

BOARD OF EDUCATION

Portland Public Schools

REGULAR MEETING**November 28, 2017****JEFFERSON HIGH SCHOOL CAFETERIA**5210 N. Kerby Avenue
Portland, Oregon 97217

Note: Those wishing to speak before the School Board should sign the public comment sheet prior to the start of the meeting. No additional speakers will be accepted after the sign-in sheet is removed, but testifiers are welcome to sign up for the next meeting. While the School Board wants to hear from the public, comments must be limited to three minutes. All those testifying must abide by the Board's Rules of Conduct for Board meetings.

Public comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Public comment on all other matters will be heard during the "Public Comment" time.

This meeting may be taped and televised by the media.

AGENDA

- | | | |
|-----|---|---------|
| 1. | <u>WELCOME FROM PRINCIPAL MARGARET CALVERT
AND JEFFERSON HIGH SCHOOL STUDENT</u> | 6:00 pm |
| 2. | <u>RECOGNITIONS</u>
- Bioscience Showcase
- Oregon Outstanding Biology Teacher Award | 6:10 pm |
| 3. | <u>STUDENT AND PUBLIC COMMENT</u> | 6:20 pm |
| 4. | <u>SUPERINTENDENT'S REPORT</u> | 6:40 pm |
| 5. | <u>BOARD CHAIR'S REPORT: WORK PLAN, POLICY
AND SUPERINTENDENT'S GOALS</u> | 6:45 PM |
| 6. | <u>MIDDLE SCHOOL IMPLEMENTATION</u>
- Update
- Revised Budget for Middle Schools Implementation
- Authorizing Use of Construction Excise Fund - vote
(public comment accepted)
- Middle School Conversion Project: Exemption from
Competitive Bidding- vote
(public comment accepted) | 7:00 pm |
| 7. | <u>BOARD COMMITTEE AND CONFERENCE REPORTS;
STUDENT REPRESENTATIVE REPORT</u> | 8:00 pm |
| 8. | <u>OTHER BUSINESS / COMMITTEE REFERRALS</u> | 8:10 pm |
| 9. | <u>BUSINESS AGENDA</u> - vote
(public comment accepted) | 8:20 pm |
| 10. | <u>ADJOURN</u> | 8:30 pm |

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District is committed to equal opportunity and nondiscrimination based on race; national or ethnic origin; color; sex; religion; age; sexual orientation; gender expression or identity; pregnancy; marital

status; familial status; economic status or source of income; mental or physical disability or perceived disability; or military service.

Chinese, Russian, Somali, Spanish and Vietnamese Interpreters available at meeting.



Board of Education

Staff Report to the Board

Board Meeting Date: November 28, 2017

Executive Committee Lead:
Mei Lee, CFO

Department: Finance

Presenter/Staff Lead:
Emily Courtnage,
Director, Purchasing & Contracting

SUBJECT: Exemption from Competitive Bidding for Architectural, Engineering, and Construction Services for the 2017/18 Middle School Conversion Project

BACKGROUND

ORS 279C.335(2) authorizes the Board to exempt certain public improvement contracts or classes of contracts from the traditional design/bid/build competitive procurement process. Staff requests that the Contract Review Board approve an exemption from competition for the Middle School Conversion Project and authorize staff to directly appoint one or more architectural, engineering, and construction management firms to oversee and perform the required work on an expedited basis.

The standard competitive solicitation process required by public contracting rules will not allow completion of the work described in the attached Draft Findings in time for schools to open in August 2018. Although the District has already solicited, via competitive request for proposals (RFP) process, design firms for a new roof at Tubman and for middle school tenant improvements, the accelerated timeline and additional scope of the work (including addition of new HVAC system at Tubman that must be designed in conjunction with the roof) would require reissued or additional RFPs, a process which takes several weeks. Only after all architectural and design firms were selected and under contract, and designs fully completed (a months-long process), could the District issue Invitations to Bid to construction firms to select firms on a low-bid basis. Under this standard design/bid/build process, construction would likely not begin until late spring at the earliest, meaning that work could not be completed before the start of the 2018/19 school year. Thus, the only option to proceed with the Middle School Conversion Project work (including recently expanded scope) on an expedited schedule is to direct appoint firms after informally gauging availability, qualifications, and ability to complete the work by August 2018.

