



401 N Canyon City Blvd ♦ Canyon City, OR, 97820-6111
Phone: (541) 575-1280 ♦ FAX: (541) 575-3614

Board Meeting Agenda | Work/Special Session

Wednesday 03/20/2024 | 6:00PM

[* = supplement enclosed]

- 1) **PRELIMINARY BUSINESS:**
 - 1.1 Call to order
 - 1.1.1 Board Attendance: ___ of 7
 - 1.2 Pledge of Allegiance
 - 1.3 Agenda Review / Approval

- 2) **WORK SESSION | 6:00PM:**
 - 2.1 Capitol Construction Projects Update/*
 - 2.1.1 * Link:
https://docs.google.com/presentation/d/1zQNYkClkxINly3GclgKq_BFmpTMsddiQ/edit?usp=sharing&ouid=102142550697571798619&rtpof=true&sd=true
 - 2.2 Review 5-Year Financial Projections/*
 - 2.3 Feasibility Study/*

- 3) **SPECIAL SESSION | 700PM:**
 - 3.1 New Business:
 - 3.1.1 Public Comment:
 - 3.1.1.1 1)
 - 3.1.1.2 2)
 - 3.1.1.3 3)
 - 3.1.2 Proposed findings supporting exemption from competitive bidding requirements and use of Construction Manager/General Contractor Methods of Procurement/***Chair Will Blood | Introduce Public Comment**
 - 3.1.2.1 Public Comment:
 - 3.1.2.1.1 1)
 - 3.1.2.1.2 2)
 - 3.1.2.1.3 3)
 - 3.1.2.2 **Motion:** _____ **Second:** _____ **Unanimous:** _____
 - 3.1.3 GUHS Class Ranking Procedure
 - 3.1.3.1 **Motion:** _____ **Second:** _____ **Unanimous:** _____

- 4) **WORK SESSION | Following Special Session | Complete Section: 2**

Board of Directors:



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5) **FUTURE CALENDAR DATES | 2024 | ALL Meetings are held at District Office, unless otherwise specified:**

- 5.1.1 03/20 – Work Session Board Meeting Meal | 5:30PM
- 5.1.2 03/20 – Work Session Board Meeting | 6:00PM
- 5.1.3 03/20 – Special Session Board Meeting | 7:00PM
- 5.1.4 04/17 – Board Meeting | 7:00PM | *Seneca Elementary School Gymnasium*
- 5.1.5 05/15 – Board Meeting | 7:00PM
- 5.1.6 06/08 – High School Graduation | Time: TBA
- 5.1.7 06/19 – Board Meeting | 7:00PM

6) **ADJOURNED: _____ PM**

Board Packet posted on district web site at <https://grantsd3.schoolinsites.com/>

Grant School District No.3 does not discriminate in employment, educational programs and activities, on the basis of race, national origin, color, creed, religion, sex, age, disability, veteran status, sexual orientation, gender identity or associational preference. The District also affirms its commitment to providing equal opportunities and equal access to its facilities. For additional information or assistance contact the District office at: (541)575-1280, 401 N Canyon City Blvd, Canyon City, OR 97820-6111. For telecommunications relay services for the deaf, hearing or speech impaired call 1(800)735-2900

Board of Directors:

Kris Beal | M.T. Anderson | Amy Charette, Vice Chair | Chris Labhart | Zac Bailey | Will Blood, Chair | Jake Taylor
Superintendent: *Mark W. Witty* | Website: <https://www.grantschooldistrict.org/>

GRANT UNION JR./SR HIGH SCHOOL

<i>Improvement</i>	<i>Grant Union</i>	GUHS	Status
Building Sitework	Add Security Fencing	1	Complete
	Add Submersible Water Pump	1	
	Grade Gravel / Access Roads	1	Complete
	Repave Parking Lots	1	Complete
	Replace Loading Dock	1	
	Replace Site Lighting	1	
	Update Site Development	1	
	Update Storm Sewer	1	
Building Sitework Total		8	
Equipment & Furnishings	Update Fixed Furnishings	1	In Progress
Equipment & Furnishings Total		1	
Interiors	Repaint Interior	1	
	Repair Wallboard Ceiling Finish	1	
	Replace Glued-Up Ceiling Tiles	1	
	Replace Hollow Metal Interior Doors	1	
	Replace Lay-In Ceiling Tiles	1	
	Replace Resilient Floor Tiles	1	
	Update Ceramic Floor Tiles	1	
Interiors Total		7	
Services	Add Access Control System	1	In Progress
	Add Clock / Intercom System	1	In Progress
	Add Fire Sprinklers	1	
	Add Intrusion Alarm System	1	In Progress
	Repair Domestic Water Distribution	1	
	Repair Energy Supply	1	In Progress
	Repair Rainwater Drainage	1	
	Repair Sanitary Waste	1	
	Replace Closed Circuit Surveillance	1	
	Replace Crawlspace Ventilators	1	
	Replace Ductwork	1	In Progress
	Replace Fire Alarm / Detection	1	
	Replace In-room ventilator unit	1	In Progress
	Update Air Handler	1	In Progress
	Update HVAC - Controls	1	In Progress
Update Plumbing Fixtures	1		
Services Total		16	
Shell	Repaint Exterior	1	
	Repair Exterior Hollow Metal Doors	1	
	Repair Exterior Walls - Framed w/ Stucco	1	
	Repair Wood Roof Construction	1	
	Replace Exterior Steel Windows	1	
	Replace Metal Roof Coverings	1	In Progress
Shell Total		6	
Substructure	Repair Slab on Grade	1	
Substructure Total		1	
Grand Total		39	

