

Regular Meeting of the Board of Directors
BANKS SCHOOL DISTRICT 13
450 S. Main Banks, OR

July 31, 2012

Work Session

Minutes

Minutes are official after Board approval

4:00 PM Work Session – District Board Room

Bond Management Committee

Present:

Board: Richard Bowden, Kathy Edison, Will Moore,

Others Present: Rick Rainone, Scott Rose, Bob Huston, Joni Spencer, Pete Edison, Ron Frame Shelley Mitchell

Rick Rainone distributed the meeting agenda.

Agenda

Cornerstone Consulting

- Board will need to decide on Type of Construction Agreements:
 - Design/Bid/Build
 - CM/GC (Construction Manager/General Contractor
 - Design/Build
- Process will be followed as defined in state statute. Standard
- Levels of Board Approval varies for each

1.1 Pre-select qualified bidders (Design/Bid/Build)

Architect prepares bid documents

- Drawing and specifications. Formal set of documents.
- Contractor has to bid, and legally bound to build – there is accountability.
- Bring contractor on after design doc is done – bidding out to select pool
- No control of subs

DLR will prepare the bid documents.

- Request For Proposal – tremendous flexibility
- District determines evaluation process and points for ranking.
 - Criteria: cost/quality/experience/similar projects previously done.
 - Criteria for selection weighted specifically for Banks School District.
 - Districts use the ranking summary often.

4 month prior to bid – pre-qualify bidders.

- Bidders have to be able to post bond.
 - A bidder is a contractor that gives a bid for something defined in the bid documents.
 - Can be a general contractor.
 - Always a contractor, always has a contractor license, and is bonded.

District establishes criteria, the Request For Proposal; pick qualified bidders to bid on the project.

District can say how many qualified bidders the district will pick.

1.2 CM/GC method

- CM/GC construction manager/general contractor.
 - Still use Request For Proposal
 - Difference – select contractor to come on board as early in design phase as possible. Brought in during design process. More of partner/team with architect. Doesn't change combative relationship
 - Contractor helps create quality bid documents.
 - Creates one team effectively working together instead of three independent entities: contractor/architect/district.
 - CM/GC cost plus fixed fee. Agreed upon: select – agree on fee (profit).
 - General conditions (cost for contractor to be on project while doing work – field people)
 - Agree on fee and general conditions. Best way to put project out to bid. Advertise, receive bids.
 - Not obligated to take low bidder.
 - Can control quality & schedule & cost
 - Contractor bidding and allow to participate in sub contractor work.
 - 70% costs are subcontractor work.

1.3 Bid Documents Advertisement and Award Projects (Design/Build)

- Bid to responsible bidders (able to bond).
- Design/build – school districts don't use. Usually in private sector. Spend more money up front. Don't always recoup money. Great way to bid when you know what you want. Control the risk.
- Owners have the right to pick the process you want to use based on what is best for the owner. None are perfect.

Will Moore asked about contractors using method 1.1 versus 1.2

- Top 5 contractors – not all 5 do 1.1. Would do 1.2.
- Salem Kaiser last 3 yrs – used pre-select qualified bidders (1.1) Will go to 1.2 if do any more.
- Scott Rose stated 60% of school districts use CM/GC.
- District in attendance when bids are open. Tremendous control – but have to use it. All transparent.
- Need to decide MS project now. Other project pieces can be decided later.
- 1.2 provides for more cost control
- Unanimous agreement CM/GC for Middle School project. Advertise formal process.

Richard Bowden commented in his experience low dollar scope projects don't work well with CM/GC. He said for the high school roof job – hire roofer, don't hire CM/GC. Buy direct.

Proposal Ranking Summary:

1. Tell what the key guy assigned to job – what has he done? Superintendent – running the field the most important. Not always great interviewers.
 - **Next board meeting advertise for findings of facts.** Facts the board will consider in making decision. Some defined in statute. The board is the local contract review board. Act on findings. Anyone can come and speak. Then make decision. Then advertise RFP.
2. Firm knowledge - experience of the firm.
3. Abilities in schedule and expediting. If can't schedule or expedite can't help much. Ability to expedite without affecting quality.
4. Value engineering – them helping us build a better project and experience doing so. Helpful in design phase.
5. Cost accounting: what we say vs they say contract is worth.

6. Similar projects to what we're doing.
7. What we define in RFP. Trend toward fee and general conditions.

In RFP have to declare ranking.

2. Quantity of construction projects.

- Sequencing: resurface parking lot (they will use on way out).
- Elementary parking lot – direct from people. Every time add use level add 10% to cost.
- No heavy equipment in High School project.

Consensus was the outbuildings at High School should be done by same contractor as MS.

- High School renovation needs more investigation.
- With the CM/GC model there is a certain caliber of sub contractor. The district may lose quality if it breaks out the projects. Clarify what the district wants, and negotiate what we get.
- Cheapest way – go find great small contractor.
- Pesky long-term problems possible in the high school.
- Cheaper if buy High School project separately.
- Quality – every time open opportunity up, and have different subs – Warranty - careful how many want to manage.
- Bleachers – buy direct.
- Scott Rose in favor of splitting projects into two separate projects. More unforeseens at High School than Junior High. Different labor forces. Bid them apart. Stagger to district benefit.
- High School project: 1.1 or 1.2? High school project is everything inside the walls. Different contractors? 1.1 administratively easier. Will be completed during summer 2013. If quality more important that cost, then HS should be 1.2.

Consensus was for high school project to utilize the CM/GC method.

Three construction projects:

- Road at elementary school.
- Addition and renovation MS and everything else on campus.
- Everything inside High School . Bleachers separate project.

3. RFP prepared.

The RFP process was discussed earlier in the meeting.

4. Land Process for Elementary School

- City meeting scheduled. Elementary School zoned commercial. Will be addressed while do land use permit for the road. Not hold up Middle School permit.
- Two land use applications: one for Middle School and High School as a project and one for elementary school as a project.
- October hearing for Middle School. Bid permit and document.
- Elementary school: reconfirm wetlands outside any projects we're doing. Wrestling building gets close. Risk is buffer zone.

Other issues

Scott Rose reported site meetings visit on 8/1 starting at 9:30am. Seven people confirmed to attend.

Pete Edison expressed concern about outside bathroom building. HS design: 40x40 building. Batting tunnel next to Wrestling building. Then storage building. Only funded bathroom in bond. Rick Rainone commented only thing city cares about in application is the look, placements and size. Rough rendering only. Design it all now.

Rick Rainone – reported meeting with McKinstry. He said that McKinstry thinks they did a great job in the work for the district – we don't know at this time. McKinstry wants to be involved in High School project. Bob Huston said that Rick Rainone and Scott Rose should be shown what was done and then give their opinion. McKinstry should clarify what they did.

Meeting adjourned 6:05PM