An exemption from competitive bidding must be supported by the following findings: (1) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts, and (2) Awarding a public improvement contract under the exemption will likely result in (a) substantial cost savings or the project is designated as a pilot project for which the agency intends to determine whether the alternative contracting method will result in cost savings, and (b) other substantial benefits to the contracting agency or the public. See ORS 279C.335.

A detailed description of the Middle School Conversion Project and draft Findings of Fact ("Findings") supporting the exemption Resolution, as required by OSR 279C.335(2), are set forth in the attached Facilities Department staff memo.

BOARD COMMITTEE REVIEW (IF APPLICABLE)

This exemption request was discussed at the November 21, 2017 meeting of the Finance, Audit, and Operations (FAO) Committee.

RELATED POLICIES / BOARD GOALS AND PRIORITIES

District Policy 8.50.090-P designates the Board as the local government contract review board with authority to exempt certain public contracts or classes of contracts from the standard competitive process otherwise required by the Public Contracting Rules.

PROCESS / COMMUNITY ENGAGEMENT

Where an exemption from competitive bidding on a public improvement contract is sought, the Public Contracting Rules require that the Contract Review Board conduct a public hearing prior to adoption of an exemption Resolution, PPS-49-0145(4)(a). Notification of the public hearing must be published in a trade newspaper of general statewide circulation at least 14 days before the hearing, PPS-49-0145(4)(b). At the time of the Notice, copies of the draft Findings must be made available to the public. PPS-49-0145(4)(c).

In compliance with these requirements, Purchasing & Contracting published a Notice of Public Hearing concerning the Middle School Conversion Project exemption request on November 14, 2017 in the Business Tribune, the same journal in which Purchasing & Contracting posts all required solicitation notices. Also on November 14, 2017, staff made the attached Findings available to the public. Instructions for requesting copies of the draft Findings are included in the Notice of Public Hearing.

At the public hearing, the District must offer an opportunity for any interested party to appear and present comment. PPS-49-0145(3)(d).

Adoption of the attached Resolution will not affect any other contract to which the District is a party nor effect any change in Public Contracting Rules or District policy.

ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN

Opening, as soon as possible, two new middle schools for north and northeast Portland students who do not currently have access to an optimal middle school experience is in furtherance of the District's goals of providing an equitable education for all students.

The exemption may negatively affect the District's Equity in Public Purchasing & Contracting Policy and Business Equity Administrative Directive and particularly the aspirational goal that at least 18% of all contracting dollars in construction, architecture, engineering, and related services go to Certified minority owned, women owned, service-disabled veteran owned, and emerging small businesses ("Certified businesses"). The expedited schedule and expansion of scope requires appointment of a construction management or general contractor firm to oversee, subcontract, and manage all construction work, so there may be fewer opportunities for small businesses to contract directly with the District for this work. However, there will likely be numerous subcontracting opportunities and the Facilities Department staff can still encourage the selected firm(s) to utilize Certified subcontractors wherever possible. All prime

contractors and subcontractors will be required to report on Certified business subcontractor utilization during the course of the contract.

BUDGET / RESOURCE IMPLICATIONS

Direct appointment of firms will allow the District to proceed immediately with design and construction to meet the schedule requirements of the School Board and public. This alternative contracting method will result in substantial time savings. The effect on cost is less known. However, there are definite advantages to having design and construction firms on board at the same, allowing the construction to begin concurrently with design and allowing for incorporation of the construction firms' knowledge, experience, and findings in the design as it progresses, possibly reducing later design changes and related time delays and increased costs.

NEXT STEPS / TIMELINE / COMMUNICATION PLAN

A public hearing is scheduled for the November 28, 2017 Board Meeting. At that meeting, the Board will recess and convene as the Contract Review Board pursuant to ORS 279A.060 and District Policy 8.50.090-P. The Contract Review Board must offer an opportunity for any interested party to appear and present comment. After the public hearing, the Board will reconvene and vote on the attached Resolution.

