

Outback Facility Improvements Project (1WOFI) Construction Manager/General Contractor Findings November 19, 2025

Background

Oregon Revised Statue (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.

For the reasons set forth more fully below, it is recommended that a **Construction Manager/General Contractor (“CM/GC”)** team be selected by utilizing the competitive proposals process in accordance with ORS 279C.400 for a specific contract to build the **Outback Facility Improvements Project (1WOFI) (the “Project”)**. Under this process, the City will advertise requests for proposals for firms interested in Owner’s Representative, design, and construction services. The City would evaluate proposals based on price and qualifications, not just price, to select and issue three separate contracts for the successful team members. CM/GC is appropriate to consider for particularly complex projects to ensure the Owner’s Representative, Consultant, and Contractor have specific experience to successfully complete similarly complex projects. CM/GC allows for the contractor to be involved early in the design process, providing an opportunity for identification of cost and schedule certainty, identification of solutions that best address the complexities of the Project (i.e. field exploration to verify underground utilities; working in a heavily built up environment; maintaining critical water service to customers; phasing and coordinating work to keep the Water Filtration Facility (WFF) operational as often as possible; etc.) and helping to identify project risks and develop plans to help mitigate those risks.

The Project

The Integrated Water System Master Plan (iWSMP), adopted in September 2021, identified system-wide improvements necessary to provide high-quality drinking water to the City. The iWSMP identified the need for multiple Capital Improvement Program (CIP) projects at the Outback site, and the Outback Siting Study was prepared as an amendment to the iWSMP to conduct site planning to accommodate water infrastructure needs at the Outback Site. The Outback Siting Study confirmed the need for additional property adjacent to the Outback Site to expand the water system and accommodate the necessary improvements. Further, the Outback Siting Study identified a combination pretreatment system to be implemented as a future CIP project. This pretreatment system was identified to help sustain the current influent water quality during normal operations and provide resiliency during a turbidity event or fire in the watershed that may degrade the water quality. Additionally, the In-Conduit Hydropower Feasibility Study was completed in early 2024 which recommended an in-conduit hydropower system at the Outback Site.



The City is in the process of acquiring the 48-acres of Forest Service (FS) land adjacent to the Outback site that was identified in the Outback Siting Study. This additional land is necessary to meet the growth and demands of the City over the next 50 years and is being acquired through the Townsite Act. Without this 48-acre expansion area, the City will not be able to build the infrastructure necessary to meet the demands of a fast-growing City. As part of the land conveyance, the City is required to realign the connection between FS Road 4606 and Skyliners Road to meet federal security requirements as outlined in America's Water Infrastructure Act of 2018 (AWIA) by moving access away from a heavily used public road to a dedicated, private access.

The City is currently developing an Outback Facility Plan that will develop and evaluate a comprehensive plan for the facilities and processes at the Outback Site, building off the previously prepared iWSMP, Outback Siting Study, and the In-Conduit Hydropower Feasibility Study. The Outback Facility Plan is anticipated to be completed in early 2026. The Owner's Representative can be procured in advance of the Outback Facility Plan being completed. The design and construction contracts would need to wait to be advertised until there's at least a draft Outback Facility Plan for their reference.

The **Outback Facility Improvements project (the "Project")** includes the following improvements:

- FS4606 Road realignment construction (likely an Early Work Package)
- Combination pretreatment system design and construction
- In-conduit hydropower system design and construction

These improvements will prevent customers from having an interruption of drinking water supply during wildfires, power outages, and other natural disasters.

The Project is anticipated to cost approximately \$50M and is included in the adopted 2026-2030 CIP budget using current programmed water funds. The City continues to explore alternative funding opportunities to potentially offset costs.

In accordance with ORS 279C.330, ORS 279C.335, and Resolution No. 2967, 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 construction manager/general contractor procurement method for the Project.

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. No reduction of competition is expected since the proposed process is open to the same contractors that would have participated in the traditional design-bid-build process, and there are multiple contractors both locally and across the state



		with the ability to compete for this contract. Uniform evaluation criteria will be used in the selection of contractors. Favoritism will not play a role in the selection of the CM/GC. Selection will be conducted through an open and advertised request for proposal (RFP) process. All qualified firms will be invited to submit proposals. Proposers will be evaluated based on clearly stated criteria. A team will perform the evaluation in an effort to minimize the effects of any individual bias. All qualified firms will be able to participate in an open, competitive selection process.
<input checked="" type="checkbox"/>	Substantial cost savings and other benefits, further described as follows.	<p>Early involvement of a contractor through a CM/GC contract is intended to result in reduced change orders, disputes and claims during construction and will provide for the opportunity to identify value engineering and construction sequencing ideas commensurate with the contractor's means and methods that can result in construction and operations cost savings.</p> <p>The utilization of the CM/GC contracting method will allow critical path improvements to be identified and phased accordingly to minimize the overall impact to water customers and stay within the project cost through the ability to value engineer elements.</p>
<input checked="" type="checkbox"/>	How many persons are available to bid	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 CM/GC solicitation.
<input checked="" type="checkbox"/>	The construction budget and projected operating costs for the completed public improvement	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.
<input checked="" type="checkbox"/>	Public benefits that may result from granting the exemption	Construction at the existing Outback Site and within the 48-acre expansion area has the potential to cause significant extended disruptions to water customers if they are not managed exceptionally well. Selection of an experienced, cooperative, and solutions-oriented



