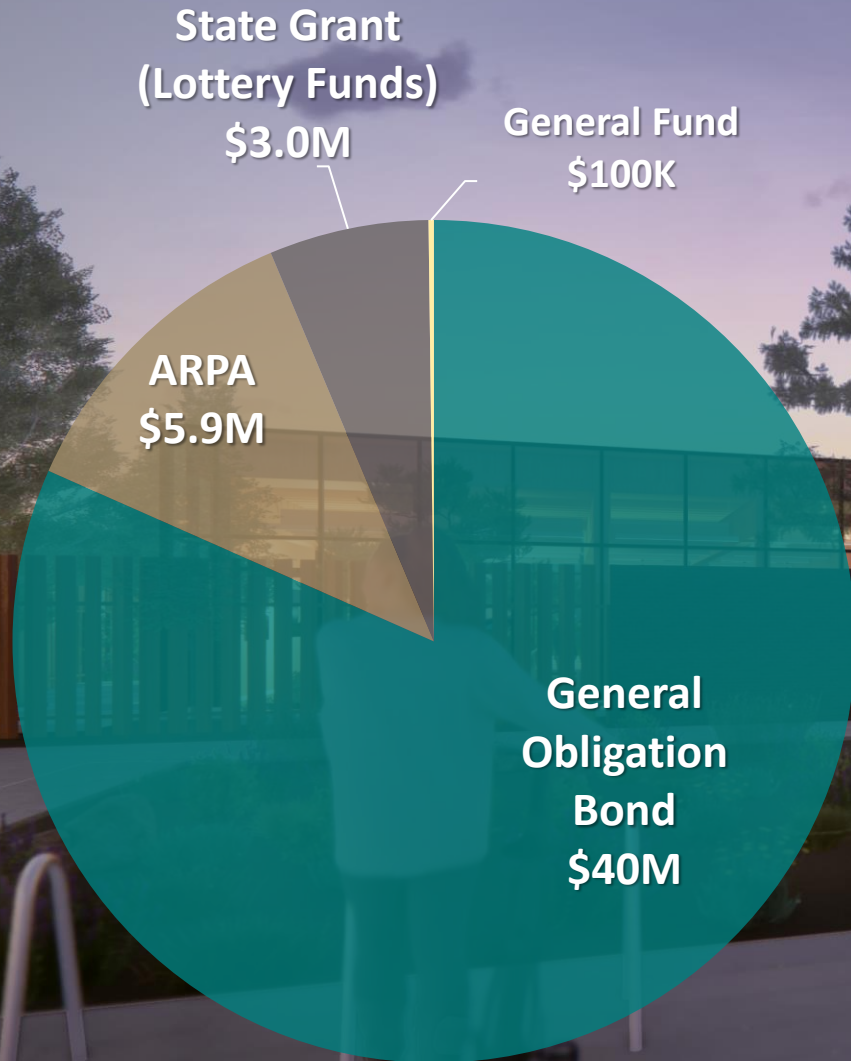




VIRTUAL REALITY WALK-THRU



PUBLIC SAFETY FACILITY FUNDING

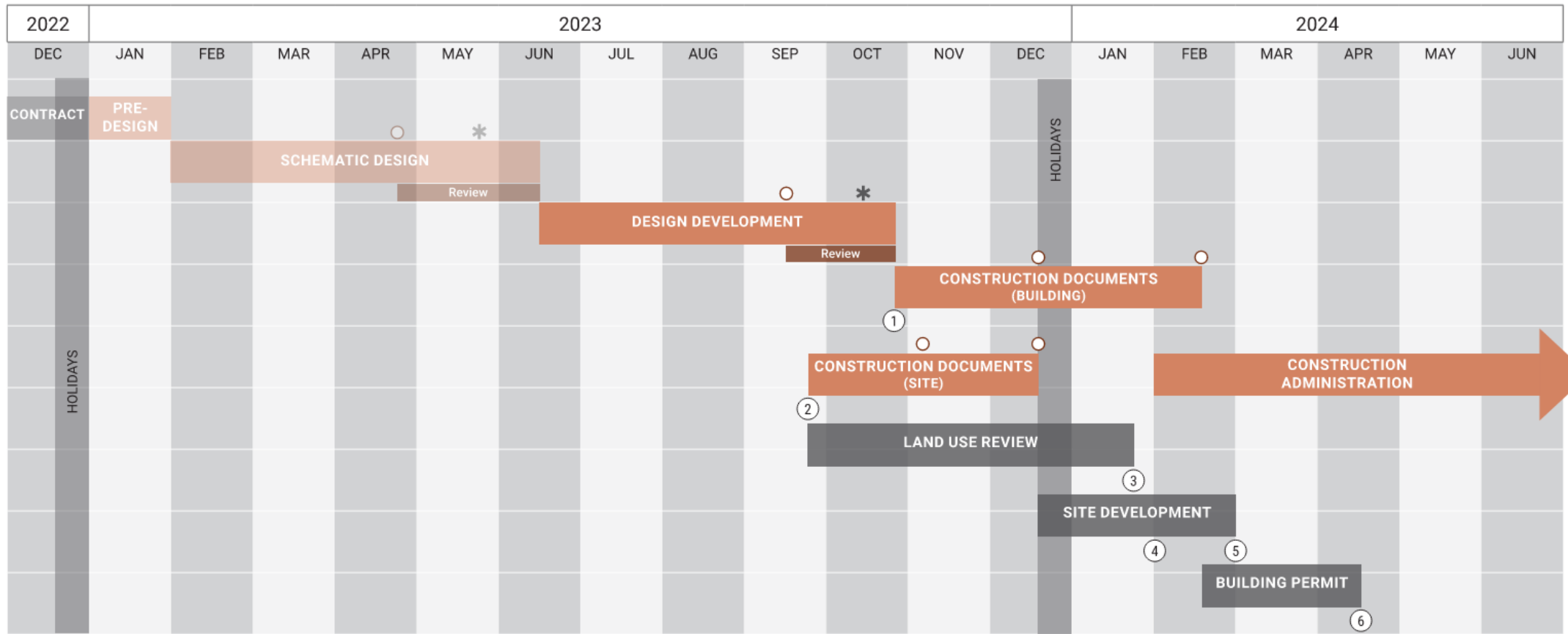


**\$49 MILLION
CAP**

REDMOND PUBLIC SAFETY FACILITY									
	100% SD Cumming			100% SD Pence			\$ Balance	Quantity Check	Cost Check
	SF	Price/SF	Total	SF	Price/SF	Total			
01 General Requirements									
02 Existing Conditions									
03 Concrete	47,056	\$ 34.33	\$ 1,615,665.00	46,772	\$ 38.67	\$ 1,808,525.00	\$ (192,860.00)		
Foundations (Spread & Strip Footings)	760	\$ 586.82	\$ 445,982.00	746	\$ 876.86	\$ 654,138.00	\$ (208,156.00)	CY of Founds is within 14 CY	Pence CY Rate seems high, Is this based of a quote?
SOG	27,862	\$ 20.71	\$ 576,888.00	30,650	\$ 22.53	\$ 690,510.00	\$ (113,622.00)	SF of SOG is 3000F is higher, Double check quants	\$ Cost are aligned
Topping Slab	20,370	\$ 9.12	\$ 185,773.00	17,078	\$ 11.04	\$ 188,570.00	\$ (2,797.00)	SF of Topping slab is 3000 is lower, Double check quants	\$ Cost are aligned
Misc Costs - Blanketing, Cold Weather, Mock ups	1	\$ -	\$ -	1	\$ 48,500.00	\$ 48,500.00	\$ (48,500.00)		
Sealed Concrete (in Div 7 of Cumming Estimate)	9,089	\$ 2.50	\$ 22,723.00	9,088	\$ 2.58	\$ 23,447.00	\$ (724.00)	Quantities are aligned	\$ Rate are aligned
Polished Concrete (in Div 7 of Cumming Estimate)	10,661	\$ 7.50	\$ 79,958.00	10,841	\$ 5.75	\$ 62,336.00	\$ 17,622.00	Quantities are aligned	\$ Rate are aligned
Precast Stair Treads	52	\$ 500.00	\$ 26,000.00	52	\$ 1,322.00	\$ 68,744.00	\$ (42,744.00)	Quantities are aligned	Rate seems high per thread, Is this based of a quote?
04 Masonry	47,056	\$ 14.13	\$ 665,120.00	46,772	\$ 18.62	\$ 870,880.00	\$ (205,760.00)		
CMU Walls	5,570	\$ 34.00	\$ 189,380.00	6,666	\$ 38.00	\$ 253,308.00	\$ (63,928.00)	SF of CMU is 1000 SF higher, Double check quants	\$ Rate are aligned
Stone Veneer	9,514	\$ 50.00	\$ 475,700.00	12,136	\$ 45.00	\$ 546,120.00	\$ (70,420.00)	SF of Masonry Veneer is 2500 SF higher, Double check quants	\$ Rate are aligned
Misc Costs - Second Wash, Masonry bracing & Mock up	0	\$ -	\$ -		\$ -	\$ 24,584.00	\$ (24,584.00)	Is this required?	
05 Metals	47,056	\$ 19.36	\$ 911,099.00	46,772	\$ 14.45	\$ 675,935.00	\$ 235,164.00		
Perf metal panel screening (in Div 7 of Cumming Estimate)	4,223	\$ 35.00	\$ 147,805.00	4,207	\$ 84.00	\$ 353,388.00	\$ (205,583.00)	Quantities are aligned	Rate seems very high, Is this based of quote?
Decorative Metal Railing	230	\$ 250.00	\$ 57,500.00	230	\$ 636.28	\$ 146,344.40	\$ (88,844.40)	Quantities are aligned	Rate seems high, Is this based of quote?
06 Wood, Plastics, and Composites	47,056	\$ 92.20	\$ 4,338,494.00	46,772	\$ 124.54	\$ 5,825,160.00	\$ (1,486,666.00)		
Stucco Ply sheathing		\$ -	\$ -	20,600	\$ 26.00	\$ 535,600.00		Quantities are aligned	Pence have broken out ply sheathing from Stucco assembly , Cumming have this in D (Cumming \$1,209,070 v Pence \$1,204,997)
Mass Timber Framing incl CLT & DLT	1	\$ 3,935,055.00	\$ 3,935,055.00	1	\$ 4,808,545.00	\$ 4,808,545.00	\$ (873,490.00)	No elemental Breakdown	Pence have priced based by GSF, is this based of a quote?
Finish Carpentry	1	\$ 85,685.00	\$ 85,685.00	1	\$ 164,215.00	\$ 164,215.00	\$ (78,530.00)	Cumming missing plywood patressing in Electrical / IT Room	Cumming missing plywood patressing in Electrical / IT Room (\$70,590)
Architectural Woodwork	1	\$ 224,560.00	\$ 224,560.00	1	\$ 216,737.00	\$ 216,737.00	\$ 7,823.00	Quantities are aligned	\$ Cost are aligned
07 Thermal and Moisture Protection	47,056	\$ 48.41	\$ 2,278,207.00	46,772	\$ 36.69	\$ 1,715,980.00	\$ 562,227.00		
Dampproofing	1	\$ 31,290.00	\$ 31,290.00	1	\$ 24,000.00	\$ 24,000.00	\$ 7,290.00	Quantities are aligned	\$ Cost are aligned
Water Replient	1	\$ -	\$ -	1	\$ 30,840.00	\$ 30,840.00	\$ (30,840.00)	Quantities are aligned	\$ Cost are aligned
Thermal Insulation - Exterior Batt Insulation	10,198	\$ 1.50	\$ 15,297.00	11,553	\$ 3.02	\$ 34,890.06	\$ (19,593.06)	Quantities are aligned	Rate seems high for batt insulation, is this based of quote?
Thermal Insulation - Interior Insulation	41,100	\$ 1.50	\$ 61,650.00	64,159	\$ 1.94	\$ 124,468.46	\$ (62,818.46)	Quantities are not aligned, Double check quants	Rate seems slightly high for batt insulation, Is this based of quote?
Air Barrier	28,000	\$ 0.46	\$ 12,880.00	33,018	\$ 7.64	\$ 252,257.52	\$ (239,377.52)	Quantities are not aligned, Double check quants	Rate seems slightly high for air barrier, Is this based of quote?
Roofing	29,000	\$ 25.25	\$ 732,250.00	28,061	\$ 29.28	\$ 821,626.08	\$ (89,376.08)	Quantities are aligned	\$ Cost are aligned
Per Mechanical Screen	960	\$ 70.00	\$ 67,200.00	1,544	\$ 37.00	\$ 57,128.00	\$ 10,072.00	Quantities are not aligned, Double check quants	\$ Cost are aligned
Flashing & Sheet Metal - Misc	46,597	\$ 0.50	\$ 23,298.50	46,722	\$ 1.00	\$ 46,722.00	\$ (23,423.50)	Quantities are aligned	\$ Cost are aligned
Flashing & Sheet Metal - Z-Furring	0	\$ -	\$ -	20,102	\$ 3.37	\$ 67,743.74	\$ (67,743.74)	Shouldn't this be built into Siding rate?	Shouldn't this be built into Siding rate?
Flashing & Sheet Metal - Parapet	0	\$ -	\$ -	2,589	\$ 25.00	\$ 64,725.00	\$ (64,725.00)	Cumming missed scope	\$ are in line
Firestopping	1	\$ 23,299.00	\$ 23,299.00	1	\$ 34,221.00	\$ 34,221.00	\$ (10,922.00)	Quantities are aligned	Cost seems high
Joint Sealants	1	\$ 23,299.00	\$ 23,299.00	1	\$ 21,025.00	\$ 21,025.00	\$ 2,274.00	Quantities are aligned	\$ Cost are aligned
08 Openings	47,056	\$ 62.48	\$ 2,939,946.00	46,772	\$ 65.98	\$ 3,085,995.00	\$ (146,049.00)		