Staff from the Facilities Department will be available at the November 28, 2017 Board Meeting and public hearing to respond to questions relating to the work described in the attached Resolution and Findings.

If the Resolution is approved, staff will immediately begin outreach to design and construction management firms to determine those best qualified to manage and complete the work on the required timeline and at lowest possible cost/best value.

ATTACHMENTS

- A. Resolution to Authorize Exemption from Competitive Procurement**
- B. Facilities Department Staff Memo with Draft Findings**

RESOLUTION NO. 5543

Middle School Conversion Project: Exemption from Competitive Bidding

RECITALS

- A. The Board of Directors of Portland Public Schools ("District") is the Local Public Contract Review Board ("Board") pursuant to ORS 279A.060.
- B. ORS 279C.335(2) authorizes the Board to exempt certain public contracts or classes of contracts from the standard competitive procurement process otherwise required by the Public Contracting Code and Rules upon certain findings.
- C. The District intends to complete the Middle School Conversion Project, including opening two new middle schools and related reconfiguration of buildings that will convert to K-5 programs or otherwise change programs or populations due to middle school reconfiguration, by August 2018.
- D. Staff has determined that completion of the Middle School Conversion Project by August 2018 requires an exemption from competitive procurement. This determination is supported by draft Findings of Fact ("Findings") presented to the Board pursuant to ORS 279C.335.
- F. These Findings specify the scheduling, operational, and logistical advantages gained through use of direct appointment of one or more design, construction management, and construction firms as soon as possible.
- G. On November 14, 2017, the District issued a public notice in the Business Tribune announcing the District's intent to seek an exemption from competitive procurement. The notice was issued in compliance with ORS 279C.335 and the PPS Public Contracting Rules. The Findings were made available for public review and comment on the date of publication.
- H. The Board held a public hearing on the draft findings on November 28, 2017.
- I. Staff recommends approval of the exemption from competitive procurement of design, engineering, construction management, and construction firms for the Middle School Conversion Project.

RESOLUTION

1. The Board hereby exempts the Middle School Conversion Project from competitive procurement under ORS 279C.110, 279C.120, and 279C.335 and related PPS Public Contracting Rules. The Board approves utilization of a direct appointment alternative contracting method as described in the Draft Findings.
2. The exemption granted in Section 1 of this Resolution is based upon the Findings pursuant to ORS 279C.335(2), which the Board adopts and incorporates by reference into this Resolution.
3. Pursuant to these findings and decision, the Superintendent or his designee is hereby authorized to directly appoint design, engineering, construction management, and construction firms for the Middle School Conversion Project.

M. Lee



Board of Education Informational Report

MEMORANDUM

Date: November 14, 2017

To: Board of Education

From: Jerry Vincent, Chief Operating Officer

Subject: Draft Findings in Support of Alternative Pilot Project Procurement and Contracting Methodology for Architectural, Engineering, and Construction Services for the 2017/2018 Middle School Conversion Project.

INTRODUCTION:

Following are the staff recommended draft findings in support of an exemption from formal competitive procurement under ORS 279C.110, 279C.120, and 279C.335 for procurement of architectural, engineering, construction management, and construction services for the 2017/2018 Middle School Conversion Project.

PROJECT DESCRIPTION:

Per the School Board's recent direction, the District's Facilities Department has been tasked with opening multiple middle school sites in Portland for the start of the August 2018 School Year. The buildings selected for middle schools require major improvements and upgrades to optimize each school's operational and learning environments. The Middle School Conversion Project will also require improvements and upgrades at other school buildings that are converting to K-5 programs or otherwise changing programs or populations due to reconfiguration. The Middle School Conversion Project includes, but is not limited to, hazardous material abatement, roof replacement, mechanical/electrical/plumbing upgrades, structural reinforcing, storm water management, and informational technology improvements as well as new interior partitions, architectural finishes, and site/landscaping improvements.