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HUMBOLT ELEMENTARY

<i>Improvement</i>	<i>Humbolt</i>	<i>Humbolt ES</i>	<i>Status</i>
Building Sitework	Add Security Fencing	1	Complete
	Repave Parking Lots	1	Complete
	Replace Playground Equipment	1	In Progress
Building Sitework Total		3	
Equipment & Furnishings	Update Fixed Furnishings	1	
Equipment & Furnishings Total		1	
Interiors	Repaint Interior	1	In Progress
	Repair Ceramic Tiles Floor Finishes	1	Complete
	Repair Glued up Ceiling Tiles	1	Complete
	Repair Wood Interior Doors	1	
	Replace Resilient Tile Floor Finishes	1	
Interiors Total		5	
Services	Add Access Control System	1	In Progress
	Add Clock / Intercom System	1	Complete
	Add Closed Circuit Surveillance	1	
	Add Fire Sprinklers	1	
	Add Intrusion Alarm System	1	
	Add Lighting Control System	1	
	Major Repair Boiler	1	
	Repair Domestic Water Distribution	1	
	Repair Furnace	1	
	Repair Sanitary Waste	1	
	Replace Ductwork	1	In Progress
	Replace Fire Alarm / Detection	1	
	Replace In-room radiant unit	1	In Progress
	Replace In-room ventilator unit	1	In Progress
	Update Air Handler	1	In Progress
	Update Plumbing Fixtures	1	
Upgrade Lighting and Branch Wiring	1		
Services Total		17	
Shell	Repaint Exterior	1	
	Repair Metal Roof Coverings	1	
	Repair Wood Roof	1	
	Replace Concrete Floor	1	
	Replace Exterior Steel Windows	1	
	Replace Exterior Wood Doors	1	
	Touch up Framed w/ Wood Siding	1	
Shell Total		7	
Substructure	Repair Slab on Grade	1	
Substructure Total		1	
Grand Total		34	

SENECA ELEMENTARY

<i>Improvement</i>	<i>Seneca</i>	Seneca ES	Status
Equipment & Furnishings	Update Fixed Furnishings	1	
Equipment & Furnishings Total		1	
Interiors	Repaint Interior	1	
	Repair Lay-In Ceiling Tiles	1	
	Repair Wood Interior Doors	1	
Interiors Total		3	
Services	Add Access Control System	1	
	Add Clock / Intercom System	1	
	Add HVAC - Controls	1	
	Add Intrusion Alarm System	1	
	Add Lighting Control System	1	
	Repair Domestic Water Distribution	1	
	Repair HVAC - Boiler	1	
	Repair Rainwater Drainage	1	
	Repair Sanitary Waste	1	
	Replace Closed Circuit Surveillance	1	
	Replace Fire Alarm / Detection	1	
	Replace In-room Radiant Unit	1	
	Update Plumbing Fixtures	1	
	Upgrade Lighting and Branch Wiring	1	
Services Total		14	
Shell	Repaint Exterior	1	
	Repair Concrete Floors	1	
	Replace Stair and Landing at Quonset Hut	1	
Shell Total		3	
Grand Total		21	



TO: Superintendent Mark Witty; School Board
DATE: March 20, 2024
SUBJECT: Feasibility Study Progress Report

EXECUTIVE SUMMARY

Grant School District 3 faces several sustainability challenges in preserving and maintaining its existing facilities while planning for their eventual replacement, but the District has also made significant strides in repairing and preserving its facilities in line with the District's Long Range Facility Plan (LRFP) adopted in 2020.

This memo summarizes the District's progress in meeting its Long-Range Facility Planning and the status of the feasibility study funds the District received to evaluate options for a new school building in a location that is "warm, safe, and dry" as recommended in the Plan.

LRFP Status Update

Grant School District 3's LRFP was published on October 11, 2020. BLRB Architects developed the Plan after extensive public feedback and participation by a local steering committee. The committee's involvement concluded in the spring of 2020, with the final presentation of the plan held on May 19, 2020. The committee's primary recommendation was to create school locations that are "Warm, Safe, and Dry."

The LRFP report also addresses the Oregon Department of Education's requirements under OAR Rule 581-027-0040, including a condition assessment of the District's current facilities and deficiencies and options to bring existing facilities up to standard or identify potential alternatives to new construction or significant renovations.

A summary of the recommended renovations and the status of each is available online at this link:

https://docs.google.com/spreadsheets/d/1o6An_VCUKg_QbvZ3MNIfflYtdUitV1-O/edit?usp=sharing&ouid=102142550697571798619&rtpof=true&sd=true

Natural Hazards Mitigation Plan (Flood and Wildfire Risk)

The LRFP was developed in parallel with the Grant County Natural Hazards Mitigation Plan (NHMP), a separate process that included extensive local participation, including by Grant School District 3. The NHMP had several key findings that highlight the deteriorating condition of the existing schools and their vulnerability to natural hazards, especially flooding and wildfire risks. They included:

- The construction of critical facilities such as Grant Union High School on highly permeable fill material has resulted in groundwater intrusion into portions of the building.
- The current facility is near a creek with high waters and occasional flooding.
- All schools in Grant County are extremely outdated but do not have the financial resources (or support from ballot measures) to build new facilities.
- School buildings have enormous facility issues, including leaking, flooding, and otherwise, which can potentially create safety issues for students and staff.

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- DOGAMI identified Grant Union as one of five critical Grant County facilities exposed to high wildfire hazards.

