

# Reed Market Bridge Project (1GRMC)

## Progressive Design-Build Findings

**November 19, 2025**

Oregon Revised Statute (ORS) 279C.300 requires competitive bidding for construction of public improvement projects unless specifically excepted or exempted as provided under ORS 279C.335. The exemption must be supported by findings showing that an alternative contracting process is unlikely to encourage favoritism or diminish competition, and that it will result in substantial cost savings and other substantial benefits to contracting agency or the public.

The **Progressive Design-Build (PDB)** process allows the contracting agency to select one firm to provide both design and construction services under one contract (the “Design-Builder”).

Progressive design-build is appropriate to consider for particularly complex projects where the project elements need to be designed and constructed in a custom sequence, for example because specific project elements have dependency on each other or flexibility is needed to satisfy the permitting process while maintaining schedule certainty.

For the reasons set forth more fully below, it is recommended that the competitive proposal process in accordance with ORS 279C.400 be used to select a Design-Build contractor for a Progressive Design-Build project approach for design and construction of the **Reed Market Bridge project (1GRMC) (the “Project”)**.

### The Project

The 2020 Bend Transportation System Plan (TSP) identified removal of the at-grade crossing of the Burlington Northern Santa Fe (BNSF) Railroad tracks at Reed Market Road as a needed improvement to improve traffic flow, east-west connectivity, and capacity. The Project was also identified in the voter-approved \$190M 2020 Transportation General Obligation Bond project list. When occupied by a train, the at-grade crossing creates a significant barrier for vehicular traffic, bicyclists and pedestrians, and emergency responders. The Project will increase safety and mobility by eliminating potential for crashes associated with crossing trains and creating a lower-stress environment at the Reed Market Road rail crossing for biking, walking, and rolling.

The Project generally includes the following transportation improvements:

- Grade-separated roadway crossing of BNSF railway on Reed Market Road
- North/south pedestrian undercrossing
- Bend Bikeways connection to 9<sup>th</sup> Street
- Other improvements that may be identified by design and allowable project elements under the funding source



The Preliminary Engineering and Environmental Review phase of the Project is funded through a 60/40 split between a grant from the Federal Rail Administration (FRA) and the 2020 Transportation General Obligation (GO) Bond, respectively, for a total of \$1.75 million. The estimate for final design and construction is approximately \$46 million, based on a class 4 estimate. FRA has awarded the Project approximately \$32 million for design and construction. The City anticipates signing a grant agreement for these funds in 2026. The FRA funds require a 30% local match of approximately \$14 million, which will be funded by the 2020 Transportation GO Bond.

In accordance with ORS 279C.330, ORS 279C.335, OAR 137-0490-0630, OAR 137-049-0670 and Resolution No. 2967 of the Bend City Council in its capacity as the Local Contract Review Board, the following findings justify an exemption from the competitive bidding requirement, and selection of a progressive design-build procurement method for the Project.

Using a PDB contracting method to select a team with experience working on collaborative delivery projects provides many benefits. The use of this process will not diminish competition or result in favoritism and is expected to result in overall cost and time savings to the City. Completion of the Project in a timely manner reduces impacts to businesses, residents, agencies, traveling public and ensures quality, safety, and reliability both during and after construction.

## Findings

	Finding	Explanation
☒	The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.	A publicly advertised request for proposals process will be utilized, with public notice in the Daily Journal of Commerce and disclosure of the planned Alternative Contracting Method. Competition will be encouraged by holding a formal informational session prior to the advertising of the request for proposals. All Project-related documents to date will be made available for public viewing on the project website prior to the advertisement to promote equity amongst proposers. The contract award will be made based upon identified selection criteria as scored by a committee of at least three members to reduce individual biases and an opportunity for unsuccessful proposers to protest that award. The City’s experience with construction procurement demonstrates that a similar number of contractors bid on traditional design-bid-build projects as propose on projects procured through alternate contracting methods.
☒	Substantial cost savings and other benefits, further described as follows.	The Project is on a major east-west arterial and crosses other agency right-of-way.  Savings to the Project include reduced City staff resources dedicated to the Project, largely due to the single-entity contract structure which reduces