These projects have many challenges, and the acceleration of the design and construction phases will make it particularly challenging to complete the work effectively and efficiently in the required timeframe. It will be important to utilize construction and design firms with the following specific traits:

- Ability to provide a complete project within the District's budget and time constraint for the project.
- The requisite expertise in renovating historically significant facilities.
- An exemplary reputation for on-time delivery with an extremely aggressive timeline.
- Supervisory staff experienced working in and around occupied facilities and/or tight urban constraints.
- An understanding of the importance of an integrated project team.

For these projects, the traditional design/bid/build (low bid) process will not allow for project completion by August 2018. The design/bid/build process would require multiple steps: One or more requests for proposals (RFPs) to select architectural and engineering firms, completion of design for all aspects of the Project, followed by one or more invitations to bid (ITBs) to select construction firms on a low bid basis. The design phase alone would require several months. To complete the described work on time and with quality construction materials and methods, the School Board must allow for direct appointment of one or more architectural firms, engineering firms and construction management firms to oversee and perform the improvements and upgrades.

FINDINGS:

Following are the factors that must be considered before granting an exemption under ORS 279C.335 (2), followed by the Staff's findings in *italics*.

"(a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts."

The decision to and public interest in opening middle schools by August 2018 has created a unique set of circumstances requiring prompt action. Granting an exemption in these unique circumstances will not have an ongoing impact on the District's public improvement contracting in terms of favoritism or diminished competition. Further, the District will award contracts to contractors, designers, and engineers based solely on their experience and proven ability to deliver the project on time and at lowest possible cost/best value. The District will approach several firms to gauge availability, qualifications, and ability to complete the project by August 2018.

"(b) Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency or the state agency that seeks the exemption or, if the contract is for a public improvement described in ORS 279A.050 (3)(b), to the contracting agency or the public."

Or

"[I]f a contracting agency or state agency seeks an exemption that would allow the contracting agency or state agency to use an alternative contracting method that the contracting agency or state agency has not previously used, the contracting agency or state agency may make a finding that identifies the project as a pilot project for which the contracting agency or state agency intends to determine whether using the alternative contracting method actually results in substantial cost savings to the contracting agency, to the state agency or, if the contract is for a public improvement

described in ORS 279A.050 (Procurement authority) (3)(b), to the contracting agency or the public."

The District is seeking to forgo the normal competitive bidding and procurement process and instead directly appoint one or more highly qualified firms, including a construction management firm, allowing the District to jump start design and construction work as soon as possible to meet the schedule demands of the School Board and the public. The primary goal of this pilot project process is the ability to deliver the project by August 2018, which would not be possible under traditional procurement requirements and processes. The District has not used this process previously and proposes that this project be designated a "pilot project" to determine whether the use of this method results in both time savings and substantial cost savings. This pilot project process will allow the project to proceed immediately with design and construction, which is the only way to put the project schedule on track for completion in August 2018. This process may save operating costs by allowing the middle schools to reopen in the August 2018 school year, instead of delaying until 2019 or later.

"In approving a finding under this paragraph, the Director of the Oregon Department of Administrative Services, the Director of Transportation or 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, the following:"

"(A) How many persons are available to bid;"

Based on previous District construction contracting experience, Staff anticipates that between three to seven firms will be interested in proposing to work on the Middle School Conversion Project.

"(B) The construction budget and the projected operating costs for the completed public improvements;"

The construction and operating budget is approximately \$20,486,000.00. The current construction market in Portland is extremely busy and has limited resources. Getting design, construction management, and construction firms on board immediately is essential to completing the project on schedule and ensuring workforce availability. Having contractors on board during the accelerated design phases will help improve the design of the buildings. This will also allow contractors to begin work as early as possible, concurrent with the design process, which is essential to completing the project per the desired schedule.

"(C) Public benefits that may result from granting the exemption;"

The greatest benefit of the pilot project process will be providing time savings that translate into cost savings by bringing the design and construction firms on

board immediately. The construction management firm will be able to assess the existing conditions that remain unknown and begin construction work as early as possible to complete the project on time.