Seismic Retrofit

Grant Union was seismically retrofitted to reduce the building's vulnerability to seismic hazards, but the natural hazard risks of flooding and wildfire have not been addressed. Seismic retrofitting of Humbolt and Seneca schools was highly recommended. As proposed in the BLRB report, the modernization of these buildings was estimated to cost \$21 million if completed by 2028 but would not address flood risk at Grant Union resulting from the school's location in a 1% floodplain.

The District has completed over \$3 million in seismic retrofits for Grant Union and Humbolt Elementary. ZCS Engineering & Architecture began working with the District in 2017 on the Phase 1 Retrofits of both Humbolt Elementary and Grant Union Jr/Sr High School. Since then, they have fully retrofitted the Humbolt campus, completed Phase 1 work at the High School, and submitted the grant funding application for the auditorium and surrounding areas

Shaun Wilson, PE, Associate, Lead Engineer for ZCS will present the status of these Seismic projects to the school board. A link to his presentation is below:

<https://drive.google.com/file/d/1sf3vmB52e7Qcql-z67wfBbTbR5rH5rdO/view?usp=sharing>

Feasibility Study Planning

Superintendent Uptmor worked with the City of John Day to submit a capital projects request to the 2022 legislative assembly to begin addressing the facility improvement needs at Humbolt and GUHS and start planning to replace Grant Union in the event of a catastrophic flood event.

The legislature appropriated \$2,250,000.00 in state funds to improve Humbolt and Grant Union through 2022 House Bill 5202 as described in the Department of Administrative Services Grant Agreement Number 107-2022-5202-63. These funds cover three projects associated with the long-range facility improvements:

- 1) Humbolt HVAC repairs (\$750K total project cost plus \$50K local match) – scheduled for completion this spring.
- 2) GUHS roof repairs (\$1.35M plus \$50K local match) – completed Fall 2023.
- 3) Feasibility study for a new Jr./Sr. High school building (\$250,000) – scheduled for completion this year.

In June 2022, the school board unanimously approved an 18-month contract with Catalyst to perform the facilities study following a competitive procurement process. This contract was later extended to June 30, 2024.

OUR TEAM

Our feasibility study team has eight firms, each with a specific focus.

- **Catalyst** – Prime contractor. Provides policy analysis and guidance for District and teammates.
- **Walker Macy** – Landscape architect assisting with site selection, programming, and site concept development.

- **Opsis Architecture** – Program development for the preliminary building program and conceptual building plans for each site option.
- **ECONorthwest** – Assisting with goal framing, capital investment strategic planning, pre-development planning, and project implementation.
- **DKS Associates** – Transportation engineer assisting with site design and transportation impacts.
- **Sisul Engineering** – Civil engineer supporting site-specific design criteria; planning application.
- **Benchmark Land Surveying** – Surveyor providing site-specific surveying needs.
- **Straw to Gold** – Communications team responsible for project awareness.

SITE PLANNING, DUE DILIGENCE AND PUBLIC COMMUNICATIONS

We completed the site assessment last fall, and the Board recommended the site at NE 7th Street in John Day as their preferred location following the May 3 Interim Progress Report. This site is shown in Figure 1 and is on property currently owned by the school district with adequate transportation and utility infrastructure to site a new school building.

Utilizing this site would require 22 acres to build a new school, necessitating the removal of two of the existing ballfields. These could be relocated to the opposite side of Holmstrom Road (if the landowner is willing to sell) or could be reconstructed elsewhere. Figure 1 shows dimensionally the area needed for the two ballfields, with the option of creating a new track. These improvements are out of the Special Flood Hazard Area as amended in October 2019 and pose no flood risk to the District’s future facilities.

The proposed site for the new school building would only be implemented in two scenarios:

- 1) As a result of a **catastrophic flood event** that led to the demolition of the current school site; or
- 2) As a result of **state and/or federal appropriations** that would allow the District to build the new school before a flood event occurs.

Neither scenario contemplates local option levies as a significant funding source, as the District does not have the bonding capacity to cover these costs, and no public improvement bonds have successfully passed since John Day’s Fire Hall in 2015.

The principal (and most likely) source of funding would be insurance proceeds in the event of the school building being totally lost due to flood or wildfire.

The District’s insurance policy covers **\$10,000,000 in any single occurrence** due to flood loss and has a total value of **\$18,000,000 on covered property** at Grant Union High School (as of 2022/2023). FEMA reimburses actual losses and will pay for replacement costs up to 90% for catastrophic losses and 75% for standard losses through the National Flood Insurance Program (NFIP). These insurance proceeds are paid at Actual cash values or replacement cost (whichever is appropriate). In the case of the school building, replacement costs would be necessary to rebuild after a flood, and the District would not have the option of replacing the facility within the special flood hazard area.

In other words, identifying and **implementing an alternative site is essential for the District to plan for the replacement of its facilities in the event of a catastrophic loss**. By preparing now, we can help the District secure a site and develop a plan for the new facility that will reduce the amount of time students and faculty are operating without a location.

