



Memo

Date: Thursday, Oct. 26, 2017
To: Metro Contract Review Board/Metro Council
From: Gabriele Schuster, Metro Procurement Manager
Heidi Rahn, Zoo Bond Program Director
Subject: **Elephant Lands Construction Management by General Contractor Outcomes**

PURPOSE & DESIRED OUTCOMES

- **Purpose:** Acting as the Metro Contract Review Board, the Metro Council will hear the zoo bond program's evaluation report of using Construction Management by General Contractor (CM/GC) for the Elephant Lands project. This is to fulfill the State of Oregon requirement that upon completion of and final payment for any public improvement contract in excess of \$100,000 for which Metro did not use the competitive bidding process, Metro shall prepare and deliver to the local contract review board an evaluation of the public improvement contract. (<http://www.oregonlaws.org/ors/279C.355>)
- **Outcome:** The Metro Council will recognize the positive outcomes realized by using CM/GC for the Elephant Lands project. Metro will fulfill its state reporting requirements for using CM/GC.

TOPIC BACKGROUND & FRAMING

Elephant Lands is the largest project the Oregon Zoo has ever developed and part of the \$125 million bond measure approved by voters in 2008 to enhance animal welfare, conservation education and sustainable infrastructure. The goal was to enhance the health and well-being of the elephants by encouraging activities and offering choices similar to what they would experience in their natural environment.

Metro, which owns the zoo, selected a general contractor through a competitive Request for Proposal process that resulted in a contract with Lease Crutcher Lewis for Construction Management by General Contractor services. The contract provided for preconstruction services and construction services. The CM/GC contract saved the zoo time and money that would not have been realized through a conventional low-bid procurement. The CM/GC worked with the zoo staff and design team from the beginning of schematic design through development of construction documents, providing budget assistance and solutions to unanticipated challenges throughout the process.

The state of Oregon requires that Metro provide an evaluation of CM/GC contracts. The attached report provides a narrative description of successes and challenges during the design, engineering and construction of the project. It also provides an objective assessment of the use of CM/GC contracting process as compared to the traditional low-bid process.

Elephant Lands maintained only five percent total change orders for the entire project due to the CM/GC working with the design team to fill in any gaps in the drawings prior to bid. The project team identified four distinct phases for the project, which allowed individual phases to be designed, permitted and competitively bid out to subcontracting firms early in the design process rather than waiting until the entire design was completed. The early bidding saved substantially on project costs by avoiding a very robust construction cost escalation market currently progressing at 4 percent per year.

Hiring the CM/GC early in the process gave an understanding of the Oregon Zoo's complex event schedule. The CM/GC and zoo team were able to modify certain sequences of work so visitor interactions and other revenue-generating events proceeded without construction interference, which helped the zoo maintain its visitor attraction factor and cash flow.

Keeping the elephants onsite for their health and well being was a mandatory requirement established by the zoo. The most beneficial aspect of phasing that saved money and time on the overall project was allowing the elephants into the first new habitat to test design features prior to the other habitats being constructed.

Using CM/GC on Elephant Lands proved to be good stewardship of the public's investment to make improvements at the Oregon Zoo, and helped to fulfill Metro's promises to voters.

cc: Jim Mitchell, Zoo Bond Construction Manager
Scott Robinson, Metro Deputy Chief Operating Officer