		CM/GC team with the demonstrated ability to coordinate and execute construction of these projects in a safe, proficient, and expedient manner will greatly benefit the public.
☒	Whether value engineering techniques may decrease the cost of the public improvement	This alternative contracting approach fosters a collaborative relationship between owner, engineer, and builder through all project phases. Early involvement of a contractor through a CM/GC contract is intended to result in reduced change orders, disputes and claims during construction and will provide the opportunity to identify value engineering and construction sequencing ideas commensurate with the contractor's means and methods that can result in construction and operations cost savings
☒	The cost and availability of specialized expertise that is necessary for the public improvement	<p>The use of the CM/GC 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 expected 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. Furthermore, this Project is anticipated to garner significant interest from many firms throughout the region, resulting in a competitive environment similar to the traditional contracting method.</p>
☒	Any likely increases in public safety	The CM/GC procurement method allows historical safety performance on similar projects to be considered as a selection criterion. It also permits the City to work closely with the contractor to ensure that the design and work sequences include appropriate safety measures, that the contractor understands the City's safety concerns, and that the contractor will take appropriate steps to address them.
☒	Whether granting the exemption may reduce risks to the contracting agency, the state agency or the	The CM/GC contracting method differs from the traditional design-bid-build method in that the contractor is involved in the design process, typically very early. The contractor's involvement in design



	public that are related to the public improvement	allows the contractor to better understand the design details, existing conditions and construction sequencing requirements; this knowledge reduces the risk of change orders, claims and the exceedance of the project schedule. In addition, the contractor can participate in risk workshops, utilizing their experience to identify potential risks which can be evaluated for severity and probability and in which design efforts may reduce the potential impacts or, in some cases, eliminate the risk altogether.
<input checked="" type="checkbox"/>	Whether granting the exemption will affect the sources of funding for the public improvement	<p>The Project is anticipated to cost approximately \$50M and is included in the Adopted 2026-2030 CIP budget using current programmed water funds.</p> <p>The City has pursued a variety of state and federal funding opportunities but has not been successful in securing funds to date. The City is currently pursuing a low-interest loan through the Water Infrastructure Finance & Innovation Act (WIFIA) funding program, but it has not been awarded yet. There may be other funding opportunities that the City pursues. Match dollars may be partially funded through water rates and potentially supplemented with a low-interest loan, if necessary. The state and federal funding and low-interest loan allows for the CM/GC contracting method as it complies with State and Federal law.</p>
<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	Using the CM/GC method, benefit-cost decisions can be made using real-time construction costs to keep the project within budget. Materials, equipment and sub-trade work can be procured early to eliminate price uncertainty and lessen the impact of price escalation during the construction period. In addition, under CM/GC delivery method, the City has the flexibility of awarding early construction work packages (e.g., realignment of FS4606, demolition work, procurement of long-lead equipment, etc.) prior to design completion of the overall project. Furthermore, having the contractor on board during design provides the City with the ability and time to adjust the Project budget during design when true pricing is understood, so the project budget reflects the true cost of the design.
<input checked="" type="checkbox"/>	Whether granting the exemption will better enable the contracting agency to address the size and	The Project will be challenging due to the technical complexity and scale of the Pretreatment and In-Conduit Hydropower projects and integrating them



	technical complexity of the public improvement	<p>within a fully functioning water treatment system. Some of the known complexities include: identifying existing underground infrastructure and tie-in points for new infrastructure, replacing the existing hodge podge of electrical infrastructure for a complete facility wide system, potentially re-routing/relocating existing facilities to allow for system efficiencies, relocating franchise utilities, constructing new facilities with minimal interruption to water service for customers, maintaining trail access for recreational users, maintaining access for staff to the Outback Site, and maintaining water production and transmission to meet demand.</p> <p>Using the CM/GC method as opposed to traditional design-bid-build will allow for early underground exploration to inform and further refine the design, allow for City Water Operations staff to be fully integrated into the project team to make decisions based on the current status of the water system, and allows for the contractor to recommend innovative ideas to build the Project more efficiently.</p>
☒	Whether the public improvement involves new construction or renovates or remodels an existing structure	The Project will relocate a Forest Service road and expand upon existing systems by installing new Pretreatment and In-Conduit Hydropower facilities ahead of the WFF in the treatment train, including new pipes, appurtenances and new surface treatments (pavement, sidewalk, etc.). Using a CM/GC method, the construction contractor is part of the project team early on and is involved in field investigation and design coordination, thereby reducing the risk of discovering unknown conditions while expanding upon the existing systems.
☒	Whether public improvement will be occupied or unoccupied during construction	Staff access to the Outback Site will be maintained during the realignment of the Forest Service Road. Recreational trail access is likely to be maintained or temporarily rerouted for the majority of the Project. The WFF is accessible to the public by appointment only so there will be little impact on public access. The CM/GC method will allow the contractor to plan project phasing and timing of the closures of the roadways and intersections to mitigate impacts to the public.



☒	Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions	Phasing of the Project has not yet been determined and is a primary area of optimization to be gained by utilizing the CM/GC method and the resulting contractor/designer/owner teamwork. It is expected the Project will be completed in multiple phases due to the significant impacts a single phase could have on the operation of the WFF; however, phasing needs to be evaluated by the CM/GC team to determine the full impact. The utilization of the CM/GC contracting method will allow critical path improvements to be identified and phased accordingly to minimize the overall impact to water customers and stay within the Project 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 procurement method as well as expertise in administering federally funded contracts (if necessary) and assist with Guaranteed Maximum Price (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 procurement method may result in a shortened timeframe for public outreach on the proposed design, however, extensive public outreach has been conducted on plans and studies leading up to this Project design.





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