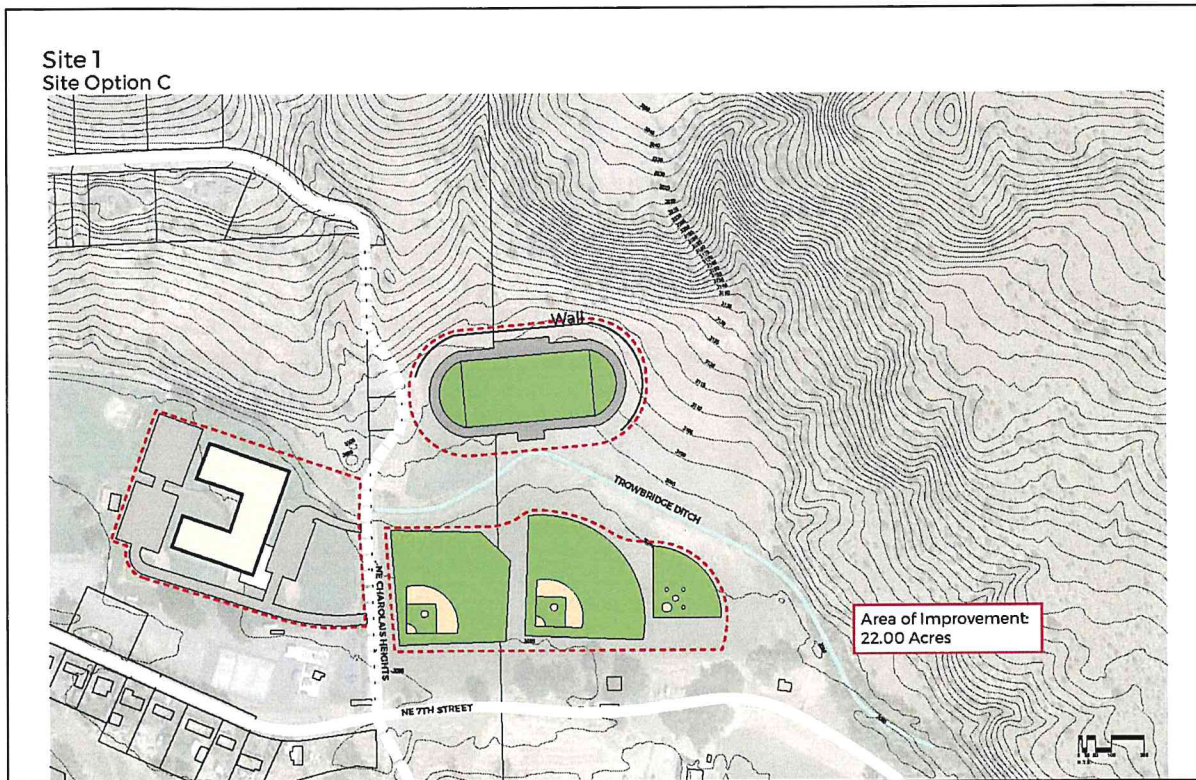


Figure 1. Site Concept for new school at NE 7th Street, prepared by Walker Macy

Site Analysis, Opportunities, and Constraints. This site was selected due to its convenient location proximate to new and improved streets and other school district facilities, because it is out of the Special Flood Hazard Area, and the school district already owns it.¹

Though not constrained by flooding, the proposed site has a Land and Water Conservation Fund (LWCF) restriction due to grant funds the District previously used to build the ballfields. John Day has two such sites, one at the 7th Street Complex on school district property and one at the Kam Wah Chung Heritage Site (Figure 2)².

Relocating an LWCF conservation area is a two-year process that

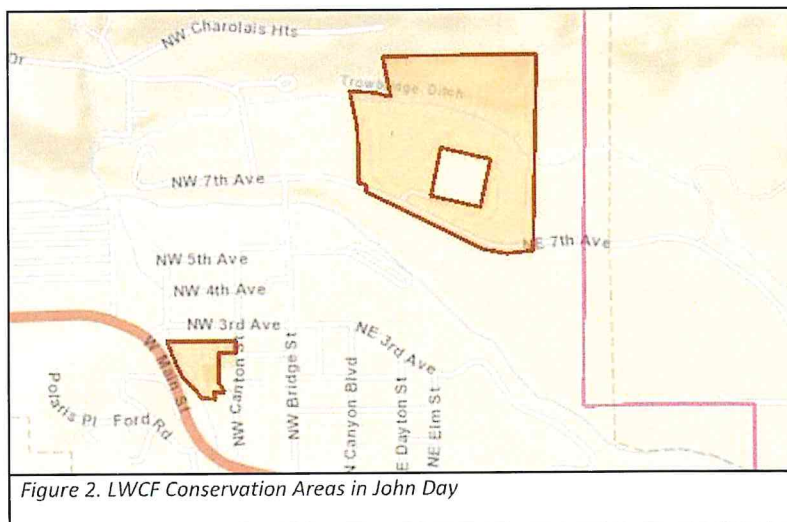


Figure 2. LWCF Conservation Areas in John Day

¹ FEMA's National Flood Insurance Program (NFIP) will fund no less than 75 percent of the cost to replace the school in the event of a catastrophic loss, but only at a location that is not in the special flood hazard area.

² An interactive map of all LWCF sites in Oregon is at:

<https://geo.maps.arcgis.com/apps/webappviewer/index.html?id=aa95d948d84b43fca256bb28eac6a4>.

requires approval by the National Parks Service (NPS) and the Secretary of the Interior. The City of John Day initiated the relocation and designated parkland around Davis Creek and Hill Family Park as a potential area to receive an LWCF conservation allotment. The District would need to complete this process (or request a waiver) to locate a new school at NE 7th Street.³

The District would also need to complete a Site Design Review (SDR) and Conditional Use Permit (CUP) application with the City of John Day to be authorized to build a school within city limits. However, this site is zoned to allow for school buildings. It would likely be approved upon submission of a complete application, especially since John Day recently completed a Rural Transportation Growth Management (TGM) planning grant, which identified this location for potential public use and improved transportation facilities.