		<p>procurement efforts and contract management efforts, reduced changes in work during construction, reduced permitting costs due to early engagement which reduces the plan review efforts spent by the permitting agency. Over the last several years, the construction industry has experienced a volatile material market with substantial lead times. The Design-Builder will support the Project in identifying these early and providing a cost-benefit and risk assessment to the Project team.</p> <p>Having the PDB team involved early and responsible for both the design and construction will allow an expeditious process with the opportunity to order long lead time materials to avoid project delays and take advantage of early pricing, if any, and to plan for efficient phasing of improvements, all resulting in significant time and cost savings to the City.</p> <p>This Project will benefit from the PDB project delivery by providing value engineering through partnership between the designer and builder during design development as well as construction. Cost benefits during design provided with early integration of the Design-Builder on the Project team to provide direct knowledge of the construction approach, availability of materials, lead times, cost effective phasing, utility relocation strategy, permitting, and community impacts; all allowing the team to develop the most cost-efficient approach to building the Project. PDB will provide flexibility with sequencing construction packages for various phases of the Project with consideration of community and Project benefits and to maximize available budget.</p> <p>In the PDB contracting method, a Guaranteed Maximum Price (GMP) is established, which is the price for which the design-build team will complete the design and construction of the project or project phase, minimizing risk to the City of cost over-runs.</p> <p>Other significant savings are anticipated from the efficiencies and benefits of early involvement of the Design-Builder, with close collaboration with the designer and partner agencies.</p>
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<input checked="" type="checkbox"/>	<p>How many persons are available to bid</p>	<p>The City has received a similar number of competitive proposals from multiple qualified proposers as when procuring utilizing traditional delivery methods and expects the same result from the competitive procurement process for the PDB solicitation.</p>
<input checked="" type="checkbox"/>	<p>The construction budget and projected operating costs for the completed public improvement</p>	<p>The construction budget and operating costs will not be adjusted due to the alternate bidding method; cost savings and/or maximizing value are anticipated to be identified during the remainder of design through value engineering, a shortened schedule and reduced City staff time on the project, reduction in change orders due to contractor involvement in the design, and accelerated project delivery to provide pricing security.</p>
<input checked="" type="checkbox"/>	<p>Public benefits that may result from granting the exemption</p>	<p>Anticipated public benefits from overall schedule efficiency include mitigated traffic impacts, utility service interruptions, and cost savings.</p> <p>A flexible schedule (i.e. one that has mobility in sequencing work) is important to this Project to support efficient agency coordination, minimize community and travel and business access impacts, achieve successful utility relocations and to leverage efficiency with respect to federal grant obligations.</p> <p>The PDB delivery method allows expedited completion in multiple ways. Timing of permit approval – required from both BNSF and ODOT - as well as meeting all permitting requirements will be more successful with early engagement with the PDB team since the contractor and engineer can partake in early discussions and meet the agency’s expectations more efficiently. The PDB team can engage with franchise utility providers early in the design to fully understand their relocation and timing needs. They can collaborate and innovate on a sequencing plan and shape the Project to meet those needs to ensure successful utility relocations, minimizing service disruptions. The Design-Builder packages the work to be most beneficial to the overall project delivery. As such, this procurement method also allows initiation of construction prior to reaching 100% design, as early work packages may proceed as certain design elements are ready, with City approval. The PDB method allows for the Project phasing to be optimized by being well matched to the</p>



		<p>construction team’s specific means, methods, and capacities. This will allow for the new improvements to be available for use by the public in the shortest amount of time.</p> <p>Additional public benefits are anticipated from the selection process. The City will select a team based on qualifications as they relate to the particular challenges of this Project, including bridge construction over rail facilities and safety record working near vehicular traffic and rail.</p>
☒	Whether value engineering techniques may decrease the cost of the public improvement	<p>This alternative contracting approach fosters a collaborative relationship between owner, engineer, and builder through all project phases. Under a PDB approach, one firm is responsible for both construction and design, which is intended to avoid constructability issues and allow the construction firm to provide input to find cost-effective construction solutions prior to breaking ground.</p> <p>This provides the opportunity to integrate value engineering suggestions into the design phase, which is intended to reduce contract change orders. Early involvement by the construction contractor and collaboration reduces the risk of design flaws due to misunderstandings and constructability conflicts inherent in construction. As compared to design-bid-build, where contractors build from designs in which they have had no opportunity for input, potential cost savings can be realized through reducing the risk of contractor claims.</p>
☒	The cost and availability of specialized expertise that is necessary for the public improvement	<p>The use of the PDB contracting method is not expected to change the cost or availability of specialized expertise necessary for the Project. Availability and cost of design services are not anticipated to be impacted.</p> <p>Availability and cost of construction services are also not anticipated to be impacted because a competitive process will be used for subcontracted work, unless otherwise approved as provided under the General Conditions. This results in costs and availability comparable to those found in the traditional design-bid-build contracting method.</p>