PROJECT BUDGET & COST ESTIMATES





PROJECT MILESTONES

- ① Building CD Kickoff (10/27/2023)
- ② Site CD Kickoff (10/2/2023) and Land Use Application (9/29/2023)
- ③ Land Use Approval (1/24/2024)*
- ④ Early Grading / Foundation Permit Approved (2/2/2024)*

- ⑤ Site Development Permit Approved (3/1/2024)*
- ⑥ Building Permit Approved (4/19/2024)*

*Approval dates are estimated based on the review timelines provided at the 8/23 meeting with the City.

* Cost Estimates
 100% Schematic Design
 100% Design Development

○ Milestones/Deliverables

PROJECT SCHEDULE



NEXT STEPS

- Completion of 100% CDs (February 2024)
- Submit to City for Permit Review (Phased-Dec thru Feb)
- Establish GMP (February 2024)
- Approval from City Council (February 2024)
- Break Ground (February 2024)



QUESTIONS + ANSWERS



REDMOND



TERMINAL EXPANSION UPDATE

REDMOND CITY COUNCIL, OCTOBER 24, 2023

Proposed Expansion:

PH 1 – West Expansion (7 Gates)

West Expansion

- Upper-level west departure lounge expansion (7 gates) and associated passenger boarding bridges
- Basement level expansion – baggage system upgrades
- Central utility plant relocation
- Ticket area / ATO expansion
- Vertical circulation upgrades
- SSCP recomposure space and lower-level boarding area modifications

Alt 1 – Baggage Claim Expansion

Baggage Claim and Administration Shell Expansion

- Baggage claim expansion
- Upgrade baggage claim and baggage drop equipment
- New support spaces
- Upper-level shell space for future administration build out

Alt 2 – Vestibules and Canopy

Vestibules & Canopy

- Removal of existing revolving doors; replacement with sliding doors and vestibules
- New full frontage curbside canopy
- Associated lighting and signage

PH 2 – East Expansion (4 Gates)

East Expansion

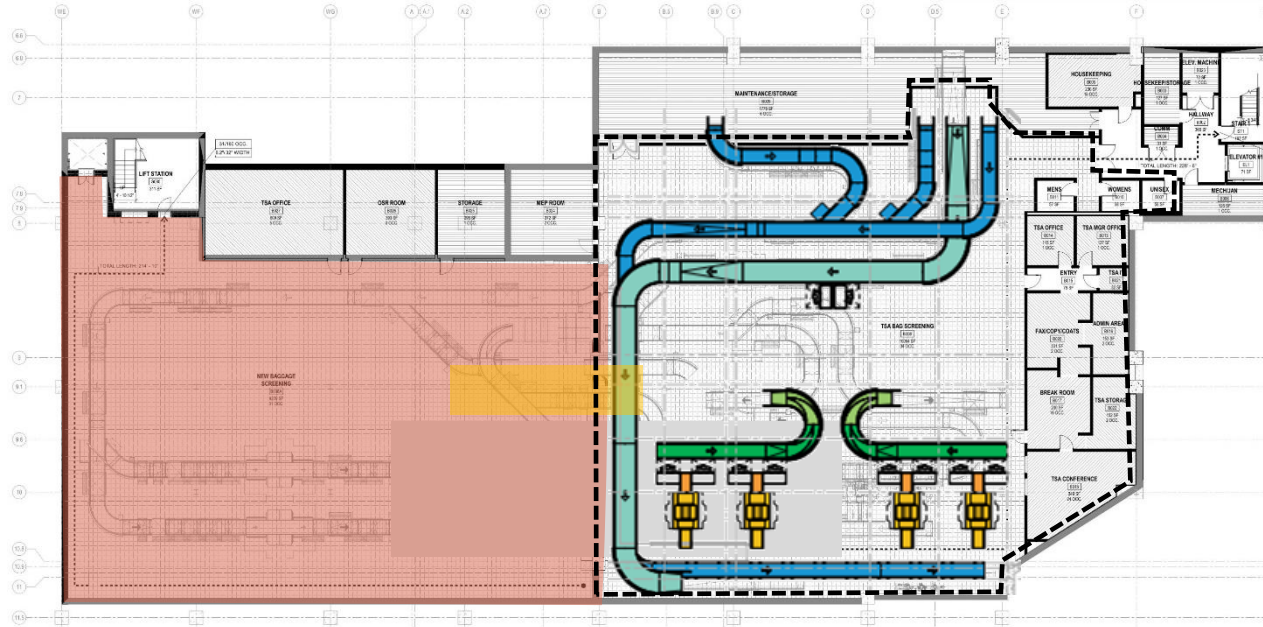
- Upper-level east departure lounge expansion (4 gates) and associated passenger boarding bridges

PH 3 – Admin and Int. Reconfig.

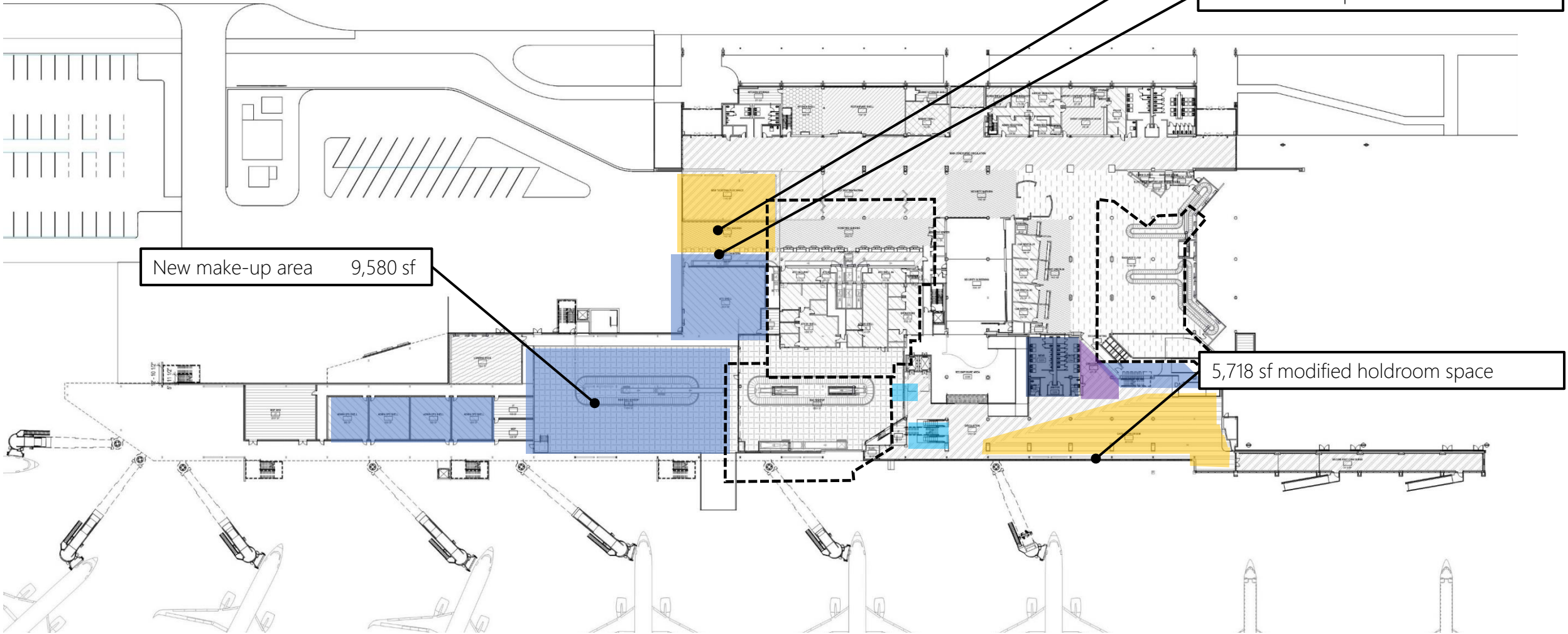
Administration and Interior Reconfiguration

- Relocate administration space to upper level of bag claim expansion
- Relocate rental car counters to current administration space
- Reconfigure existing rental car space for future SSCP enlargement and bag claim active area

