

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**ACTING IN ITS CAPACITY AS THE  
LOCAL CONTRACT REVIEW BOARD**

**RESOLUTION NO. 7108**

**ADOPTING FINDINGS IN SUPPORT OF AND EXEMPTING THE  
CENTENNIAL MILLS REDEVELOPMENT PROJECT FROM COMPETITIVE  
BIDDING**

**WHEREAS**, by adoption of Resolution No. 3550, the Portland Development Commission (“PDC”) Board of Commissioners (“Board”) was established as the PDC’s Local Contract Review Board (“LCRB”) pursuant to state law;

**WHEREAS**, Oregon Revised Statutes (“ORS”) Chapter 279C and PDC’s LCRB Administrative Rules (“LCRB Rules”) generally require that all public improvement contracts shall be awarded on a low-bid basis;

**WHEREAS**, ORS 279C.335(2) and LCRB Rules Part 4(II)(B)(2) allow exemptions to the general requirement for competitive bidding upon LCRB approval of written findings;

**WHEREAS**, PDC staff proposes to use Best Value (“BV”) contractor selection process resulting in solicitation for design/build services through a competitive request for proposals process to perform design services and construct public improvements on the Centennial Mills site (“Project”); and

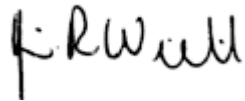
**WHEREAS**, after due public notice, staff held a public hearing to receive comments on the draft findings for the exemption for the Project as required by ORS 279C.355(5) and LCRB Rule Part 4(II)(B)(2).

**NOW, THEREFORE, BE IT RESOLVED**, the PDC Board acting as the LCRB hereby adopts the findings set forth in Exhibit A (“Findings Report”) in support of exempting the Project from competitive bidding;

**BE IT FURTHER RESOLVED**, that based on approval of the Findings Report, the LCRB hereby exempts the Project from the competitive bidding requirements of ORS Chapter 279 and the LCRB Rules and specifically approves the Project for the alternative contracting approach set forth in the Findings Report; and

**BE IT FURTHER RESOLVED**, that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on April 8, 2015

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

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Gina Wiedrick, Recording Secretary

**DATE:** April 8, 2015  
**TO:** The PDC Board of Commissioners acting in its capacity as PDC Local Contract Review Board  
**FROM:** Patrick Quinton, Executive Director  
**SUBJECT:** Findings in Support of Exemption from Competitive Low Bid Solicitation for the Centennial Mills Redevelopment Project

### **BACKGROUND AND CONTEXT**

The findings (“Findings”) herein support a resolution by the Portland Development Commission (“PDC”) Board of Commissioners (“Board”), acting as PDC’s Local Contract Review Board (“LCRB”), to exempt the solicitation for Design/Build (“D/B”) services of the Centennial Mills Redevelopment Project (“Project”) from a low-bid selection process.

Centennial Mills (“Property”) is owned by PDC and, as authorized by Board Resolution 7089, selective demolition of the site is planned to be underway this year. The Property was acquired by PDC in 2000. Centennial Mills is located in Northwest Portland and is bounded on the west by Naito Parkway and east by the Willamette River, within the River District Urban Renewal Area. In order to proceed with Phase 2 of the selective demolition of the Property, PDC must also complete all necessary design, engineering, and permitting activities for the bank restoration, greenway trail and related work. This permitting-related construction work is planned to commence immediately following completion of the Phase 2 in-water demolition work and run concurrent with construction of other public improvements, as resources allow. This contracting process will best meet the regulatory requirements and enable a seamless transition from demolition to public improvement work necessary at the Property.

Following notice of intent to award of the D/B contract, PDC and the selected proposer team will negotiate and enter into a D/B contract which will consist of three parts: (1) conceptual design services for a preferred design; (2) schematic design, design development, and construction documentation services for the preferred design, with associated engineering, permitting, and cost estimating services; and (3) upon approval of a Guaranteed Maximum Price (“GMP”), construction of public improvements.

