**EXHIBIT A**

**CM/GC EXEMPTION FINDINGS FOR THE SUNRIVER SERVICE DISTRICT PUBLIC SAFETY BUILDING PROJECT**

**ORS 279C.330(1) AND ORS 279C.335(2)(b)**

1. Firms Available to Bid. All interested and qualified contractors statewide will have an opportunity to provide a response to the RFP, which will be advertised in the *Daily Journal of Commerce*.
2. Operational, Budget, and Financial Data. The Total Project Cost for the Public Safety Building Project (Project) is $18,000,000, including a $2,000,000 owners contingency. Project cost is estimated at $16,000,000 (100%), with $11,200,000 actual construction cost (70%) and $4,800,000 in “soft” costs (30% of which is allocated to design and management fees, plus furniture, fixtures and equipment). This is a significant amount of money in relation to the District’s budget and resources. Due to the critical timing and nature of these projects, careful coordination and scheduling will be essential. Having a CM/GC involved early in the construction phasing will allow the District to work with the contractor to develop a construction plan that will minimize impacts to District operations. District finds that the ability to carefully screen experienced contracting firms in this area will significantly affect the Project schedule and cost. The utilization of the CM/GC method has been shown in its use by other agencies in Oregon to alleviate financial risk due to minimizing delay and requests for additional work and change orders. By undertaking this pilot project by which the District will use a CM/GC, it is anticipated that the District will find that reduced risks provide a significant value and substantial cost savings to the District.
3. Public Benefit. Efficient completion of the Public Safety Building will address the critical features missing in the current Fire and Police Stations that could potentially undermine District’s response to localized hazards and public safety issues. A CM/GC coordinated approach increases the ability for District to continue to provide a dedicated standard of care to the public. There will be a general public benefit from the expeditious construction of the Project by improving the facilities while minimizing impacts to operations. In addition, the public will benefit from the improved quality and lower cost through use of the CM/GC process. Approving the CM/GC exemption will allow a contractor to be hired earlier in the process than the traditional design-bid-build process. In turn, this improves the District’s ability to complete the Project on time. Creating a team at the start of the Project, comprised of the Architect, the Project Manager, the District, and CM/GC will result in a more informed and better-quality decision-making process. A more efficient construction team reduces the District’s financial exposure and enhances delivery of the Project.
4. Value Engineering. The RFP selection process, early involvement of the contractor, and negotiated contract approach gives the contractor a significant opportunity to engage in value engineering (i.e. the evaluation of what a system does as compared to cost). The selected CM/GC will be brought on board immediately following award of a contract in order to assist the Project Team with construction scheduling, phasing, costing, operator interaction issues, quality assurance, and design constructability reviews. The selected CM/GC will also advise the District and the design team regarding specialty construction issues and any long lead time procurements. CM/GC contributions to the design phase permit a collaborative approach to value engineering which ultimately translates into time and cost savings realized by the District. Construction issues which may not otherwise be known to the design team can be factored in and addressed while the design is drafted. In turn, this results in a higher quality product, lower costs, and a shorter timeline.
5. Specialized Expertise. The challenge of completing the Project in an operational fire response facility is significant. It is important to utilize a general contractor that has demonstrated expertise in managing, scheduling, and performing services required for the Project. The District, therefore, finds that selecting a firm through the RFP process allows the District to contract with a firm with the appropriate CM/GC expertise. The necessary mix of experience and expertise for a CM/GC contractor cannot be adequately evaluated in a formal lowest responsible bid selection process. A qualified project manager with strong leadership skills is one of the components required for a successful CM/GC project. The RFP process will allow the District to review the qualifications of each proposer’s key staff and confirm their ability, experience, record of quality, past performance and integrity needed to carry out the proposer’s contractual obligations. The process will also allow the District to identify qualified teams that have met critical deadlines in past projects and that have the ability to work collaboratively to meet Project needs. The costs for such specialized expertise are included in the overall Project budgets and will be included within the accepted Guaranteed Maximum Project Cost (GMP).
6. Public Safety. Efficient completion of a consolidated Public Safety Building will address the missing features in each department’s stations that could potentially undermine District’s response to localized hazards and public safety emergencies. Using the CM/GC process is anticipated to remedy these issues by obtaining CM/GC input into construction sequencing, thus accelerating the Project’s completion schedule in comparison to standard contracting methods.
7. Market Conditions. Identifying and contracting with the full Project team at an early stage will allow the District to capitalize on current market conditions, rather than having them affect a later bid/build phase. Such cost and market variables can be anticipated in the GMP, but ultimately should have no effect on the District. The CM/GC subcontractors cannot go over the GMP, but may come in under the GMP, and the District will realize those cost differences. Having a qualified CM/GC play a role as an integrated team member early in the Project with the District and other Project members also adds expertise to the design phase, which translates into District savings and provides more budgetary certainty.

No negative financial impacts to the District are expected as a result of using the RFP solicitation process to select a CM/GC for the Project. There is a sufficient pool of qualified construction companies with expertise in the type and size of project planned and there are additional qualified firms located in the greater Pacific Northwest. It is anticipated that a substantial number of competitors will submit proposals for this Project, allowing the District to select from among a number of qualified contractors.