Facility Design. Opsi Architecture created a notional footprint and building use schematic for a 100,000 sf facility for the May 2023 progress report. Major program components include: Classrooms; Administration/Counseling; Blackbox Theater & Support; Main Gym & Support; Auxiliary Gym; Student Commons; CTE Spaces; and a Media Center (Figure 3).



Figure 3. Proposed program space for new facility, prepared by Opsi Architecture

³ The LWCF Act requires that the any park or other outdoor recreation area or facility that has benefitted from assistance from the LWCF, whether for acquisition or development purposes, and regardless of the amount or extent of assistance, may not be converted to other than public outdoor recreation uses (Section 6(f)(3) of the LWCF Act, now codified at 54 U.S.C. 200305(f)(3)). The property must be preserved for outdoor recreation uses in perpetuity and cannot be converted to other than public outdoor recreation use without the written approval of the Secretary of the Interior.

As discussed in the August board meeting, planning for future growth will require the school board to make financial investment decisions about whether (and when) to continue investing in the current school site in the floodplain or shift to the new school site.

For example, the District has set aside funds for an auxiliary gym in the current budget (Project Fund 400). The original vision for these funds was to build a facility at the current school site. However, there is inadequate space following the sidewalk improvement project to build a facility providing enough room for the anticipated programming outside the 100-year floodplain.

Alternatively, the District could invest in an auxiliary gym at the 7th Street complex. As shown in Figure 4, the proposed pool facility, which was permitted in 2021, included the option for expanded gymnasium space with two full-court gyms adjacent to a shared lobby, with a more extensive central gymnasium delineated for events. This site design and CUP were previously approved by the City.

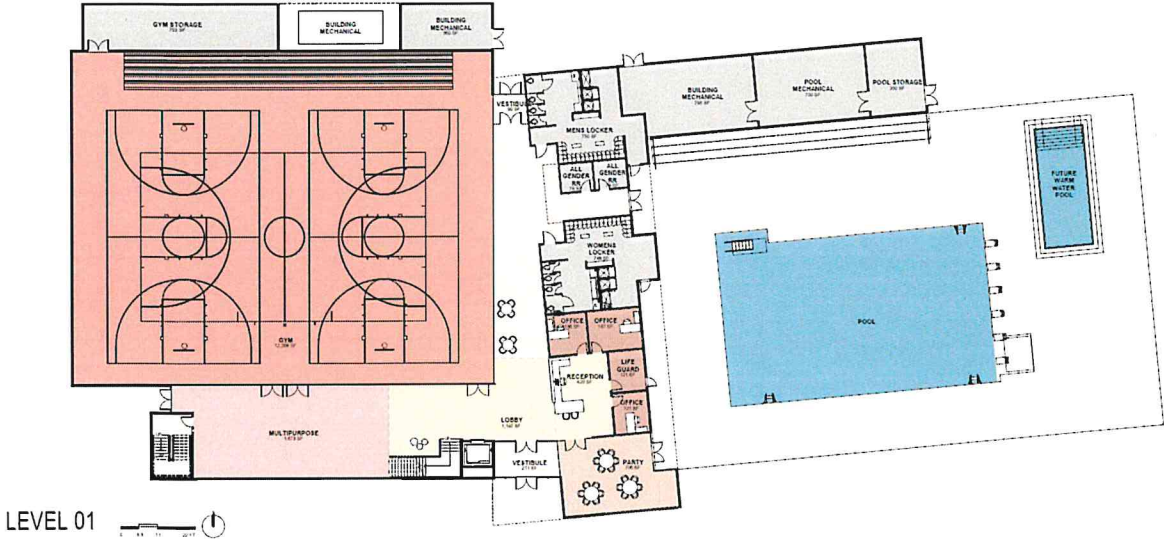


Figure 4. (Above) Schematic of gym facility using shared lobby with pool; (Below) Opsis rendering of the combined gym/pool facility with a shared lobby and improved parking.

These are just a few examples of investments the Board could make to plan for its future that would put facilities close to the planned school site in a warm, safe, and dry location. Going from concept to reality will require utilizing the remainder of the current feasibility study contract to initiate the LWCF conversion process and prepare the appropriate site design documents for approval.

Communications and Stakeholder Engagement. Straw to Gold completed the communications page and videos showing the need for a new facility and facility improvements at Grant Union. These deliverables are available online at this link: <https://grant-county-school.webflow.io/> and are shown in Figure 5. A more complete communications campaign will be needed as this process matures.

Planning for our future

Given the imminent risk of flooding and the escalating challenges related to the deteriorating structure, it has become imperative to initiate the relocation of Grant Union High School to a new site. By establishing a secure, contemporary, and dry facility, we can ensure the safety and well-being of future generations.

"The current school is in a very vulnerable location because Canyon Creek has a lot of flooding."
-Mike Zilis, Walker Macy

<i>\$20m</i>	<i>799</i>	<i>3-15 ft</i>
Estimated loss of property during 100yr flood.	Potential displaced population during 100yr flood	Projected flood water that could engulf the school

THE TIME IS NOW

Throughout the years, preceding generations have demonstrated remarkable dedication in constructing and nurturing a school that has been a pillar of support for our community. However, much like a vehicle that inevitably undergoes wear and tear over time, so too does a building. While our beloved school has faithfully served us, the passage of time and the ever-present threat of a 100-year flood have rendered it vulnerable. Despite our best efforts with temporary remedies and stopgap measures, it has become apparent that the magnitude of the situation calls for a more comprehensive solution.

