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Staff requests that the Board approve an exemption from low bid competitive bidding for the Secure Schools Project, and authorize staff to utilize a fully competitive Request for Proposals alternative contracting method that will take into account factors such as experience and performance.

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demonstration of a history of Certified Business utilization and a substantive plan of outreach to,  
partnership with, and/or inclusion of Certified Business subcontractors.

The Request for Proposals will be open and publicly advertised. Purchasing & Contracting will notify minority contracting communities about the solicitation and encourage Certified Business participation.

### III. FISCAL IMPACT

The Request for Proposals solicitation method allows the District to carefully screen firms to assure that the contractors chosen to work on the project have the specialized training, expertise, certifications, and capacity to successfully and safely compl H W H W K H Z R U N Z L W K L Q W K H C o s t W i l l a l s o W ¶ V W L P H be evaluated in the RFP process, ensuring that proposers offer competitive pricing.

### IV. COMMUNITY ENGAGEMENT;





# Board of Education Informational Report

## **MEMORANDUM**

**Date:** January 11, 2019

**To:** Board of Education

**From:** Dan Jung, Senior Director, Office of School Modernization

**Subject:** Draft Findings in Support of Alternative Procurement and Contracting Methodology for Design and Construction Services for the Secure Schools Project

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### **INTRODUCTION:**

Following are the staff recommended draft findings in support of an exemption from low bid procurement under ORS 279C.335 for procurement of design and construction services related to the security integration/electrical scopes of the Office of School Modernization's Secure Schools Project. This exemption request and recommendation to use an alternative contracting method applies to three contracts, which will be procured using Request for Proposal solicitations.

### **PROJECT DESCRIPTION:**

Per the May 2017 voter approved Bond, the Office of School Modernization was tasked with improving student and staff safety at District schools. The scope will include security upgrades at 88 schools District-wide, which will be divided into three roughly equal packages of schools. The District intends to issue three solicitations and three contracts for this work.. Breaking the scope into three packages with approximately equivalent workloads will give the District flexibility to complete work equitably and at a faster pace, while minimizing risks associated with contractors' staffing capacities, quality of work, and safety of work. The nature of the work requires specialized training and certification as well as working extensively inside and around school buildings during the school day. The Secure School Project's security integration/electrical scopes of works include, but are not limited to, design, procurement, installation, programming, and training for door access control, public address speakers, video monitors, and infrastructure components such as cabling, switches and data recorders.

These projects have many challenges, and with the inherent urgency of the work, it will be important to utilize construction firms with the following specific traits, in addition to cost consideration:

- Ability to provide a complete project within the District's time constraint for the project. Staffing levels and capabilities will be critical for successful on-time completion of this work.

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Procurement Method

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- The requisite expertise in designing, installing, programming, and troubleshooting technologies in compliance with the District's Security Design Guidelines and Standards.
- Recent and relevant experience with these technologies and their integration with existing IT infrastructure and systems.

*For this aggressively scheduled project, Portland Public Schools needs to know the work will be done by contractors with expertise appropriate for the District's Security Design Guidelines and Standards, including hardware, software, programming, and certifications. Work will be conducted throughout the school year and during the school day, and contractors' experience working in occupied educational facilities is a key factor to the success of this safety-critical work. In addition to cost, proposers will be required to show their proposed schedule and staffing, which will allow the District to review proposers' assumptions and reduce risk to budget and schedule. This process is expected to minimize unknowns and change orders that could come about when contracting with firms that have less relevant experience and expertise.*

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 required certifications and conversations with certified firms, it is reasonable to anticipate between three and six firms will propose on the Secure Schools Project.*

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

*The construction and operating budget for this project is approximately \$8,909,000. The current construction market in Portland is extremely busy and has limited resources. Having multiple interested bidders for these three RFP packages is essential to completing the project on schedule and dealing with workforce availability issues.*

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

*Selecting contractors on the basis of qualifications and expertise as well as price will provide the best opportunity for high quality security improvements, installed in a safe manner during the school year and occupied school day, with the least risk to both cost and schedule.*

"(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. An RFP process will ensure that the contractor and subcontractors will have sufficient experience and knowledge to effectively and responsibly participate in the value engineering process.*

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

*The RFP process will allow for a thorough evaluation of qualifications, expertise, history of working in occupied facilities, and appropriate staffing to complete the work on time, not afforded in traditional low bid procurement. The Secure Schools Project requires contractors with specialized expertise due to the complexities of the schools and the tight timeline. For example, work may be occurring on as many as eight schools simultaneously, during occupied hours.*

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

- a) *All scopes of work in the Secure Schools Project have the primary focus of improving public safety. The major scopes of work are designed to secure our schools' perimeters and enhance our mass communication ability.*
- b) *Contracting with security firms that are highly experienced and knowledgeable will help align the Secure Schools Project goals with the best resources available to implement the work.*

"(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 process of evaluating qualifications and other criteria will provide PPS with an opportunity to review proposers' cost and scope assumptions and reduce risk prior to contract award. It will also afford us the opportunity to review proposers' planned staffing levels and capabilities, and minimize risk to on-time delivery of the project. Finally, it will allow us to assess proposers' familiarity with the needs of students and adults in occupied spaces and whether each proposer is in a good position to meet these needs. This will help us avoid schedule delays.*

"(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 this exemption.*

"(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:"

*Granting the exemption will make these competitive procurements more appealing to qualified bidders and will increase the likelihood that PPS receives proposals from firms that are able to dedicate the necessary resources.*

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

*Granting the exemption will make these competitive procurements more appealing to those firms that have the recent and relevant experience necessary to address the size and technical complexity of this work. Additionally, with the proposers' experience and expertise factors in contract award, detailed information on these subjects will be provided to PPS.*

*The areas of technical complexity include:*

- a. Specialized security systems technology and equipment*
- b. Design and installation of low voltage wiring*
- c. Integrating new equipment with an existing IT infrastructure, both at the school and District level*
- d. Security equipment programming and testing*

*In the qualifications based process, the contractor's awareness of complicated technical issues facilitates problem-solving. Thus, the risks are better understood and addressed early on in the process. Greater mitigation of financial and schedule risks are the result.*

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

*These projects will involve renovations at multiple school sites throughout the district. Procuring contractors with staffing levels and capabilities to perform at multiple schools simultaneously is critical.*

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



and to help negotiate, administer and enforce the terms of the public improvement contract."

*The District's Office of School Modernization has department staff that have the necessary expertise with construction contracting methods to develop and effectively manage the work of the Secure Schools 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.335 to utilize a qualifications based evaluation process for contractors for the Secure Schools Project.