## **PORTLAND DEVELOPMENT COMMISSION**

### **EXEMPT FROM LOW BID PROCESS**

### **FINDINGS**

Oregon Revised Statutes (“ORS”) 279C.335(2) and PDC’s LCRB Administrative Rules (“LCRB Rules”), Part 4, Section II(B)(2) provide that the LCRB may exempt certain public contracts from the low competitive bidding process upon the LCRB making the following Findings:

1. It is unlikely that such exemption will encourage favoritism in the awarding of a public contract or substantially diminish competition for the contract; and
2. The awarding of public contract under the exemption will result in substantial cost savings to the agency.

In making the Findings, the LCRB may consider the type, cost, and amount of the contract, the number of persons available to bid, and such other factors as may be deemed appropriate.

**No Favoritism and No Diminished Competition**

The contractor selection will be accomplished by issuing a competitive RFP with Project-appropriate evaluation criteria. Evaluation criteria will likely include the qualifications and strength of the proposing D/B team; relevant project experience; approach and methodology for completing the D/B scope of work; cost; engagement of disadvantaged, minority-owned, women-owned, and emerging small businesses (together, “Certified Firms”), and other relevant factors. No prequalification process will be used and any design-build team may respond to the RFP. Among other things, the D/B contract will require competitive subcontracting, optimal schedule completion, inclusion of opportunities for Certified Firms, and demonstrated ability to comply with PDC’s Equity Policy, including the Workforce Equity Program. A committee will evaluate the proposals, followed by negotiations with the most qualified, responsive, and responsible bidder to establish a D/B contract. As PDC staff intends to conduct the RFP through a fair, impartial, and transparent process, no favoritism will be shown and competition will not be diminished.

**Substantial Cost Savings**

Because the preferred design and specific requirements for the waterway work is unknown at this time, using a D/B delivery method will enable PDC to quickly and efficiently generate and analyze several iterations to best meet permit requirements and limited funds available. After the appropriate concept design is selected, the D/B contract allows PDC to initiate follow-on construction design drawings immediately, without a lapse in Project timelines. It also integrates the design firm with the contractor to consider alternative means and methods of construction and optimize cost savings. Finally, once design drawings are completed to the point of constructability, a GMP will be developed and upon approval will enable construction to commence immediately. This process eliminates multiple solicitations, considerably streamlining delivery of services. Allowing one team to both design and construct the Project will result in efficiencies of design, value engineering, and cost estimation, and will reduce overhead expenses. The D/B delivery method with a GMP reinforces the architect-contractor accountability which is expected to reduce costly change orders and claims.

**PUBLIC HEARING**

In accordance with ORS 279C.335(5) and the LCRB Rules, Part 4(II)(B)(2), PDC published notice of the required public hearing which was held on April 1, 2015. No public comments or public testimony was received.

**RECOMMENDATION**

PDC staff recommends that the LCRB adopt a resolution making the Findings and authorizing the Executive Director to exempt the Project from the competitive low bid solicitation process in favor of using a BV contractor selection process, resulting in solicitation of D/B services through a competitive RFP.

**RESOLUTION NO. 7108**

**RESOLUTION TITLE:**

ADOPTING FINDINGS IN SUPPORT OF AND EXEMPTING THE CENTENNIAL MILLS REDEVELOPMENT PROJECT FROM COMPETITIVE BIDDING

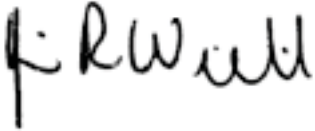
Adopted by the Portland Development Commission on April 8, 2015

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Charles Wilhoite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Regular Agenda				

**CERTIFICATION**

**The undersigned hereby certifies that:**

*The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.*

	<b>Date:</b>  April 9, 2015
<b>Gina Wiedrick, Recording Secretary</b>	