Figure 5. Snip of website for new school facility, published online at <https://grant-county-school.webflow.io/>

REVENUE FORECASTS AND CONTINGENCY PLANNING

ECONorthwest’s presentation included the financial and enrollment forecasts for the next ten years. As the Board knows, the District has been struggling with student retention. A variety of factors are contributing to declining enrollment. They are:

- An aging population in Grant County;
- Smaller and decreasing household sizes;
- Outmigration of residents from Grant County (Oregon’s only shrinking county);
- Impacts of COVID-19;
- Rise of alternative educational formats in the educational marketplace (i.e., distance learning, homeschooling);
- Interdistrict student transfers.

The net result has been an average loss of about 17 students yearly, with a 35 percent drop in enrollment since 2008 (see table below). This decline extends back to 1998, when District enrollment peaked at just over 1,000 students, compared to 481 at the end of the 2022 school year (a loss of over half the District’s students in the last 25 years).

Year	Seneca Elementary	Humbolt Elementary	Grant Union Jr / Sr High School	Mount Vernon Middle School	BMAS	Total Enrollment Grant County SD3
Jun-08	55	253	244	147	43	742
Jun-09	57	251	240	134	38	720
Jun-10	60	239	218	134	30	681
Jun-11	50	255	202	121	15	643
Jun-12	40	284	264		12	600
Jun-13	24	294	273			591
Jun-14	20	300	268			588
Jun-15	31	298	253			582
Jun-16	30	303	270			603
Jun-17	27	287	265			579
Jun-18	31	304	262			597
Jun-19	25	304	265			594
Jun-20	22	287	261			570
Jun-21	21	262	227			510
Jun-22	14	248	219			481
Change '08 to '22	(41)	(5)	(25)	(147)	(43)	(261)
% Change	-75%	-2%	-10%	-100%	-100%	-35%

ECONorthwest has created financial forecasts taking into account several scenarios, including a gradual flattening of enrollment, continual decline, and modest recovery. The most likely scenario for the next ten years is continual decline, with a District-wide forecast of fewer than 300 students by 2033.

Over the next ten years, we forecast you will lose an additional \$1.9 million in revenue District-wide, a 30% decrease in your total formula revenue, due to projected enrollment declines.

The most significant enrollment declines are in Seneca, which has had a 75 percent drop since 2008. Seneca lost an average of three students per year from 2008 to 2022. At 14 students (June 2022) and \$18,000 per student, the revenue generated by enrollment was \$252,000 in FY22. The Oregon Department of Education has provided a tool to help the District calculate future enrollment forecasts and their financial impacts, which was reviewed with ODE and District staff in July.

Though not within our immediate scope of work, we can provide recommendations for the Board regarding the District's near-term and long-term financing options to help you achieve a sustainable financial position.

The two most concerning contingencies are:

- 1) **Declining enrollment** (and corresponding revenue loss) that will impair your ability to cover your fixed costs of operating aging buildings in addition to the variable costs for staffing the classrooms and programs; and
- 2) Potential for **catastrophic loss** of your Grant Union and the School District's main office building due to flood damage or wildfire. These scenarios are not mutually exclusive – you may see both.

If requested, we can provide options for contingency planning to address both scenarios in our final report.

FUNDING SUMMARY & RECOMMENDATIONS

As of February 29, 2024, we have expended \$119,056 (48%) of our \$250,000 contract. Our recommendations are for the Board to do the following:

- Complete the feasibility study final report, including recommended site options and a summary of the recommended site's opportunities and constraints;
- Initiate a Site Design Review (SDR) and Conditional Use Permit (CUP) process with the City of John Day to begin planning for future investments at the new school site;
- Determine whether to proceed with a new auxiliary gym at 7th Street in partnership with the Parks and Recreation District to take advantage of the site design and plans already created and approved by the City;
- Create a contingency plan to use the flood insurance proceeds at the new school site, including a plan for the temporary displacement of students and faculty and how to continue educating the students until a new school can be built.

PROPOSED FINDINGS SUPPORTING AN EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS AND USE OF THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR METHOD OF PROCUREMENT

Hearing before the Local Contract Review Board,

In the Matter of Exemption) FINDINGS OF FACT
Request of)
Grant School District 3)
Grant Union Jr./Sr. High School HVAC)

ORS 279C.335(1) requires, with certain exceptions, that all Public Improvement contracts be based on competitive bids and, under ORS 279C.375, awarded to the lowest responsive and responsible bidder. ORS 279C.335(2) permits the Local Contract Review Board, which in this case is the Grant School District 3 ("District"), to grant, under certain conditions, specific exemptions from the requirement for competitive bidding upon the approval of specified findings.

OAR 137-049-0620(1), allows the Local Contract Review Board to exempt a Public Improvement contract from the requirements to be competitively bid, provided written findings supporting the use of non-competitive bid process show compliance with OAR 137-049-0600 to 137-049-0690 and applicable statutes of ORS 279C.335(2), which allows a local contract review board to exempt certain contracts from the traditional competitive bidding methods by showing that an alternative contracting process is unlikely to encourage favoritism or diminish competition, and that it will likely result in substantial cost savings to the public agency.

The hearing for review of these findings will be held on Wednesday, March 20, 7:00 PM at the District Office located at 401 N. Canyon District Blvd, Canyon City, Oregon 97820, as published in the public notice section in the Daily Journal of Commerce on Friday, March 1, 2024, and the Blue Mountain Eagle on Wednesday, March 6, 2024.