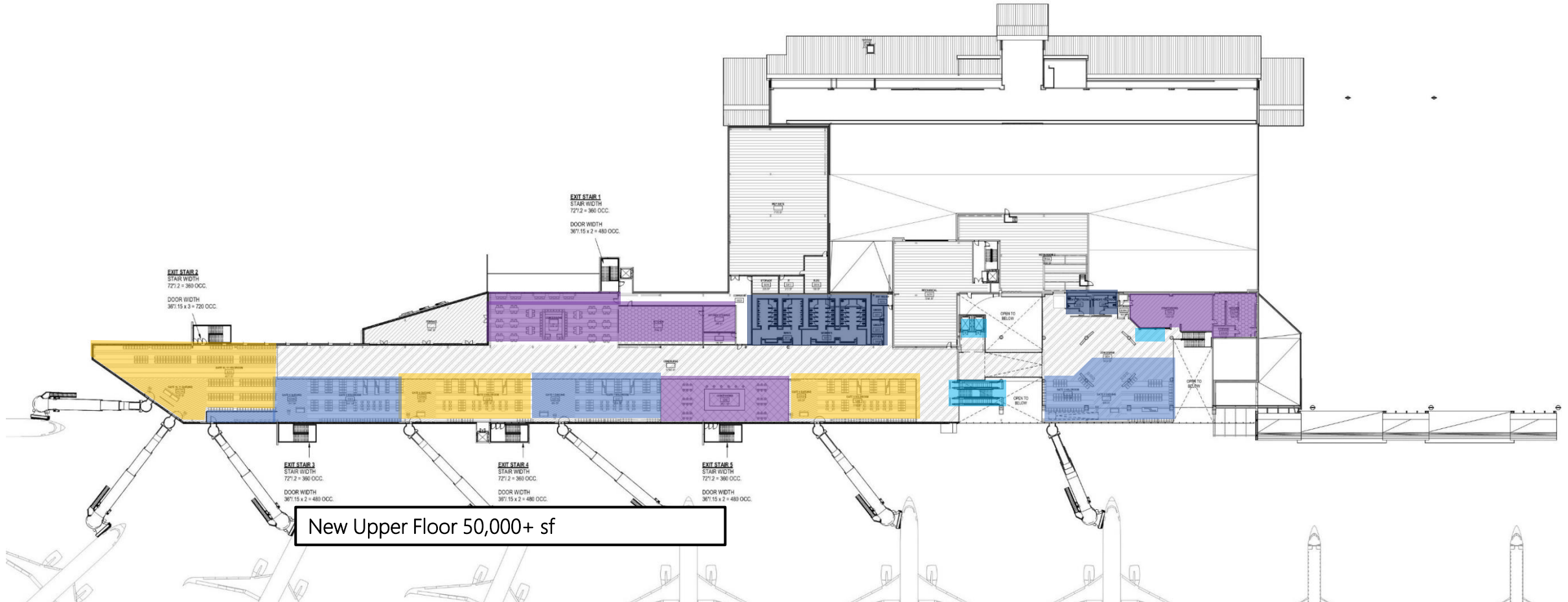
PHASE 1 Basement



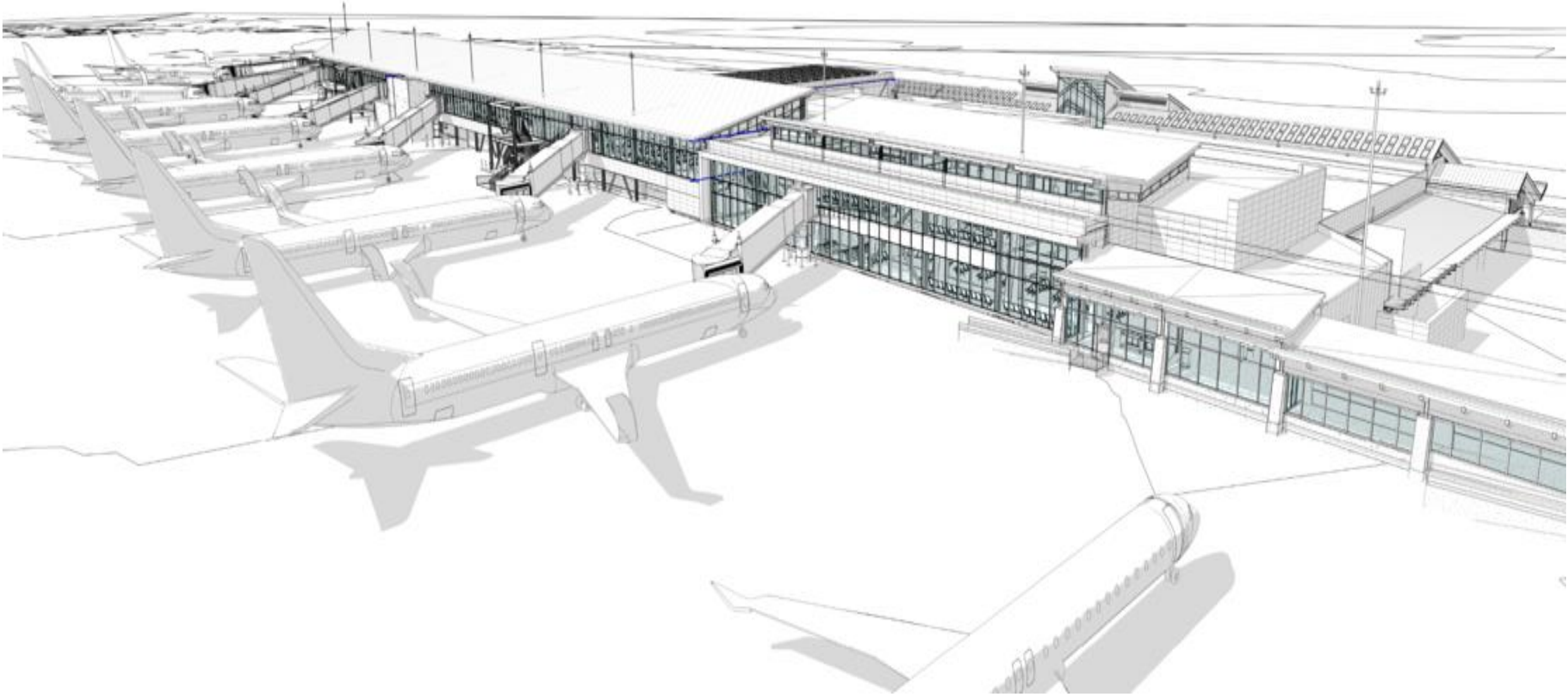
PHASE 1 Ground Level

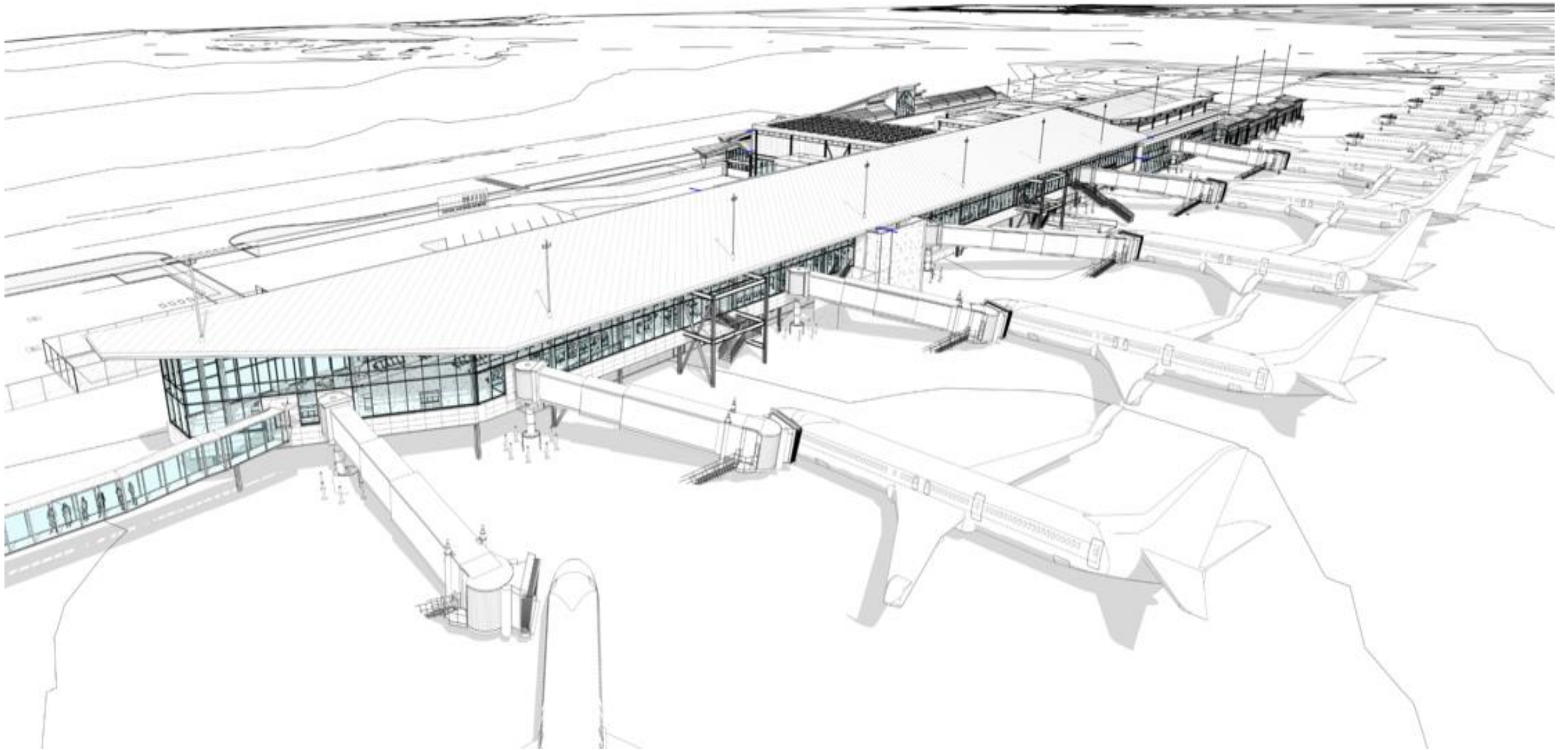


PHASE 1 Upper Level



New Upper Floor 50,000+ sf









To All Gates ✈️ ↗️



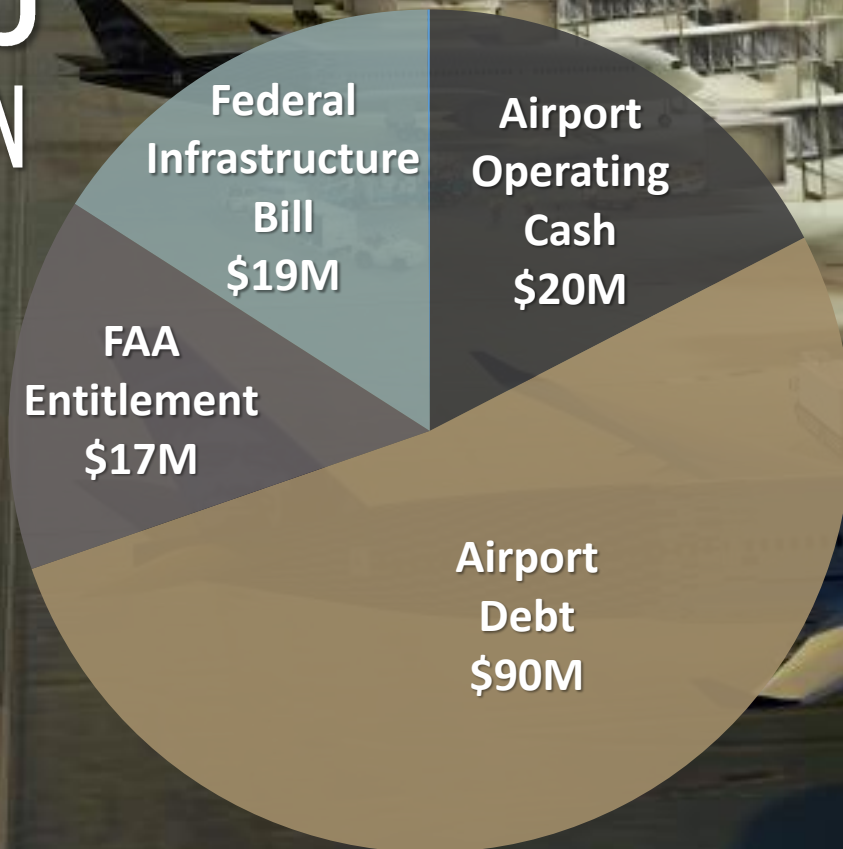




TERMINAL BUILDING EXPANSION – PHASE 1

FUNDING IDENTIFIED:

**\$145
MILLION**

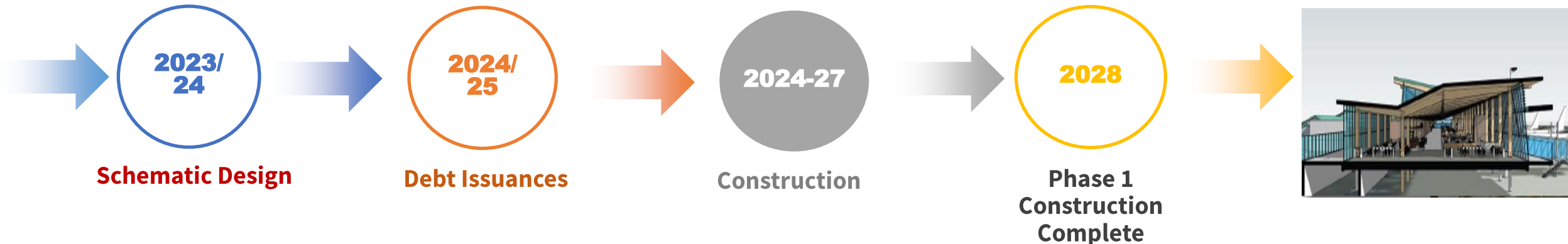


**\$145
MILLION**

TERMINAL EXPANSION



DESIGN AND CONSTRUCTION TIMELINE





QUESTIONS?



REDMOND WETLANDS COMPLEX

PRESENTED BY: RYAN KIRCHNER
OCTOBER 24, 2023



PROJECT SCOPE



PROJECT TYPE
INFRASTRUCTURE

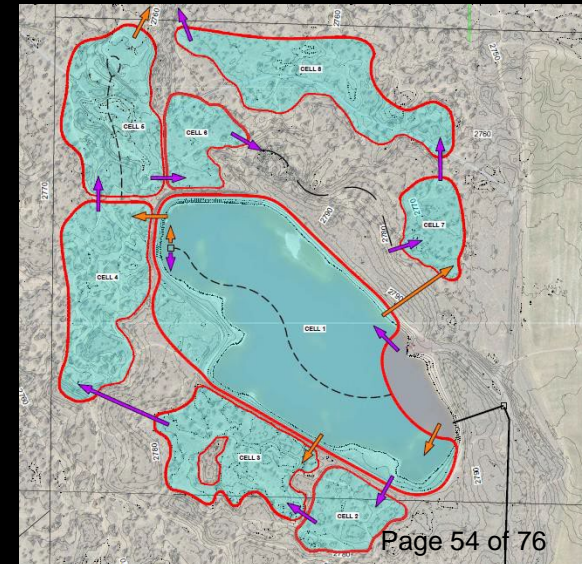
EST. COST
\$83M

STATE SUPPORT
DEQ LOAN
PARKS GRANT

COMPLETION
2027

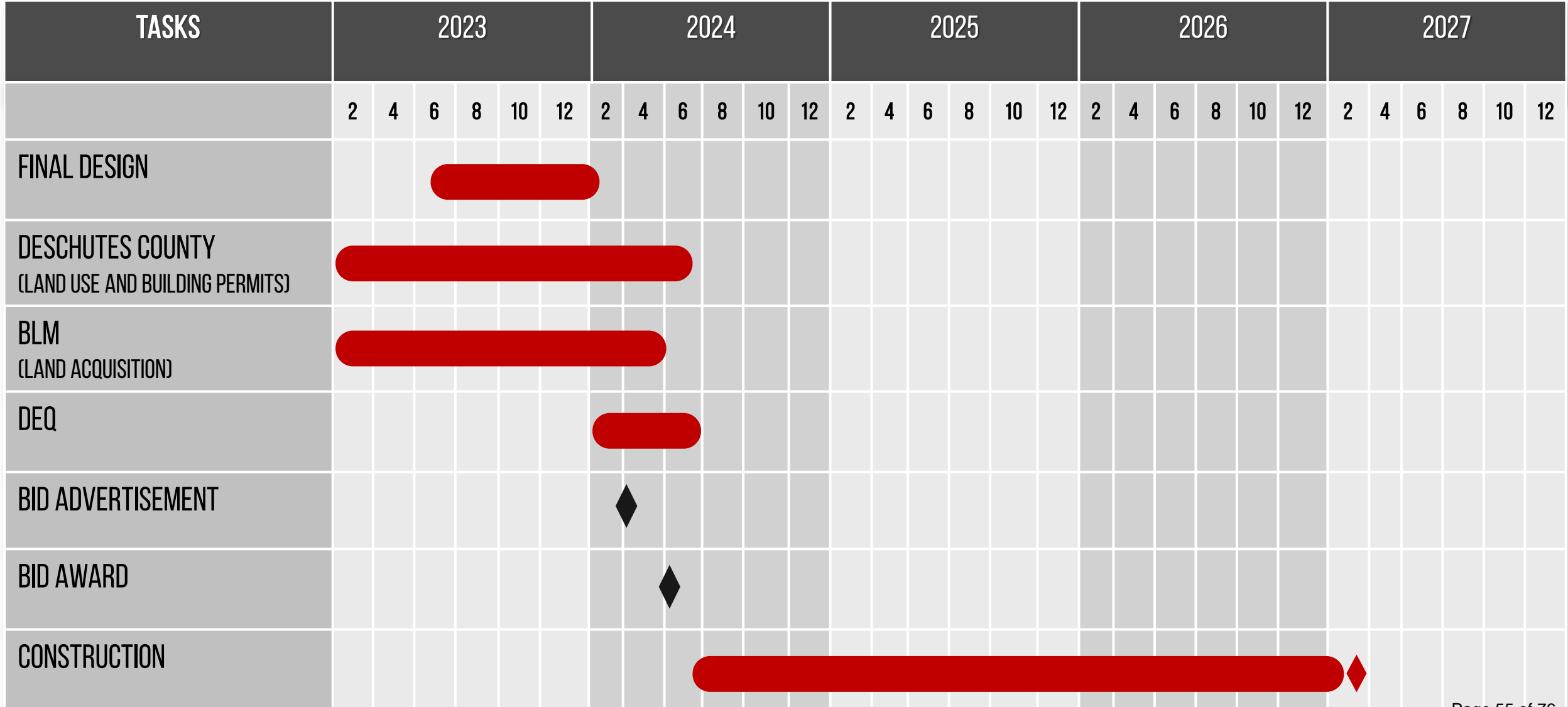
PROJECT SCOPE

- ❖ UPSIZE 3 MILES OF EXISTING 24" PIPE TO 48"
- ❖ EXPANSION OF TREATMENT FACILITIES
 - HEADWORKS AND DISINFECTION STRUCTURES
 - 36 ACRES OF LAGOONS
 - 90 ACRES OF WETLANDS
 - ADMINISTRATIVE AND MAINTENANCE SUPPORT FACILITIES
 - PUBLIC ACCESS AMENITIES

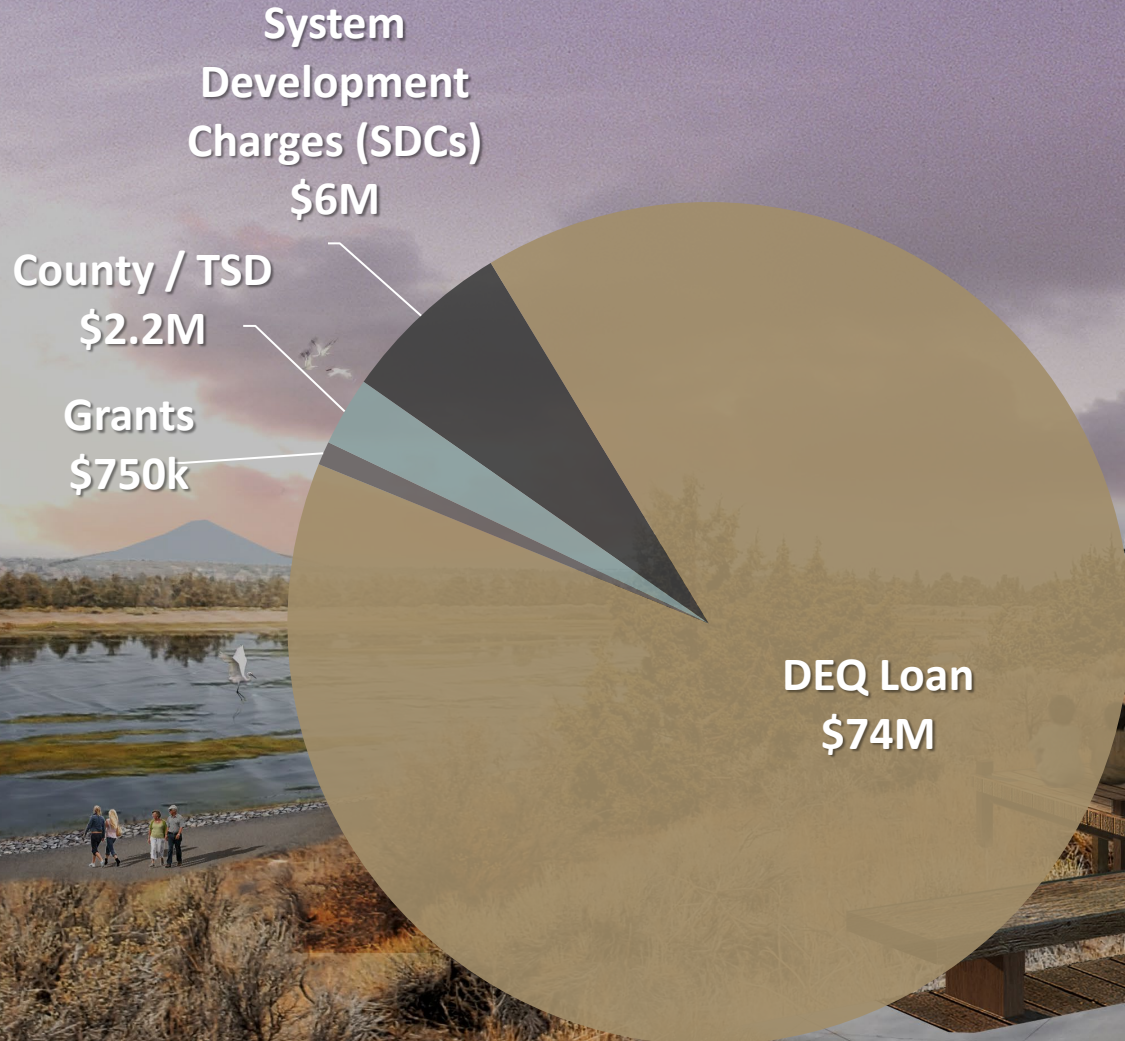




PROJECT SCHEDULE



REDMOND WETLANDS COMPLEX FUNDING



\$83
MILLION

QUESTIONS?





CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
Jessica MacClanahan, Public Works Director/City Engineer
FROM: Ryan Kirchner, Wastewater Division Manager
SUBJECT: Resolution #2023-21 - A resolution adopting findings in support of an alternative contracting method for the Redmond Wetlands Complex.

Report in Brief:

This item requests the Contract Review Board conduct a public hearing and approve the use of Best Value procurement process for construction of the Redmond Wetlands Complex. This alternative approach is most beneficial when constructing complex projects with sequencing challenges to minimize public disturbance and construction duration.

Background:

The City of Redmond Water Pollution Control Facility (WPCF) was constructed in 1978. Since then, several expansion and upgrades have occurred to meet the community's growing needs. The population of Redmond and surrounding areas is continually increasing, together with commerce and industry as the region develops. As such, the need for future facility planning and expansions is vital to provide facilities to serve growth. In 2019, a Wastewater Facility Plan (WWFP) was developed to assess the existing capacity and consider current projected future 20-year service needs with respect to system capacity. The 2019 WWFP, however, did not consider the building limitations of the current constrained site of the existing mechanical treatment plant.

The City amended the 2019 WWFP in 2020, for the purpose of updating the design criteria to the year 2045, and add an alternative for a lagoon treatment system with a constructed wetland treatment and disposal system to meet the City's needs.

In March 2021, City Council approved a contract with Anderson Perry and Associates, Inc. to commence with the preliminary design of the Redmond Wetlands Complex. The scope of work (SOW) for preliminary design included exploring alternatives within the lagoon and wetland treatment process to find the best solutions to meet environmental requirements, current and future capacity demands, cost-effective construction, and cost-effective long-term operation and maintenance.

Anderson Perry and Associates finalized the Redmond Wetlands Complex Preliminary Design Report (PDR) in January 2022. The purpose of this PDR was to present the decisions made by internal and external stakeholders throughout the alternatives analysis phase of the preliminary design, finalize the design criteria, and update preliminary cost estimates.

In April 2022, Council approved a contract amendment with Anderson Perry and Associates to complete final design and provide construction management of the Project. The design is currently at a 90% design level, with construction tentatively scheduled to begin in summer of 2024.

The action before City Council on October 24, 2023, provides authorization for an alternative construction method, which is most appropriate given the scale and complexity of the proposed project.

Findings that support the approach are contained herein as Exhibit A.

Discussion:

Typically, following the completion of design for a public improvement project, a separate construction contract is awarded to the firm who proposes to construct it for the lowest cost (sometimes referred to as "low-cost bidding"). Under Oregon

Revised Statutes (ORS) 279C.335(2), the Local Contract Review Board may provide an exemption to low-cost bidding for public improvement contracts to allow for an alternative contracting process.

The Redmond Wetlands Complex project lends itself well to utilize such an alternative contracting process; in this case it should be the Best Value method. The Best Value procurement method is a competitive process in which the low-bid concept is modified by adding qualifications to the evaluation process. During selection, the proposed pricing is weighed with other elements to determine a best value that reflects quality, cost, and the contractor's prior experience and performance on projects of similar complexity and scale. The ability to select a contractor based on experience delivering projects with similar challenges is important for projects with complex construction and sequencing challenges to minimize public disturbance and construction duration.

Staff recommends an exemption from traditional low-bid procurement to allow the use of an alternative delivery method, Best Value, for this project. A detailed justification is provided in the attached findings.

As per ORS 279C.335(5)(b), a Notice of Public Hearing was published in The Bulletin on October 8, 2023, and the Daily Journal of Commerce on October 09, 2023.

Approval of the proposed alternative contracting process for this project is unlikely to encourage favoritism or diminish competition and will likely result in substantial cost savings and other benefits to the City and the public.

This project supports the 2022-2023 City Council goal to "preserve and enhance the City's infrastructure to balance population growth with necessary infrastructure."

If adopted by City Council, a Best Value Request for Proposals will be issued. Proposals will be reviewed by a committee and a recommendation brought back to the Council.

Fiscal Impact:

There is no immediate fiscal impact to approve these findings. All expenditures related to this project will be included in the adopted annual budgets and 5-Year Capital Improvement Program. Total project costs are estimated at \$83M (high confidence estimate).

Alternative Courses of Action:

1. Conduct the Public Hearing and approve Resolution #2023-21
2. Conduct the Public Hearing and do not approve Resolution #2023-21
3. Request more information

Recommendation / Suggested Motion:

"I move to approve Resolution #2023-21 adopting the findings authorizing the use of Best Value procurement and contracting method for the Redmond Wetlands Complex project ."

**CITY OF REDMOND
RESOLUTION NO. 2023-21**

A RESOLUTION ADOPTING FINDINGS IN SUPPORT OF AN ALTERNATIVE CONTRACTING METHOD FOR THE REDMOND WETLANDS COMPLEX PROJECT.

WHEREAS, the City of Redmond has planned for the expansion of the Water Pollution Control Facility (WPCF); and

WHEREAS, the proposed project known, as the Redmond Wetlands Complex, is planned to provide adequate wastewater treatment capacity for the City, including operations and support facilities and underground conveyance to the site; and

WHEREAS, the budget estimate for this project is \$83 million; and

WHEREAS, an alternative contracting method, known as Best Value allows public entities to select a contractor based not only on price, but also qualifications to determine the best value that reflects quality, cost, and the contractor’s prior experience and performance on projects of similar complexity and scale; and

WHEREAS, pursuant to Oregon Administrative Rule (OAR) 0137-049-0690, the City shall use this contracting method only with the assistance of legal counsel with substantial experience and necessary expertise in using the Best Value method, as well as knowledgeable staff, consultants or both staff and consultants who have a demonstrated capability of managing the Best Value process in the necessary disciplines of engineering, construction scheduling and cost control, accounting, legal, Public Contracting and project management; and

WHEREAS, as discussed in the attached findings, the Best Value process would result in adding qualifications-based selection of a contractor, which benefits the City and does not diminish competition or encourage favoritism in awarding public improvement contracts.

NOW, THEREFORE, THE REDMOND CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION ONE: The City Council adopts the findings attached hereto as Exhibit A, explaining why it is appropriate for the City to use the Best Value method for the construction of the Redmond Wetlands Complex Project.

SECTION TWO: Based on the findings adopted in Section One of this resolution, the City of Redmond City Council hereby exempts from the requirements for competitive bidding the project to construct the new Redmond Wetlands Complex Project.

ADOPTED by the Redmond City Council and **SIGNED** by the Mayor this 24th day of October 2023.

Ed Fitch, Mayor

ATTEST:

Kayla Duddy, Deputy City Recorder

Exhibit A to Resolution 2023-21

FINDINGS IN SUPPORT OF AN ALTERNATIVE CONTRACTING METHOD FOR THE CONSTRUCTION OF THE REDMOND WETLANDS COMPLEX PROJECT

Introduction

Use of Alternative Contracting methods, such as Best Value, is made possible under ORS Chapter 279C and OAR 0137-049-0690, which permits certain contracts or classes of contracts to be exempt from competitive public bidding under strict procedural safeguards. Like other alternative contracting methods, Best Value has significantly different legal requirements than a typical design-bid-build project delivery method.

Pursuant to ORS 279C.335(1) and (2), a local contract review board may exempt specific contracts from traditional, competitive bidding if the jurisdiction finds 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.

For the reasons set forth more fully in the "Findings" subsection of this document, it is recommended that a Best Value selection method be implemented by utilizing the competitive proposal process in accordance with ORS 279C.400 for a specific contract to construct the Redmond Wetlands Complex (the "Project"). A Best Value Process involves a competitive process in which both price and qualifications may be evaluated. The Best Value proposal process is advantageous for this project as it provides the opportunity to select an experienced contractor that is able to safely and efficiently coordinate the challenges associated with the Redmond Wetlands Complex Project, ultimately providing a greater benefit to the community and cost savings to the City.

In accordance with ORS 279C.330 and 279C.335, the Redmond City Council in its capacity as the Local Contract Review Board shall consider the type, cost, and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, as outlined in ORS 279C.335(2)(b)(A-N).

Background

The City of Redmond Water Pollution Control Facility (WPCF) was constructed in 1978. Since then, several expansion and upgrades have occurred to meet the community's growing needs. The population of Redmond and surrounding areas is continually increasing, together with commerce and industry as the region develops. As such, the need for future facility planning and expansions is vital to provide facilities to serve growth.

The current WPCF is located within the Dry Canyon, about 1.5 miles northwest of the Redmond City Center. The facility is surrounded by residential homes situated along the canyon walls, and more rural residential and farmland generally to the north. The City of Redmond (City) owns a six hundred and seven (607) acre Irrigation Complex which produces orchard grass (hay) using effluent from the WPCF for irrigation and biosolids from the WPCF as fertilizer. The WPCF also leases land from BLM where disinfected effluent is infiltrated into the ground.

In 2019 the City completed a Wastewater Facility Plan (WWFP). The WWFP assessed the ability of the existing WPCF to address current and projected future 20-year service needs with respect to system capacity, ability to meet current and potential future regulatory requirements, and reliability of unit process performance. The WWFP estimated future population in Redmond may increase to approximately 54,000 by 2045.

The WWFP planning document recommended improvements totaling \$45 million (2018 Fiscal Dollars) but did not consider improvement alternatives other than mechanical treatment. The WWFP did not consider the buildout limitations of the current constrained site of the existing mechanical treatment plant and evaluate other locations for the proposed expansion.

The City believed it was prudent to consider other improvement alternatives that could reduce the total life cycle costs to City residents and relocate the existing facilities out of the Dry Canyon. The City completed a 2020 Feasibility Analysis to evaluate moving the entire treatment plant to the Irrigation Complex. In addition, the potential of using a lower capital and life cycle cost lagoon treatment system with a constructed wetland treatment and disposal system as an alternative to meet the City's wastewater treatment and disposal needs.

This alternative would provide a wetland environment that could be made accessible to the public for water resource education, bird watching, hiking, and possible passive recreational uses. It could also be tied into a City-wide trails system as an extension to Dry Canyon. The reuse of the reclaimed water in this manner provides an ancillary benefit to the City that was otherwise not realized.

The completed Feasibility Analysis found the total cost to move the WPCF to the Irrigation Complex would be \$41.6 million (low confidence), a reduction of \$6.1 million in initial capital costs and a \$10 million operating cost reduction over a 20-year lifecycle when compared to the mechanical expansion project at the current site. The City amended the 2019 WWFP in 2020. The purpose of this amendment was to update the design criteria to the year 2045, correct an error in the hydraulic loading projections, and add an alternative for a lagoon treatment system with a constructed wetland treatment and disposal system to meet the City's needs.

The need for WPCF expanded treatment capacity was identified during budget discussions and funding for design included in the Fiscal Year 2020/21 budget. The expansion options identified by the feasibility study and facility plan amendment were discussed during a Council work session in January 2021, with direction given to proceed with evaluating the feasibility of a lagoon and wetland treatment system at the irrigation site.

In March 2021, City Council approved a contract with Anderson Perry and Associates, Inc. to commence with the preliminary design of the Redmond Wetlands Complex. The scope of work (SOW) for preliminary design included exploring alternatives within the lagoon and wetland treatment process to find the best solutions to meet environmental requirements, current and future capacity demands, cost-effective construction, and cost-effective long-term operation and maintenance.