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

Value engineering is a routine practice in public improvement projects regardless of procurement method. The pilot project delivery method will allow for the contractor and subcontractors with specialized expertise and common project goals to participate in the value engineering process during the design, resulting in a more effective and efficient process as compared to value engineering by change order to a completed design. The inherent flexibility and openness of the pilot project process allows the District to more easily change the design and scope of work as necessary to meet the project budget before the final design is fixed. This flexibility during design development is not something that the traditional bid process offers.

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

The pilot project process allows for review of contractors', designers', and engineers' expertise not afforded in traditional procurement. The Middle School Conversion project is very complex and requires a construction management firm, general contractor(s), and designer(s) with specialized expertise due to the complexities of the schools and the aggressive timeline. Construction on Tubman will begin while the design is ongoing, and the work at the other schools will have to be completed in a very short window by August, 2018. It will be crucial to have the contractor involved for project phasing and scheduling to complete this work on time.

"(F) Any likely increases in public safety:"

- a) *The scope of work for the largest project in the pilot is primarily related to public safety, including a brand new roof that is seismically braced, new HVAC system with a High Efficiency Particulate Arrestance (HEPA) filtration system, and soldier piles for increased in-ground stability of portions of the building. All projects will receive some form of Americans with Disabilities Act (ADA) improvements.*
- b) *Bringing the contractors on during the design phase will provide the contractors with clear, upfront knowledge of project constraints and an early opportunity to assess the sites and collaborate with the design team on the work sequencing, staging, and site access.*

"(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 pilot project process will mitigate risks as described above and listed below:*
- a) Coordination with Portland Parks & Recreation, Multnomah County, TriMet, PBOT, ODOT, City of Portland, and all other relevant agencies.*
 - b) Site staging and laydown coordination.*
 - c) Site safety and work hours.*
 - d) Use of highly qualified subcontractors.*
 - e) The pilot project contract will expedite the construction schedule by allowing early work concurrent with design, which is critical for completing this project on schedule.*

"(H) Whether granting the exemption will affect the sources of funding for the public improvement:"

There will be no impact on the funding source of these projects due to the pilot project process used for Construction and Design firms.

"(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:"

Because the pilot project process will appoint the construction management firm immediately, the CM will be able to take advantage of market labor availability by facilitating early contracting of certain project elements, as needed. The essential added value of the pilot project process is the ability to start on construction work as soon as scope has been defined. This knowledge allows the contractor and architect time to complete the project within required timeline.

"(J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;"

The CM and Design firms selected quickly through the pilot project process will help deliver a successful Middle School Conversion Project. One of the biggest advantages of the pilot project process is the ability to coordinate all technical work before construction and begin on construction prior to design completion. Being able to apply best practices with the Design, Engineering, Contractor, and District teams will make for a better product within the budget and time constraints.

As described above, the areas of technical complexity include historically significant buildings, traffic management, potential time delays in permitting, and challenging site conditions and footprint.

In the pilot project process, the contractor's awareness of complicated technical issues arising during the design process facilitates advance problem-solving. Thus, the risks are better understood and addressed early on in the process, resulting in greater mitigation of financial and schedule risks.

"(K) Whether the public improvements involve new construction or renovate or remodel an existing structure;"

These projects will involve new construction and renovations at multiple school sites throughout the district. Procuring contractors, designers, and engineers with experience in both new construction and renovation is critical.

"(L) Whether the public improvements will be occupied or unoccupied during construction;"

One school site with the most significant scope of work will not be occupied during construction, allowing construction to begin immediately during normal business hours. Other school sites will begin construction in off-hours, during school breaks, and/or coordinate with the site administration for tolerance/safety levels of activity. This will be difficult to coordinate but is necessary to ensure project completion by August 2018.

"(M) Whether the public improvements will require a single phase of construction work or multiple phases of construction work to address specific project conditions"

At this time, we are planning on a stacked phase of construction and design work all sites. This will allow for the completion of the project in the timeframe required by the Board.