A. General.

1. District has prepared these findings to comply with the requirements of ORS 279C.

2. Public contracting rules outline competitive bidding requirements for public improvement construction projects in OAR 137-049-0130. Oregon law allows public agencies to consider alternative and innovative public improvement contracting methods that allow alternate construction delivery processes, including, without limitation, construction manager/general contractor ("CM/GC"), and for allowing considerations other than lowest bid. Under ORS 279C.335(2), a local contract review board may exempt certain contracts from the traditional competitive bidding methods by showing that an alternative contracting process is unlikely to encourage favoritism or diminish competition, and that it will likely result in substantial cost savings to the public agency. District has prepared these findings to comply with ORS 279C requirements.

3. For the reasons set forth more fully below, the Project (as defined below) is proposed for construction through the CM/GC competitive selection process in accordance with ORS 279C.400.

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4. ORS 279C.332(3) identifies the CM/GC methodology as an alternative contracting method under ORS 279C.335, which allows a contracting agency to procure construction-related services that include, among other things listed in ORS 279C.332(3), a construction manager/general contractor (a) functioning as a member of a project team that includes the Grant School District 3, the Project Architect or Engineer and other consultants, (b) reviewing and analyzing the project design in order to suggest changes to minimize potential errors, delays, unexpected costs and other problems during construction, (c) estimating construction, materials, labor and other costs for the Project, (d) establishing a fixed price, a guaranteed price or other maximum price for the Project, (e) constructing portions of the Project and subcontracting portions to other contractors, and (f) coordinating and overseeing the construction process. In this Project, the CM/GC contract allows the Grant School District 3 to bring the General Contractor on board during the initial design phase, providing value engineering services and a Guaranteed Maximum Price during the design phase in lieu of during the bid phase after full design documents have been established.

5. District proposes utilizing the CM/GC contract delivery methodology to obtain proposals for the Project. The exempted procurement process for this Project includes the following:

5.1 A Request for Proposals (RFP) process pursuant to OAR 137-049-0640 to procure a CM/GC contract with a general contractor.

B. Project Background.

1. District is seeking contractors to install an HVAC mechanical system with electrical and structural improvements for Grant Union Jr./Sr. High School (collectively, the "Project"). The Project will include installation of the associated HVAC mechanical, electrical, and structural system and components.

2. District has contracted with mechanical, electrical, and structural engineering firms (the "Engineer(s)") to create plans and specifications (collectively, the "Plans") for the Project:

2.1 Mechanical plans and specifications prepared by Marcia Karr, P.E. (Kalama, WA) (the "Mechanical Plans").

2.2 Electrical plans and specifications prepared by Frontier Consulting Engineers (Redding, CA) (the "Electrical Plans").

2.3 Structural plans and specifications prepared by ZCS Engineering & Architecture (Grants Pass, OR) (the "Structural Plans").

3. District is using funding from District's Capital Projects Funds and District's Elementary and Secondary School Emergency Relief Fund (ESSER III). ESSER III funds are federal funds awarded to District that can be used to reimburse eligible expenses incurred between March 13, 2020, and September 30, 2024. District may also seek additional federal funding through U.S. Department of Energy's Renew America's Schools grants or through private placement loans for the Project. The total budget for the Project is approximately \$2,250,000. District is seeking the highest qualified CM/GC contractor to oversee installation within the budget.

4. In the event that additional federal or state funds specific to HVAC improvements are awarded, the Project will be subject to the the labor standards required under Oregon’s new school indoor air quality law (“HB3031”). Under the new law, District must ensure that certain minimum requirements regarding indoor air quality are met when state and federal funds are spent on indoor HVAC infrastructure improvements, including, but not limited to:

4.1 Participate as a training agent in an apprenticeship program registered with the State Apprenticeship and Training Council to provide on-the-job training opportunities for apprentices in apprenticeable occupations to perform work on the Project (collectively, the “Apprenticeship Requirements”);

4.2 Establish and implement a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work on the Project with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups;

4.3 Pay wages to workers who perform work on the Project at a rate that is no less than the prevailing wage rate;

4.4 Offer employer-paid family health insurance and retirement benefits to workers who perform work on the Project;

4.5 Demonstrate a history of material compliance in the previous three years, or provide available history for a new business, with federal and state wage and hour laws and applicable prevailing wage rate laws;

4.6 Demonstrate a history of material compliance in the previous three years, or provide available history for a new business, with the rules and other requirements of state agencies with oversight regarding occupational safety and health; and

4.7 Ensure at all times during the duration of the Project that work is performed by qualified testing personnel or qualified adjusting personnel as required by sections 1 to 7 of HB3031.

C. Findings – ORS 279C.335.

The following are findings for an exemption from the competitive bidding requirements in accordance with ORS 279C.335(2).

1. ORS 279C.335(2)(a) – Unlikely to Encourage Favoritism or Substantially Diminish Competition. The CM/GC contractor selected through a competitive selection process will provide both review of the final Plans and general contracting services. No reduction of competition is expected since the proposed process is open to the same contractors that would have participated in the traditional bidding method. Uniform evaluation criteria will be used in the selection of the CM/GC contractor. Favoritism will not play a role in the selection of the design-build contractor. The selection will be conducted through an open and advertised RFP process in accordance with the procedures outlined under ORS 279C.400 to ORS 279C.470 for competitive proposals and OAR 137-049-0600 to 137-049-0690. All qualified firms will be invited to submit proposals. District will publish a notice on

District's website and in the *Daily Journal of Commerce* in order to provide project information to all interested contractors. A team will perform the evaluation in an effort to minimize the effects of any unconscious individual bias. All qualified firms will be able to participate in an open, competitive selection process. Rather than being diminished, competition will be expanded to include qualifications as well as price.