Anderson Perry and Associates finalized the Redmond Wetlands Complex Preliminary Design Report in January 2022. The purpose of this Preliminary Design Report (PDR) was to present the decisions made by internal and external stakeholders throughout the alternatives analysis phase of the preliminary design, finalize the design criteria, and update preliminary cost estimates.

In April 2022, Council approved a contract amendment with Anderson Perry and Associates to complete final design and provide construction management of the Project. The design is currently at a 90% design level, with construction tentatively scheduled to begin in summer of 2024.

Findings

Pursuant to ORS 279C.335(2), the following Findings justify an exemption from ORS 279C.335(1) and OAR 137-049-0130 for the Project.

- (a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts. (ORS 279.335(2)(a)) - A**
Contractor will be selected through a competitive proposal process. No reduction of competition is expected since the proposed process is open to the same contractors that would have participated in the

traditional low-bid process, and there are multiple contractors both locally and across the state with the ability to compete for this contract. Uniform evaluation criteria will be used in the selection of contractors.

Favoritism will not play a role in the selection of the contractor. Selection will be conducted through an open and advertised RFP process. All qualified firms will be invited to submit proposals. The City will publish a legal notice(s) in order to provide Project information to all interested entities. Proposers will be evaluated based on clearly stated criteria. A team will perform the evaluation in an effort to minimize the effects of any individual bias. All qualified firms will be able to participate in an open, competitive selection process.

(b) Substantial cost savings and other benefits (ORS 279C.335(2)(b)) - Using a Best Value contracting method is expected to result in substantial cost savings and other benefits as described below.

(A) How many persons are available to bid - A publicly-advertised competitive proposal process will be utilized to select the Contractor. The use of this contracting method does not prevent any contractor from proposing on the project that otherwise would have had the City procured the project using the traditional low-bid method.

(B) The construction budget and projected operating costs for the completed public improvement - Neither the construction budget nor the operating costs are anticipated to be significantly reduced or significantly increased when comparing the Best Value contracting method to the traditional low-bid method. Because cost remains an important part of determining the best proposal, it is unlikely that costs would be significantly higher than would be achieved with a low-bid process. The Best Value contracting method results in less-tangible savings such as: reduced City staff resources dedicated to the project, a project team that works more cohesively, and shorter construction timelines due to the contractor's experience with projects of similar size and complexity.

(C) Public benefits that may result from granting the exemption - One of the main advantages to the public from the Best Value contracting method is the City's ability to select a contractor based on both qualifications and cost. The method allows the selection of an experienced, cooperative, and solution-oriented contractor who can execute construction of the projects in a safe, proficient, and expedient manner that will greatly benefit the public.

(D) Whether value engineering techniques may decrease the cost of the public improvement - The Best Value contracting method gives the contractor an increased opportunity to engage in value engineering, which increases the likelihood of cost savings to the City. Through their proposals, contractors have an opportunity to discuss phasing, public outreach, and approach to project construction. By engaging in this way, they have an opportunity to discuss areas where they see the possibility for cost savings.

In contrast, during the construction bidding phase in the traditional design-bid-build contracting method, there is no opportunity for the contractor to provide a reasoning for the low-bid and no motivation for the contractor to present a construction schedule that minimizes impacts. Additionally, the highly competitive aspect of the traditional method typically eliminates the possibility that the contractor will reveal any omissions in the design that could result in change orders during construction. The cooperative aspect of a Best Value procurement provides the forum for the contractor to provide such input before construction, potentially saving the City the time, trouble, and additional cost to the project associated with the change order process.

(E) The cost and availability of specialized expertise that is necessary for the public improvement - Construction availability and cost are not anticipated to be impacted because competitive bids are required to be solicited from all subcontractors. This results in costs and availability comparable to those found in the traditional design-bid-build contracting method. This project is anticipated to

garner significant interest from multiple firms throughout the region, resulting in a competitive environment like the traditional contracting method.

- (F) Any likely increases in public safety** - No adverse effects to public safety are anticipated as a result of pursuing the Best Value contracting method. The contractor will be following the same construction standards and City standards and will be using the same best practices as with the traditional contracting method. However, the selection process will consider experience in these types of projects, which increases the possibility that public safety standards will be rigorously adhered to.
- (G) Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement** - In the traditional design-bid-build method, the owner supplies the design to the contractor, and the contractor expects to rely on it without modification. If the design proves to be defective, in terms of constructability or otherwise, the owner cannot hold the contractor responsible, and will likely find it difficult to pass responsibility back to the designer.

Utilizing the Best Value contracting method, the selected contractor will provide their understanding and preliminary approach to the project. This selection process allows the City to select a contractor based on a number of criteria that take into account the contractor's past experience on similar projects in addition to the low-bid, minimizing the risks to the City as there is more information available to help the City select a highly qualified, reasonably priced contractor.

- (H) Whether granting the exemption will affect the sources of funding for the public improvement** – The proposed Best Value contracting method will not impose restrictions or limitations on the funding sources for this project.
- (I) Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement** - No negative schedule impact is anticipated on the project as a result of market conditions with regard to the chosen contracting method.
- (J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement** - This contracting method allows the City to consider the proposer's experience and expertise in this type of work, sensitivity to safety, legal, and operational issues, as well as the qualifications of its project manager, and support team, appropriate to the size and complexity of this Project.
- (K) Whether the public improvement involves new construction or renovates or remodels an existing structure** – The vast majority of this project consists of new construction, with the potential to remove and replace or reuse the existing inceptor line. For this project, whether the improvement is new construction or otherwise, it is not impacted by the contracting method. The means and methods of construction will not differ between contracting methods; however, the phasing to limit impacts to the community and end users may differ.
- (L) Whether public improvement will be occupied or unoccupied during construction** – A majority of the Project within the existing roadway will need to remain under live traffic throughout construction; therefore, selection of experienced, cooperative, and solution-oriented contractors who can coordinate and execute construction of these projects in a safe, proficient, and expedient manner will greatly benefit the public.
- (M) Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions** - This project may have

several phases, including but not limited to construction of the interceptor line, proposed site work for the lagoon and wetland system, as well as the construction of the headworks and support facility building.

(N) Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract – City staff has experience with alternate contracting methods, including Construction Manager/General Contractor (CM/GC), Best Value, and Progressive Design-Build (PDB), with in-house engineering project management, procurement, and legal counsel staff.

Additional Findings

OAR 137-049-0630(3)(b) permits other findings, in addition to those listed above, to be considered with regard to the expected benefits and drawbacks of particular Alternative Contracting Methods. The following discussion of benefits and drawbacks of this contracting method may be a duplication of those found above, but they are the main elements to consider for a Best Value contracting method, so additional dialogue is warranted.

Advantages: More cohesive project team - The best value contracting method allows for the selection of a contractor with qualifications necessary for successful project completion, thus cohesively integrating into the owner-designer-contractor team. Having a more cohesive project team results in fewer design-related change orders and reduces the number of potential claims created by the project. Having a project team that is incentivized to work collaboratively will be an immense advantage.

Drawbacks: Possible selection of a higher bid - The Best Value contracting method weighs contractor qualifications alongside their bid for the project. Depending on the strength of overall proposals, a contractor that did not present the lowest bid may be selected. The City will need to develop a selection criteria that adequately balances qualifications and bids. The Best Value method will allow the City to select a highly qualified, reasonably priced contractor that, as the Project progresses, will result in cost-savings due to reduced change-orders and the contractor's experience in executing projects of similar complexity and with similar challenges.

Summary

Using a competitive Best Value contracting method to select a contractor who has experience with these types of projects provides many benefits. The use of this process will not diminish competition or result in favoritism and is expected to result in overall cost savings to the City. Most important, completion of the project in a timely manner reduces impacts to businesses, residents, agencies, traveling public and ensures quality, safety, and reliability both during and after construction.



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: October 24, 2023
TO: City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
Jessica MacClanahan, Public Works Director/City Engineer
FROM: Jake Sherman, Principal Engineer
SUBJECT: Resolution #2023-22 - A resolution adopting findings in support of an alternative contracting method for the Eastside Arterial Project.

Report in Brief:

This item requests the Contract Review Board conduct a public hearing and approve the use of a Progressive Design-Build (PDB) procurement process for construction of the Eastside Arterial Project.

Background:

The Eastside Arterial is an important project in the City's Capital Improvement Program to increase mobility and safety in Redmond. The City is well-poised to complete this project within the 5-year planning horizon utilizing available funding resources and a PDB delivery method. Benefits of the project include an alternate route to Highway 97 and increased access to east Highway 126, relieving congestion and increasing traffic safety in our community. The project also creates access to industrial and commercial land for economic development in the region.

On August 22, 2023, City staff presented the concept of PDB and the estimated budget for the Eastside Arterial project. Staff was directed to move forward with preparing findings for an exemption from competitive bidding for formal council action.

The action before City Council on October 24, 2023, provides authorization for an alternative construction method, which is most appropriate given the scope, schedule, and complexity of the proposed project.

This alternative approach is most beneficial when constructing a large, complicated project where timing is critical, scope is uncertain, and it allows for innovative ideas and constructability from the very beginning.

Findings that support the approach are contained herein as Exhibit A to the resolution.

Discussion:

Typically, a construction project is initially designed under its own contract, then a separate construction contract is awarded to the firm who proposes to construct it for the lowest cost (sometimes referred to as "low-cost bidding"). Under Oregon Revised Statutes (ORS) 279C.335(2), the Local Contract Review Board may provide an exemption to low-cost bidding for public improvement contracts to allow for an alternative contracting process.

The Eastside Arterial project lends itself well to utilize such an alternative contracting process; in this case it would be the PDB method. The PDB method allows for the City to hire one firm to provide both design and construction services for the project. This allows the construction contractor to be involved throughout the entire design process, providing an opportunity for identification of cost and schedule savings, identification of solutions that best address the complexities of the project, and helping to identify project risks and develop plans to help mitigate those risks. Additionally, the PDB process results in one or more Guaranteed Maximum Price (GMP) packages, which reduce the risk of change orders to provide more project cost security.

PDB fosters a collaborative partnership atmosphere between the owner, contractor, and engineer that facilitates a reduced construction timeline, reduced contract management costs, and supports the successful completion of the project.

The Design Builder is selected through a competitive process where qualifications and experience building similar projects are considered. Once selected, the Design Builder, along with their team, discuss scoping of the project and provides the level of effort necessary to design the initial portion of the project. As the project evolves, cost estimates become increasingly refined, eventually resulting in a high confidence GMP. The cost estimates are provided earlier in design (around 60% design levels) and checked by a third-party independent cost estimator, who is directly contracted with the City. Once agreed upon, the project moves to the construction phase. There can be multiple design and/or construction phases using PDB, depending on the needs of the project.

Staff recommends an exemption from traditional low-bid procurement to allow the use of an alternative delivery method, PDB for the Eastside Arterial Project. A detailed justification is provided in the attached findings. In general, PDB is recommended for this project due to anticipated cost and schedule savings, and the flexibility PDB allows to potentially complete design and construction of various subprojects concurrently.

As per ORS 279C.335(5)(b), a Notice of Public Hearing was published in The Bulletin on October 8, 2023, and the Daily Journal of Commerce on October 09, 2023.