"(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."

The District's Facilities Department has staff that have the necessary expertise with construction contracting methods to develop and effectively manage the work of the Middle School Conversion Project. The District's outside legal counsel, Miller Nash Graham & Dunn LLP, has extensive experience with construction contracting.

CONCLUSION:

For the reasons stated above, the draft findings support an exemption from competitive bidding under ORS 279C to utilize a pilot project process for design and construction firms for the Middle School Conversion Projects.



Board of Education Informational Report

MEMORANDUM

Date: November 14, 2017

To: Board of Education

From: Mei Lee, CPA, and Chief Financial Officer

Subject: Middle Schools Implementation Revised Cost and Funding Sources

Purpose: To provide a revised cost estimate and funding option for Middle Schools Implementation.

Scope changes and Revised Cost Estimate: We have obtained a revised cost estimate for our Middle Schools Implementation. As an update to the September 2017 estimate, the financial resources needed to execute on this project plan total approximately \$20.5 million. The September cost estimate of \$10.8M has substantially increased by \$9.7M, of which approximately \$7.0M in costs are associated with the Tubman implementation and \$1.6M in relocating ACCESS from Rose City Park.

Changes in Expenditures

- | | |
|----------------------|---------------|
| 1) New Adds | \$5.4M |
| 2) Revised Costs | \$2.7M |
| 3) ACCESS net change | <u>\$1.6M</u> |

Net change from September 2017 cost estimate \$9.7M

Major Contributing items

- 1) \$2.0M - Tubman HVAC
\$2.0M - Tubman Foundation, Soldier Pier, and parking lot
\$1.0M - Tubman Fire sprinkler/alarm
- 2) \$1.2M - Contingency
\$0.8M - Tubman Roof
\$0.7M - Design/Misc.
- 3) <\$1.4M> - Humboldt cost discontinued
\$3.0M - Relocating from Rose City Park

Estimated Middle School Costs (revised estimate as of 11/13/2017)

Department	FY 17-18	Bond Compensable	FY 18-19	Total
Community Involvement & Public Affairs	\$ 191,000	\$ -	\$ -	\$ 191,000
Equity	40,000	-	230,000	270,000
Facilities & Asset Management	6,219,250	5,450,000	4,977,500	16,646,750
Information Technology	963,763	-	522,205	1,485,968
Nutrition Services	-	-	343,000	343,000
Office of Teaching & Learning	75,300	-	924,000	999,300
Transportation	-	-	550,000	550,000
Estimated Total Funds Required	7,489,313	5,450,000	7,546,705	20,486,018
Estimated Total Funds Required (in millions)	\$ 7.49	\$ 5.45	\$ 7.55	\$ 20.49

Funding Sources:

We have examined the current cost estimate with input from all affected departments and anticipate the following funding sources to implement this plan.

Estimated Funding Sources (in millions)	FY 17-18	Bond Compensable	FY 18-19	Total
General Fund Budgeted Amount	\$ 1.00	\$ -	\$ 1.44	\$ 2.44
Bond Compensable	-	5.45	-	5.45
Construction Excise Tax Fund (Fund - 404)	7.18	-	5.41	12.59
Estimated Total Funds Available	8.18	5.45	6.85	20.49
Estimated Total Funds Required	7.49	5.45	7.55	20.49

Estimated Funding Needed (surplus)	\$ (0.69)	\$ -	\$ 0.69	\$ -
--	------------------	-------------	----------------	-------------

The Construction Excise Tax (CET) Fund is sourced from the School Construction Excise Tax collected by the City of Portland and is available for paying expenses related to new and expanded school facilities. FAM (Facilities and Asset Management) and IT capital improvement costs for the Middle School implementation will be covered by the CET fund.

\$5.45M has been identified as bond compensable capital improvements, of which \$5M would be utilized for the Tubman implementation in FY 17-18. \$1.44M has been budgeted for FY 18-19 out of the General Fund. Please see Exhibit A for detailed costs.