<input checked="" type="checkbox"/>	Any likely increases in public safety	The PDB procurement method allows historical safety performance on similar projects to be considered as a selection criterion in the qualifications-based selection method. Having the design and construction firms under one contract promotes better collaboration between the contractor and designer during design resulting in increased public and City staff safety through increased vetting of construction means and methods.
<input checked="" type="checkbox"/>	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 City first reduces risk by using the qualifications-based scoring method, selecting the proposing team with the highest score for qualifications, experience, project scope, and price. The PDB method overall reduces risk by establishing a single contract for the City and the Design-Builder at the initiation of the PDB contract, which for this Project is anticipated following completion of the 30% preliminary engineering design phase. The Design-Builder is responsible for both the construction team and the final design team, which establishes a partnership to develop the optimal solution to address both design and construction risks. With a single contractor responsible for oversight of construction and design, risk of design defects is mitigated, and any issues must be managed by the Design-Builder.
<input checked="" type="checkbox"/>	Whether granting the exemption will affect the sources of funding for the public improvement	The remainder of design and construction has been awarded grant funding through the FRA in the amount of approximately \$32 million, with a 30% local funding match funded through the City's 2020 Transportation GO Bond. New and changing standard federal grant terms make long-term predictability of federal funding uncertain. The City is presently a plaintiff or otherwise protected as a jurisdiction in Oregon in multiple cases under which the federal government is enjoined from imposing potentially unlawful new conditions on the grant award, which the City may not be able to or may not wish to agree to. Use of a PDB contracting method can allow for expedited work under present legal conditions.



		The availability of federal funds is not affected by granting this exemption; other projects funded with this source of FRA funds have used the PDB method and the City's FRA project manager has given concurrence on pursuing the PDB delivery method for the Project.
<input checked="" type="checkbox"/>	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	Utilizing the PDB contracting method will likely allow the City to minimize risk associated with market conditions, including by accelerating purchase of needed materials, and by reducing project schedule to provide price security of materials.
<input checked="" type="checkbox"/>	Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement	This contracting method allows the City to consider each proposer's experience and expertise in this type of work, sensitivity to safety, legal, and operational issues, as well as the qualifications of its project manager, and support team, appropriate to the size and complexity of this Project.
<input checked="" type="checkbox"/>	Whether the public improvement involves new construction or renovates or remodels an existing structure	<p>The Project includes a combination of new construction and modification to existing roadway corridors; this speaks to the complication of the Project and the need to engage the construction contractor early and collaboratively for successful project delivery.</p> <p>Reed Market is an existing roadway corridor which will need to be modified to meet the vertical grade of the newly constructed bridge infrastructure over the BNSF railway. Similar modifications to vertical alignment will be made to maintain intersection connections (i.e. 9<sup>th</sup> Street, etc.). The Project will include pedestrian and bicycle improvements as well as drainage improvements which will be necessary due to the vertical modifications.</p>
<input checked="" type="checkbox"/>	Whether public improvement will be occupied or unoccupied during construction	The roadway improvements will be constructed while maintaining access to surrounding businesses and residences. Access during construction can be vetted with business and property owners early in the Project with early engagement and input from the contractor. The bridge construction over the railroad tracks will likely result in a full closure to vehicular traffic with



		intentions to maintain access for pedestrians at a minimum. A full closure will shorten construction duration and increase safety for both the traveling public and the construction crews. The sequencing and timing of closures is one element of Project phasing that is more easily changed and accommodated in the PDB method.
☒	Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions	The Project is currently planned to include a single phase however it is anticipated that as the design of the project proceeds, the phasing will be further defined. The utilization of the PDB contracting method will benefit this Project by including the construction contractor early in design to identify critical path improvements and suggest phasing accordingly to minimize the overall project schedule and cost.
☒	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 City has considerable experience with alternate contracting methods, including design-build, progressive design-build, and construction manager/general contractor, with in-house engineering project management, procurement, and legal counsel staff. The City will also be contracting for owner's representative services to assist the project management team. The owner's representative will bring additional expertise with this alternative delivery method as well as expertise in administering federally funded contracts, and assist with GMP negotiations.
☒	Additional Findings that address industry practices, surveys, trends, past experiences, evaluations of completed projects required by ORS 279C.355 and related information regarding the expected benefits and drawbacks of particular alternative contracting methods.	Additional benefits include a more cohesive project team, identifying the shortest delivery schedule, and increased leverage for the City to negotiate the GMP for construction. Drawbacks may include limited opportunities to make changes once a GMP is established, and this delivery method may result in a shortened timeframe for public outreach on the proposed design.





### **Language Assistance Services & Accommodation Information for People with Disabilities**

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### **Servicios de asistencia lingüística e información sobre alojamiento para personas con discapacidad**

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