Approval of the proposed alternative contracting process for this project is unlikely to encourage favoritism or diminish competition and will likely result in substantial cost savings and other benefits to the City and the public.

This project supports the 2022-2023 City Council goal to “preserve and enhance the City’s infrastructure to balance population growth with necessary infrastructure.”

If adopted by City Council, a PDB Request for Proposals will be issued. Proposals will be reviewed by a committee and a recommendation brought back to the Council at a future date.

Fiscal Impact:

There is no immediate fiscal impact to approve these findings. All expenditures related to this project will be included in the adopted annual budgets and 5-Year Capital Improvement Program. Total project costs are estimated at \$30M (low confidence estimate).

Alternative Courses of Action:

1. Conduct the Public Hearing and approve Resolution #2023-22
2. Conduct the Public Hearing and do not approve Resolution #2023-22
3. Request more information

Recommendation / Suggested Motion:

“I move to approve Resolution #2023-22 adopting the findings authorizing the use of Progressive Design-Build procurement and contracting method for the Eastside Arterial project.”

**CITY OF REDMOND
RESOLUTION NO. 2023-22**

A RESOLUTION ADOPTING FINDINGS IN SUPPORT OF AN ALTERNATIVE CONTRACTING METHOD FOR THE EASTSIDE ARTERIAL PROJECT.

WHEREAS, the City of Redmond has planned for the Eastside Arterial Project along 9th Street; and

WHEREAS, the proposed project known, as the Eastside Arterial is planning for improvements of existing roadway, located between NE Hemlock Avenue and Oregon Highway (OR) 126. Additional improvements include segments of Veterans Way, Airport Way, 9th Street, and OR 126. The proposed improvements at these locations include extending 9th Street southwest to Veterans Way from its current intersection at OR 126; improving the existing OR 126/9th Street intersection by constructing a roundabout; constructing a roundabout at the 9th Street/Veterans Way intersection; and avoiding the central portion of the Runway Protection Zone (RPZ) for the Redmond Municipal Airport; and

WHEREAS, the budget estimate for this project is \$30 million; and

WHEREAS, an alternative contracting method, known as "Progressive Design-Build" or "PDB" allows public entities to accommodate the various technical challenges in a more flexible and cost-effective approach than the normal competitive bidding process; and

WHEREAS, pursuant to Oregon Administrative Rule (OAR) 0137-049-0690, the City shall use this contracting method only with the assistance of legal counsel with substantial experience and necessary expertise in using the PDB method, as well as knowledgeable staff, consultants or both staff and consultants who have a demonstrated capability of managing the PDB process in the necessary disciplines of engineering, construction scheduling and cost control, accounting, legal, Public Contracting and project management; and

WHEREAS, as discussed in the attached findings, the PDB process would result in significant cost savings to the City and not diminish competition or encourage favoritism in awarding public improvement contracts.

NOW, THEREFORE, THE REDMOND CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION ONE: The City Council adopts the findings attached hereto as Exhibit A, explaining why it is appropriate for the City to use the PDB method for the construction of the Eastside Arterial Project.

SECTION TWO: Based on the findings adopted in Section One of this resolution, the City of Redmond City Council hereby exempts from the requirements for competitive bidding the project to construct the new Eastside Arterial Project.

ADOPTED by the Redmond City Council and **SIGNED** by the Mayor this 24th day of October 2023.

Ed Fitch, Mayor

ATTEST:

Kayla Duddy, Deputy City Recorder

Exhibit A to Resolution 2023-22

FINDINGS IN SUPPORT OF AN ALTERNATIVE CONTRACTING METHOD FOR THE CONSTRUCTION OF THE EASTSIDE ARTERIAL PROJECT

Introduction

Use of Alternative Contracting methods, such as Progressive Design-Build (PDB), is made possible under ORS Chapter 279C and OAR 0137-049-0690, which permits certain contracts or classes of contracts to be exempt from competitive public bidding under strict procedural safeguards. Like other alternative contracting methods, PDB has significantly different legal requirements than a typical design-bid-build project delivery method.

Pursuant to ORS 279C.335(1) and (2), a local contract review board may exempt specific contracts from traditional, competitive bidding if the jurisdiction finds 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 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; and
- Funding sources.

For the reasons set forth more fully in the "Findings" subsection of this document, it is recommended that a PDB team be selected by utilizing the competitive proposal process in accordance with ORS 279C.400 to award a contract for design and construction of the Eastside Arterial Project (the "Project"). The PDB process is appropriate when the contracting agency identifies a need for the following benefits:

- Engineering design, plan preparation, value engineering, construction engineering, construction, quality control and required documentation as a fully integrated function with a single point of responsibility;
- Integrating value engineering suggestions into the design phase, with the intent of reducing Contract changes during the construction phase;
- Reducing the risk of design flaws, misunderstandings and conflicts inherent in construction Contractors building from designs in which they have had no opportunity for input, with the intent of reducing Contract claims;
- Shortening project time by allowing early submittals, mobilization, subcontracting and advance construction work to commence prior to completion of final design, or where a design solution is still required (as in complex or phased projects); or
- Obtaining innovative design solutions through the collaboration of the Contractor and design team, which would not otherwise be possible if the Contractor had not yet been selected.

Background

In 2013, Oregon Department of Transportation (ODOT) and the City of Redmond entered into an agreement that rezoned 426 acres of Open Space Park Reserve (OSPR) from OSPR to East Redmond Industrial Site (ERIS). Said agreement further covered a Traffic Impact Analysis (TIA) mitigation strategy that identified and listed transportation improvements needed to alleviate effects of the ERIS on existing or planned transportation facilities.

In 2015, ODOT and the City of Redmond identified the extension of 9th Street, intersection improvements of 9th Street at its intersection with OR 126, and a single lane roundabout or traffic signal at 9th Street and Veteran's Way as being consistent with the mitigation strategy identified in the previous agreement and was necessary to relieve congestion on US 97. In an agreement between ODOT and the City of Redmond in 2015, both parties agreed to create 30% design level construction plans for intersection improvements in the vicinity of OR 126, SE 9th Street and Veterans Way. The project included improvements at the intersection of OR 126 and SE 9th Street, improvements at the intersection of SE Veterans Way and SE 9th Street, and a connection of SE 9th Street between OR 126 and Veterans Way. Additionally, another opportunity presented itself during the preliminary design to shift the intersection of Airport Way and Veterans Way out of the Runway Protection Zone (RPZ) of the Redmond Municipal Airport.

In 2020, the City of Redmond adopted the most recent Transportation System Plan (TSP), which included the proposed improvements noted above as well as a few other suggested improvement areas. The additional suggested improvements along 9th Street include modernization and widening to meet City standards for a minor arterial. These improvements may include 3 or more travel lanes (includes a center turn lane), 7-foot-wide sidewalks on each side, and 6-foot-wide bike lanes on each side. Lastly, improvements to subsurface utilities would provide for opportunities for future economic development in east Redmond and are being considered as well.

The improvements mentioned above were programmed to be included in a greater project known as the US 97 South Redmond Corridor Project with ODOT. However, due to federal and state funding constraints to procure the necessary funds of approximately \$100M, the proposed improvements along 9th Street were removed from the scope. Regardless of State or Federal funding availability, the need for improvements along 9th Street remain a priority for the City of Redmond.

In August 2022, the Redmond City Council identified the Eastside Arterial project as a high priority capital improvement project in order to help achieve their goal to improve transportation infrastructure in the City, as well as provide opportunities for future economic development.

The Eastside Arterial project includes three interrelated transportation improvement subprojects that will contribute to improving the safety, efficiency, and reliability of transportation in east Redmond. The three subprojects include:

1. **NE Hemlock Avenue to E Antler Avenue:** 2,650 feet of street improvements on NE 9th Street from E Antler Avenue to NE Hemlock Avenue, including new pavement, turn lanes, bike lanes, sidewalk, and subsurface utility improvements.
2. **OR 126 to E Antler Avenue:** 2,730 feet of street improvements on SE 9th Street from OR 125 to E Antler Avenue, including new pavement, turn lanes, bike lanes, sidewalk, and subsurface utility improvements.
3. **9th Street Extension:** 4,100 feet of new roadway with pavement, turn lanes, bike lanes, sidewalks, two new roundabouts at the intersections of Oregon Highway (OR) 126 and Veterans Way with the new 9th Street extension, and subsurface utility installation and/or improvements.

Phasing for the projects listed above have yet to be determined and will be later defined, refined, and prioritized between the PDB team and the City. The Project may also include other elements identified as needed improvements in the area to increase north-south and east-west connectivity and multimodal improvements to the transportation system and/or associated improvements to subsurface utilities. The "area" of the Project is generally defined as the area between NE Hemlock Avenue and Airport Way. Improvements outside this area, if related to the purpose of the Project, may also be included as identified in preliminary design.

Findings

Pursuant to ORS 279C.335(2), the following Findings justify an exemption from ORS 279C.335(1) and OAR 137-049-0130 for the Project.

- (a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts. (ORS 279.335(2)(a)) –** Design-build teams will be selected through a competitive proposal process. No reduction of competition is expected since the proposed process is open to the same contractors that would have participated in the traditional design-bid-build process, and there are multiple contractors both locally and across the state with the ability to compete for this contract. Uniform evaluation criteria will be used in the selection of contractors.

Favoritism will not play a role in the selection of the contractor. Selection will be conducted through an open and advertised RFP process. All qualified firms will be invited to submit proposals. The City will publish a legal notice(s) in order to provide Project information to all interested entities. Proposers will be evaluated based on clearly stated criteria. A team will perform the evaluation in an effort to minimize the effects of any individual bias. All qualified firms will be able to participate in an open, competitive selection process.

- (b) Substantial cost savings and other benefits (ORS 279C.335(2)(b)) -** The exemption to the low-bid competitive process will likely result in a substantial cost savings and other benefits to the contracting agency and community, with consideration of the following factors required by OAR 137-049-0630 and ORS 279-335(2)(b):

(A) How many persons are available to bid - A publicly-advertised competitive proposal process will be utilized to select the design-build team. The use of this contracting method does not prevent any contractor or consultant from proposing on the project that otherwise would have had the City procured the project using the traditional low-bid method.

(B) The construction budget and projected operating costs for the completed public improvement – The construction budget and operating costs will not be adjusted due to the alternate bidding method. While direct cost savings are generally identified during the design through value engineering, there are several indirect cost savings more challenging to quantify. Some of these savings include: reduced City staff resources dedicated to the project, early involvement of contractor typically resulting in reduced change orders and disputes/claims, and accelerated project delivery resulting in avoiding future year inflationary and increased commodity costs. Strategic early procurement of materials to take advantage of reduced material cost when possible may also result in reduced construction costs.

(C) Public benefits that may result from granting the exemption – One of the main advantages to the public of the PDB contracting method is the project's schedule flexibility and potential time saved. As with many construction projects, disruptions to surrounding businesses, residents, various public agencies, and the traveling public may be unavoidable. Therefore, any decrease in project duration is favorable to the community. Since the progressive design-build contracting method brings the construction contractor on board in one contract with the designer, the construction bid phase in the traditional procurement approach can be eliminated. Once the design-build team has an approved design or partial design (given that multiple phases and/or subprojects may be an element of this project) and guaranteed maximum price (GMP) or come to agreement for early construction work prior to establishing GMP, construction can begin. This allows the contractor to begin construction in areas where design is completed early or to order any materials with long lead times.