RESOLUTION No. 5542

Authorizing Usage of Construction Excise Fund

The Superintendent recommends that the Board authorize the use of Construction Excise Fund (Fund 404) for capital improvement costs during the Middle School implementation at Tubman and Roseway Heights, and ACCESS relocation. The Board accepts this recommendation and by this resolution authorizes the Superintendent or his designee to utilize these funds.

RECITAL

- A. Board Resolution No. 3833 approved the Construction Excise Tax (CET). The use of funds from this tax is limited to capital improvements to school facilities.
- B. Board Resolution No. 5451 directed the Superintendent to further develop an implementation plan for Roseway Heights and Harriet Tubman Middle Schools aligned to the working draft of the Middle Grades Framework, and following completion of that Framework, to open Roseway Heights and Harriet Tubman Middle Schools for the 2018-2019 school year.
- C. The Superintendent has determined that ACCESS will be relocated from Rose City Park to another location.
- D. Staff estimates Facilities and Asset Management costs at \$16.65M and IT capital improvement costs at \$1.48M.
- E. \$12.59M will come from the Construction Excise Fund. \$3M will come from restricted funds, the remainder from unrestricted funds.
- F. The future repayment plan to restricted funds will come from CET unrestricted funds.
- G. Bond compensable capital costs of \$5.45M will be funded from the 2017 Capital Bond.

RESOLUTION

1. The Board authorizes the Superintendent or his designee to utilize Construction Excise Funds for Middle School implementation and ACCESS relocation.
2. The Board authorizes the use of up to \$12.59M from the Construction Excise Tax Fund to facilitate this work effort.

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

INDEX TO THE AGENDA

November 28, 2017

Board
Action
Number

Page

Purchases, Bids, Contracts

5540	Expenditure Contracts that Exceed \$150,000 Limit for Delegation of Authority	3
5541	Revenue Contracts that Exceed \$150,000 Limit for Delegation of Authority	4

Other Matters Requiring Board Approval

5542	Authorizing Use of Construction Excise Fund	6
5543	Middle School Conversion Project Exemption from Competitive Bidding	7
5544	HOLD for Authorization to Waive Policy 3.30.020-P (7).....	8

Purchases, Bids, Contracts

The Superintendent RECOMMENDS adoption of the following item:

Numbers 5540

RESOLUTION No. 5540

Expenditure Contracts that Exceed \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Relay Resources	12/1/17 through 11/30/22	Services S 65523	To provide for rental and laundering of dust mops for all District sites. Qualified Rehabilitation Facilities (QRF) PPS 45-0410	\$400,000	J. Vincent Fund 101 Dept. 5593

NEW INTERGOVERNMENTAL AGREEMENTS ("IGAs")

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Reynolds School District	7/1/17 through 6/30/18	Intergovernmental Agreement IGA 65509	Columbia Regional Program will provide autism support services to regionally eligible children.	\$231,600	V. Truong Fund 205 Dept. 5433 Grant G1700

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Amendment Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
Day CPM an OTAK Division	11/29/17 through 1/31/18	Related Services RS 64855 Amendment 1	Adding funds for continued construction management services. Direct Appointment PPS 48-0200 Approval of amendment sought under PPS 48-0320(4)(c) (allowing amendment over 125% of original contract value if Board approves)	\$99,999 \$199,999	J. Vincent Fund Varies Dept. 5597 Project Varies

RESOLUTION No. 5541

Revenue Contracts that Exceed \$150,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200 ("Authority to Approve District Contracts; Delegation of Authority to Superintendent") requires the Board of Education ("Board") to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$150,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW REVENUE CONTRACTS

No New Revenue Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE ("IGA/Rs")

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Reynolds School District	7/1/17 through 6/30/18	Intergovernmental Agreement / Revenue IGA/R 65504	Columbia Regional Program will provide Reynolds School District school age classroom services for Deaf/Hard of Hearing regionally eligible children.	\$232,925	V. Truong Fund 299 Dept. 5422 Grant S0031

AMENDMENTS TO EXISTING REVENUE CONTRACTS

No Amendments to Existing Revenue Contracts

Other Matters Requiring Board Approval

The Superintendent RECOMMENDS adoption of the following items:

Numbers 5542 through 5543

RESOLUTION No. 5542

Authorizing Usage of Construction Excise Fund

The Superintendent recommends that the Board authorize the use of Construction Excise Fund (Fund 404) for capital improvement costs during the Middle School implementation at Tubman and Roseway Heights, and ACCESS relocation. The Board accepts this recommendation and by this resolution authorizes the Superintendent or his designee to utilize these funds.