1. Technical Complexity. Because of the site and schedule constraints, effective project planning and coordination will be crucial among the District, project manager, Architect and CM/GC. Strong budget and schedule controls will be essential. The conventional design-bid-build approach would pose too much risk for the District on this Project. The CM/GC will bring specific construction expertise to the team process and assist in addressing specific Project challenges as part of its pre-construction services. The CM/GC will also provide input on issues such as public safety, phasing, and coordinated scheduling. The CM/GC method encourages innovative planning and coordination that further improve the construction schedule and on-site conditions. The ability to coordinate and manage this Project would be especially challenging to an inexperienced or narrowly-focused team. The RFP process allows the District to consider the proposer’s experience and expertise in completing this type of work, its sensitivity to safety, legal, and operational issues, and the qualifications and experience of its project manager and support team.
2. Funding Sources. The District will finance the Project through the following funding sources: $8,000,000 County Transient Lodging Tax; $7,000,000 tax free conventional loan; and $3,000,000 from District’s savings fund. Therefore, it is critical for the District to complete the Project within its budget and on time. The CM/GC process, with its maximum price provisions, value engineering potential, constant oversight from a project manager, and construction input beginning in the design phase, will help the District stay within its budget and wisely spend public funds.
3. New Construction or Renovation of an Existing Structure. The Project will remodel, add on and renovate an existing District fire station, which is an essential facility, and remodel the facility to increase capacity to serve the District’s growing community and house both the Sunriver Police Department and Fire Department.
4. Occupied or Unoccupied During Construction. The District facilities will be in use and partially occupied during construction, adding to the Project’s technical complexity and need for a coordinated CM/GC team.
5. Single Phase or Multiple Phases of Construction Work to Address Specific Project Conditions. The Project includes a multiplicity of technical issues related to structural upgrades, electrical systems, piping systems, HVAC systems, and fire alarm and security systems, as well as complex sequencing and phasing of work in a partially occupied fire station that will remain operational during the course of construction. Project entails temporary onsite residential housing and access to three apparatus bays. It is important to the Project’s success for both budget and schedule that the District have a general contractor that understands the complexity, has the ability to manage these types of complex projects, and develops bid instructions to attract appropriate subcontractors to perform Project work. The District, therefore, finds that selecting a firm through the CM/GC method allows the District to contract with a firm with the needed technical phasing expertise.
6. Whether the District has the Personnel, Consultants and Legal Counsel with Necessary Expertise and Substantial Experience in Alternative Contracting Methods. District staff, in conjunction with an Owner Representative/Project Manager experienced with CM/GCs, the Architect (who will be chosen based upon qualifications and experience with the CM/GC project delivery model), an experienced contractor, as well as other Project team members and the District Legal Counsel, together, will have the level of expertise with the CM/GC alternative contracting method needed to produce a high-quality Project outcome. The District acknowledges that the expertise will come primarily from non-staff elements. To this end, the District’s contracts with its chosen Owner Representative/Project Manager, Architect, and Legal Counsel obligates each of these team members to proactively assist with and oversee the CM/GC selection process.
7. Unlikely to Encourage Favoritism or Substantially Diminish Competition. As noted in Finding 1, CM/GC competition will be encouraged through the use of an RFP solicitation process, with notice of the RFP published to reach a wide range of potentially interested proposers. No reduction of competition is expected because the RFP for this CM/GC contract will be advertised in the same manner as a traditional low bid solicitation, with full disclosure of the planned CM/GC alternative contracting method. Uniform evaluation criteria will be used in the selection and award of the CM/GC firm, and the construction work elements will be subcontracted and procured through open competitive bids managed by the CM/GC and based on identified selection criteria. Favoritism cannot play a role in the selection of the CM/GC, as award will be based upon set, weighted RFP criteria. All qualified firms will be able to participate in an open, competitive selection process, with an opportunity to protest the award before it is final.
8. Will Result in Substantial Cost Savings. The CM/GC contracting method has the potential to achieve substantial cost savings for the District through the involvement of the contractor in the design phase of the Project. Early input by the CM/GC during the design process is expected to contribute to general cost savings through constructability assessments, life cycle cost analysis, and value engineering. By having the CM/GC available before the design is finalized, the contractor is able to participate in the design, propose cost saving revisions, and ensure the constructability of the Project so that costly change orders are less likely.

Cost savings will also be realized because, through the RFP selection process, the District can select a well-organized, experienced CM/GC. This should also lead to fewer change orders and, in turn, reduce staff and Architect time to design, negotiate, and administer the changes.

Lastly, the CM/GC method allows for early procurement of major equipment, allowing the Projects to avoid cost increases due to material shortages or cost escalation. If subcontracted costs are less than identified in the guaranteed maximum price, some or all of the savings will be passed on to the District under the agreement required of the CM/GC.

1. Time Savings. An exempt CM/GC process allows the District to condense the overall time required to complete construction of the Project by enabling the District to procure construction services simultaneously or shortly after soliciting Architect services. Having the CM/GC on board early in the process allows for coordination in the development of the Project construction schedules and the initiation of early site work, where advantageous or warranted. This can help to shorten construction periods and minimize construction operational impacts. Early detection of potential construction difficulties and material issues, from a contractor’s view, can also prevent potential delays and costly and time-consuming change orders.

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