Other substantial benefits to the public include the City's ability to select a team based on their qualifications as they relate to the particular challenges of this project. Construction in solid rock is common in Central Oregon, teams with specific experience in rock excavation can provide analysis on rock removal methods including but not limited to hammering, blasting, rock saw, and tunneling, and design a construction plan that programs work and work methods in an effective manner. Additionally, through PDB, the contractor and designer are able to explore and identify any existing utility conflicts that can be incorporated into the design early on. This alleviates the concerns of any re-designs, which can negatively impact construction and its schedule. These challenges identified above are especially pertinent for any proposed subsurface utility improvements.

The public will benefit from improved quality of the finished product by having experienced contractors implement the improvements. The team's ability to work well with the public will be important due to potential for construction fatigue in the area.

(D) Whether value engineering techniques may decrease the cost of the public improvement –

The PDB contracting method gives the contractor an increased opportunity to engage in value engineering during design, which increases the likelihood of construction cost savings and reduced risk to the City. The PDB approach fosters a collaborative relationship between owner, engineer, and builder through all project phases. Allowing the contractor to consult with designers to avoid constructability issues and provide input to find the most cost-effective solution prior to breaking ground.

In contrast, the traditional method of contracting only allows for the contractor to see the contract documents once they are issued for the construction bidding phase. At this point there is minimal incentive for contractor value engineering and the design has typically progressed past the opportunity for innovative or substantial adjustments.

(E) The cost and availability of specialized expertise that is necessary for the public improvement –

The PDB contracting method is not expected to increase the cost or availability of specialized expertise necessary for the public improvement. Design availability and cost of design services are not anticipated to be impacted since the method for contracting these services are not significantly different from those found in the traditional design-bid-build contracting method. Construction availability and cost are also not anticipated to be impacted because a competitive process will be used for subcontracted work, unless otherwise justified by the General Conditions. This results in costs and availability comparable to those found in the traditional design-bid-build contracting method. Finally, this project is anticipated to garner significant interest from many firms throughout the region, resulting in a competitive environment similar to the traditional contracting methods.

(F) Any likely increases in public safety – No adverse effects to public safety are anticipated as a result of pursuing the PDB contracting method. The design engineer will be held to the same standard of care as with the traditional contracting methods. The contractor will be following the same City standards and will be using the same best practices as with the traditional contracting methods.

The PDB procurement method allows historical safety performance on similar projects to be considered as a selection criterion. It also permits the City to work closely with the contractor to ensure that the design and work sequences include appropriate safety measures that the contractor understands the City's safety concerns and that the contractor will take appropriate steps to address them.

The PDB method promotes better collaboration with the contractor during design resulting in increased public and City staff safety through increased vetting of construction means and methods.

(G) Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement – The PDB contracting method differs from the traditional design-bid-build method in that the contractor is involved from the beginning of the design and is selected based on qualifications and price, rather than solely price. The City first reduces risk by selecting the proposing team with the highest score for qualifications, experience, project scope, and price, and secondly by establishing the progressive design-build team at the initiation of the design phase. This requires a partnership between the progressive design-builder team to develop the optimal solution and own any design defects. In the traditional design-bid-build contracting method, the designer completes the design without input from the construction contractor, and the construction contractor receives a completed design and expects to complete construction without changes to the design. Traditional project delivery does not allow collaboration between the construction contractor and the designer to create an optimal design. In the traditional method, any design defects or flaws are not discovered until the construction phase, when the designer is no longer engaged on the project. The PDB method allows the construction contractor and the designer to work together to identify constructability issues in the design early and allows these design risks to be mitigated during the design process.

In addition to the protections that this contracting method provides the City with regard to the design, cost overruns can also be mitigated. Once the design for the project has reached a pre-determined milestone, the City and the contractor negotiate a guaranteed maximum price (GMP). This GMP is the price for which the design-build team will complete the design and construction of the project. If the construction and design end up costing more, the design build team does not charge the City more. This method of project delivery reduces the potential for costly change orders, disputes, and/or claims due to the collaborative project team approach.

Overall, the PDB contracting method places more of the risk on the design-build team than the traditional design-bid-build method. Such instances include minimizing the number of contracts needed to procure the project (sub-contractors/consultants are managed by the primary PDB contractor), actual quantities of work, quality of work, and a defective design (as mentioned above).

(H) Whether granting the exemption will affect the sources of funding for the public improvement – The proposed PDB contracting method will not impose restrictions or limitations on the funding sources for this project. It has been confirmed with ODOT/FHWA that previous (State) funding on the project does not preclude the use of PDB or tie the Project to any federal funding regulations.

(I) Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement – Utilizing the progressive design-build contracting method will likely allow the City to minimize risk associated with market conditions. Under a traditional contracting method, the time between the issuing of the contract documents for bid and the notice to proceed can be on the order of months. This time delay is seen by the contractors as a cost risk as the cost of materials can increase substantially in a short amount of time. The progressive design-build contracting method eliminates this procurement process and therefore minimizes the cost associated with this risk that the contractor builds into their bid.

No negative schedule impact is anticipated on the project as a result of market conditions with regard to the chosen contracting method. The progressive design-build contracting method allows the contractor more flexibility to dictate their own sequencing and schedule once a GMP has been agreed upon. This will likely result in a benefit to the project with regard to schedule impacts from a market conditions viewpoint.

(J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement - This contracting method allows the City to consider the proposer's experience and expertise in this type of work, sensitivity to safety, legal, and operational issues, as well as the qualifications of its project manager, and support team, appropriate to the size and complexity of this Project.

(K) Whether the public improvement involves new construction or renovates or remodels an existing structure – The Project includes a combination of new construction and modification to existing roadway corridors. Ninth Street between Hemlock Avenue and OR 126 is an existing roadway corridor that will be updated to meet current standards and multimodal needs for a minor arterial. A new road will be constructed, extending 9th Street from OR 126 to Veterans Way / Airport Way for better connectivity and to provide for future development.

For this project, whether the improvement is new construction or otherwise, it is not impacted by the contracting method. The means and methods of construction will not differ between contracting methods; however, the phasing to limit impacts to the community and end users may differ.

(L) Whether public improvement will be occupied or unoccupied during construction – A majority of the Project within the existing roadway will need to remain under live traffic throughout construction; therefore, selection of experienced, cooperative, and solution-oriented contractors who can coordinate and execute construction of these projects in a safe, proficient, and expedient manner will greatly benefit the public.

(M) Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions – The Project is tentatively planned to include multiple phases, which will be determined in collaboration with the PDB team as additional design details and phasing considerations are evaluated. The utilization of this contracting method will benefit this Project by allowing critical path improvements to be identified and phased accordingly to minimize the overall project schedule and cost.

(N) Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract – City staff has experience with alternate contracting methods, including Construction Manager/General Contractor (CM/GC), Best Value, and Progressive Design-Build (PDB), with in-house engineering project management, and legal counsel staff.

Additional Findings

OAR 137-049-0630(3)(b) permits other findings, in addition to those listed above, to be considered with regard to the expected benefits and drawbacks of particular Alternative Contracting Methods. The following discussion of benefits and drawbacks of this contracting method may be a duplication of those found above, but they are the main elements to consider for a Progressive Design-Build contracting method, so additional dialogue is warranted.

Advantages – The PDB contracting method includes a more cohesive project team, identifying the shortest delivery schedule, and increased leverage for the City to ensure public and private impacts are minimized as part of construction.

Drawbacks – May include limited opportunities to make changes once a GMP is established, and this procurement method may result in a shortened timeframe for public outreach on the proposed design.

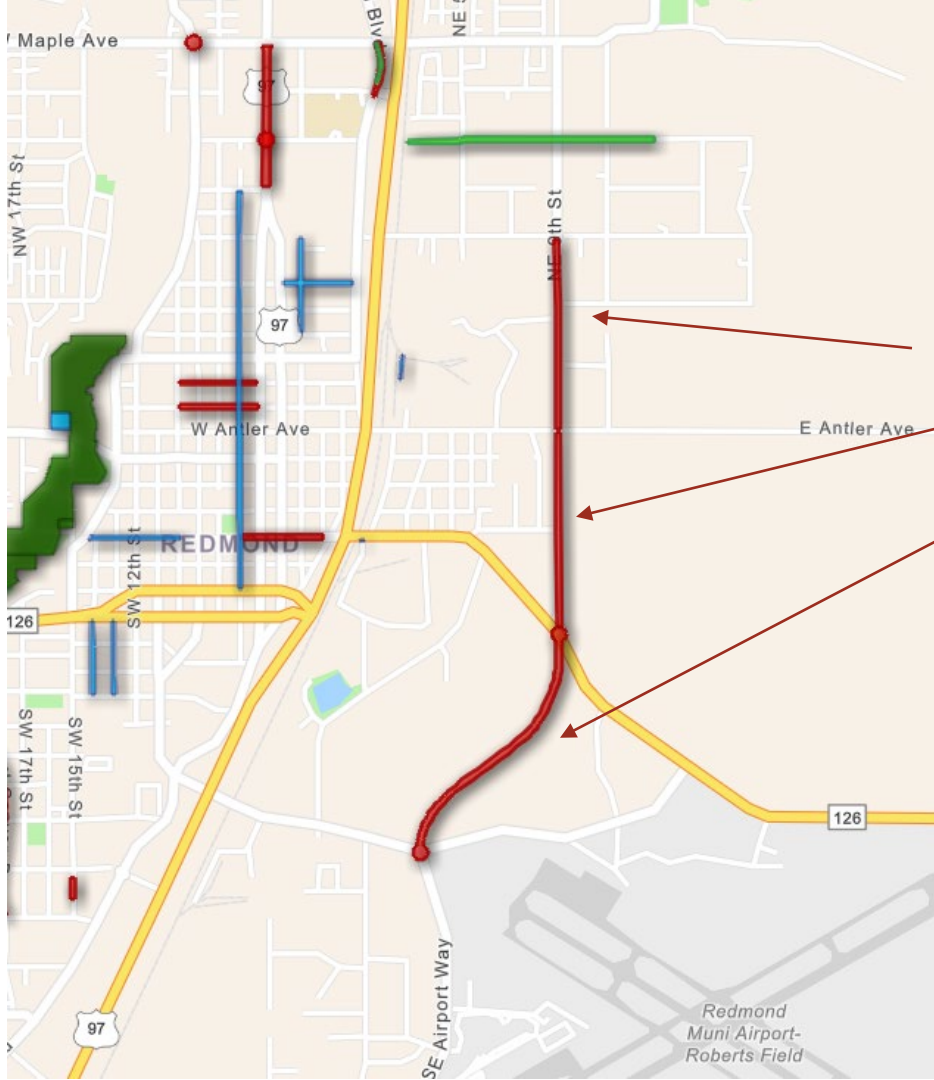
Summary

After careful consideration, the City of Redmond has found the Alternative Contracting Method known as Progressive Design-Build to be more appropriate than a traditional design-bid-build process to meet the overall project objectives for the Eastside Arterial Project. The PDB process offers the City the best opportunity for successfully managing this large, complex project on time and within the budget.



EASTSIDE ARTERIAL PROJECTS

—
SLIDE / 1



9th (Hemlock to Antler) (\$3.5M)

9th (Antler to Hwy 126) (\$2.5M)

9th St. Extension and RABs (\$22M)

\$28M-30M
(4-5 years to completion)

(\$ = Total Estimated Project Cost, all funds, low confidence)