2. ORS 279C.335(2)(b) – Likely to Result in Substantial Cost Savings. The CM/GC contracting method has the potential for achieving significantly more features for District's investment through the involvement of the contractor in reviewing the final Plans for the Project. By having the contractor available to participate in reviewing the Plans, the contractor can review and revise the specific system needs identified by District, propose cost-saving revisions, and ensure the constructability of the Project so that costly change orders are less likely. Selection of a contractor possessing the necessary expertise and experience in the specialized field of HVAC installation and construction is likely to result in substantial cost savings to District. Cost savings will be realized because District can select a well-organized, experienced CM/GC contractor, which will result in fewer change orders and, in turn, reduced staff time to design, negotiate, and administer any changes. Using an experienced and skilled contractor will optimize the design and construction aspects and help minimize problems associated with construction. Thus, it will help District avoid additional costs that would otherwise be associated with resolving such problems; provided, however, nothing contained herein will be construed to require District award a contract to the lowest responsive and responsible bidder. The following factors under ORS 279C.335(2)(b) support the conclusion that it is reasonable to expect substantial cost savings:

1. Persons Available to Bid. District anticipates multiple firms will have interest in the Project. A publicly advertised competitive procurement process will be utilized to select the most qualified contractor. To be considered qualified, the contractor must be capable of complying with the Apprenticeship Requirements of HB3031 identified in Section 4.1 of these Findings.

2. Operational; Budget; Financial Data. The budget for the work to be performed under the CM/GC contract for the Project is \$2,250,000. The projected operating costs for the completed HVAC system are \$40,000 per year.

3. Public Benefits. The public will benefit from a cost-effective CM/GC approach resulting in expeditious construction that will maximize the benefits of the Project. The public will also benefit from having an experienced contractor implement the Project, resulting in high-quality work and lower ongoing operating costs.

4. Schedule. District desires that the work be substantially complete by August 1, 2025. Construction may begin upon Notice of Award and may be staged to allow optimal installation of the mechanical, electrical, and structural system components.

5. Value Engineering. Value engineering can be undertaken during the CM/GC process since the same contractor who is responsible for reviewing Plans is also responsible for constructing the Project. Collaboration during Plan Review between District staff, Engineers, and the contractor team will incorporate a continuous value engineering process to consider innovative approaches while targeting costs meeting District's construction budget.

6. Specialized Expertise. District needs to select a CM/GC contractor for this Project that has specialized expertise installing and constructing HVAC systems. The contractor must be competent in developing and reviewing construction plans and specifications and providing the specialized construction required to complete a high-quality and efficient HVAC mechanical, electrical, and structural system components. This mix of expertise across sub-specialties cannot be adequately evaluated in a sealed bid process, but can be better evaluated through a RFP process. Utilizing the competitive bid process cannot guarantee selection of the best qualified contractor to perform this work. Traditional methods of prequalification are unsuited to the specialized nature of this Project, particularly when design and construction documents must be integrated across all three specialties.

7. Public Safety. There is no likely increase in public safety.

8. Funding. Granting the exemption will not affect the sources of funding for the Project.

9. Market Conditions. The Project is a moderate-sized job that, under the current conditions, more experienced and qualified contractors may seek. No negative impact is expected as a result of the use of the RFP selection process. It is expected that there will be an adequate number of competitors available to propose on this Project. The CM/GC method streamlines field investigations needed to review the Plans, design bid package(s), order equipment with long lead times, and perform construction and installation activities. A traditional bid process runs the risk of obtaining bids that exceed the project budget or miss critical project components. Project needs can be sufficiently defined in the RFP document, such that a traditional design-bid-build approach, expected to be significantly more expensive for District, would be unnecessary.

10. Technical and Planning Complexity. Capability in planning the work will be crucial. The contractor will be required to complete the work in a timely manner. Innovative planning that will further improve the construction schedule and on-site conditions will be required. The RFP process allows District to consider the proposer's experience and expertise in this type of work, sensitivity to safety, legal, and operational issues, similar projects, and the qualifications of its project manager and support team.

11. Single or Multi-Phase Construction. The Project may be completed in a single phase of construction work or multiple phases as recommended by CM/GC and approved by District.

12. Personnel. District will use District's personnel, consultants, and attorneys to assist in developing the alternative contracting method that District will use to award the Project contract and help negotiate, administer, and enforce the terms of the public improvement contract.

D. Summary. A contractor with experience with these projects provides many benefits to District. The use of an RFP process will not diminish competition or result in favoritism, and is likely to result in cost savings to District and, most importantly, completion of a quality project on schedule and budget, while allowing District to manage its resources with limited staff better. Notwithstanding anything contained herein to the contrary, District reserves the right to select a contractor whose proposal will best serve District's interests considering, without limitation, experience, capability, and expertise. District submits that this Request meets all the criteria above and requests approval of this Exemption.

If you have any questions, please contact District's Project Manager, Nick Green, President, Catalyst

Public Policy Advisors, LLC at nick@catalyst.win or by phone: (541) 620-2809.

Mark Witty, Superintendent
Grant School District 3

Date

Reviewed by District's Attorney:

Reviewed by Legal Counsel

Date