RECITAL

- A. Board Resolution No. 3833 approved the Construction Excise Tax (CET). The use of funds from this tax is limited to capital improvements to school facilities.
- B. Board Resolution No. 5451 directed the Superintendent to further develop an implementation plan for Roseway Heights and Harriet Tubman Middle Schools aligned to the working draft of the Middle Grades Framework, and following completion of that Framework, to open Roseway Heights and Harriet Tubman Middle Schools for the 2018-2019 school year.
- C. The Superintendent has determined that ACCESS will be relocated from Rose City Park to another location.
- D. Staff estimates Facilities and Asset Management costs at \$16.65M and IT capital improvement costs at \$1.48M.
- E. \$12.59M will come from the Construction Excise Fund. \$3M will come from restricted funds, the remainder from unrestricted funds.
- F. The future repayment plan to restricted funds will come from CET unrestricted funds.
- G. Bond compensable capital costs of \$5.45M will be funded from the 2017 Capital Bond.

RESOLUTION

- 1. The Board authorizes the Superintendent or his designee to utilize Construction Excise Funds for Middle School implementation and ACCESS relocation.
- 2. The Board authorizes the use of up to \$12.59M from the Construction Excise Tax Fund to facilitate this work effort.

M. Lee

RESOLUTION No. 5543

Middle School Conversion Project: Exemption from Competitive Bidding

RECITALS

- A. The Board of Directors of Portland Public Schools ("District") is the Local Public Contract Review Board ("Board") pursuant to ORS 279A.060.
- B. ORS 279C.335(2) authorizes the Board to exempt certain public contracts or classes of contracts from the standard competitive procurement process otherwise required by the Public Contracting Code and Rules upon certain findings.
- C. The District intends to complete the Middle School Conversion Project, including opening two new middle schools and related reconfiguration of buildings that will convert to K-5 programs or otherwise change programs or populations due to middle school reconfiguration, by August 2018.
- D. Staff has determined that completion of the Middle School Conversion Project by August 2018 requires an exemption from competitive procurement. This determination is supported by draft Findings of Fact ("Findings") presented to the Board pursuant to ORS 279C.335.
- F. These Findings specify the scheduling, operational, and logistical advantages gained through use of direct appointment of one or more design, construction management, and construction firms as soon as possible.
- G. On November 14, 2017, the District issued a public notice in the Business Tribune announcing the District's intent to seek an exemption from competitive procurement. The notice was issued in compliance with ORS 279C.335 and the PPS Public Contracting Rules. The Findings were made available for public review and comment on the date of publication.
- H. The Board held a public hearing on the draft findings on November 28, 2017.
- I. Staff recommends approval of the exemption from competitive procurement of design, engineering, construction management, and construction firms for the Middle School Conversion Project.

RESOLUTION

1. The Board hereby exempts the Middle School Conversion Project from competitive procurement under ORS 279C.110, 279C.120, and 279C.335 and related PPS Public Contracting Rules. The Board approves utilization of a direct appointment alternative contracting method as described in the Draft Findings.
2. The exemption granted in Section 1 of this Resolution is based upon the Findings pursuant to ORS 279C.335(2), which the Board adopts and incorporates by reference into this Resolution.
3. Pursuant to these findings and decision, the Superintendent or his designee is hereby authorized to directly appoint design, engineering, construction management, and construction firms for the Middle School Conversion Project.

M. Lee

RESOLUTION No. 5544

HOLD for Authorization to Waive to Policy 3.30.020-P (7)