

1. Packet (PDF)

Documents:

[101625_PACKET.PDF](#)

To: Interested Parties

From: Yamhill County Health and Human Services Department and Office of County Counsel

Re: **DRAFT FINDINGS IN SUPPORT OF A REQUEST FOR AN EXEMPTION FROM PUBLIC BIDDING AND AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR DESIGN-BUILD SERVICES, FOR THE YAMHILL COUNTY BEHAVIORAL HEALTH HOUSING PROJECT**

Date: October 1, 2025

INTRODUCTION

The Yamhill County Health and Human Services Department (“HHS”) is seeking an exemption from public bidding requirements in order to use the alternative Design-Build procurement process for the construction of new supported housing located at 626 NE 7th Street, McMinnville, Oregon, 97128 and 636 NE 7th Street, McMinnville Oregon, 97128. The exemption must be approved by the Board of County Commissioners, acting as the Local Contract Review Board (“Board”). The Board’s decision must be supported by Findings of Fact that justify the granting of an exemption from competitive bidding requirements. The requirements for an exemption from bidding are found at ORS 279C.335, with corresponding requirements in Yamhill County Code, YCC 3.20.049.0630.

Under ORS 279C.335(5), the Board must hold a public hearing before granting an exemption from the competitive bidding requirements for a public improvement contract. The Board must publish notice of the hearing on the request by Public Works to use the proposed procurement process as an alternative to public bidding. The notice must be published at least 14 days before the hearing, in at least one trade newspaper of general statewide circulation. Proposed findings to support the request for an exemption must be made available at the time the notice is published.

The County has caused an advertisement to be placed in the Daily Journal of Commerce on Wednesday, October 1, 2025, notifying interested parties of the hearing and of the availability of the proposed findings. The advertisement states that the proposed findings are available at the Board of Commissioners’ Office or by calling Nohely Barajas-Montalvo at 503-434-7502, and that **the hearing to consider the findings for an exemption will be held on October 16, 2025, in Rm 32, Yamhill County Courthouse, 535 NE 5th St, McMinnville Oregon, 97128, at 9:45 a.m.**

PROPOSED FINDINGS:

A. Nature of the Project:

The County and its HHS Department have determined the need to demolish two small existing buildings and replace them with a new building providing studio or one-bedroom housing and office space. The new building will be located at the same location, 626 NE 7th Street,

McMinnville, Oregon, 97128 and 636 NE 7th Street, McMinnville Oregon, 97128. Replacing the existing buildings will provide additional much needed housing for existing and future HHS clients.

The County and HHS have determined that several improvements are needed to adequately serve the County's needs into the future. These needs include:

1. Design and build of approximately 4,000 square feet new housing;
2. The new building will house up to 8 studio or 1-bedroom apartments, office, restrooms and storage
3. All labor, materials, transportation, equipment and services for, and incidental to the completion of design and construction;
4. All exterior siding/roofing is included;
5. All interior HVAC, sprinklers, and finish work is included (i.e., including but not limited to paint, carpet, trim); and
6. All permits, landscape design, parking and other requirements to be met with City of McMinnville and fees are included in the design/build contract bid.

Due to the nature of the proposed new building and the need to ensure coordination of all facets of the work, the County is proposing to issue a Request For Proposals from the contracting community to assist with site/facility design needs and to facilitate timely construction of the new HHS housing.

It should be noted that, under ORS 279C.335(6): “****The representations in and the accuracy of the findings, including any general description of the resulting public improvement contract, are the bases for approving the findings and granting the exception. The findings may describe anticipated features of the resulting public improvement contract, but the final parameters of the contract are those characteristics or specifics announced in the solicitation document.”

B. Estimated Cost of the Project:

The current construction budget is estimated to be \$1,800,000 to \$2,000,000 dollars.

C. Narrative Description of Anticipated Cost Savings from Exemption to Public Bidding Requirements and Use of the Request for Proposals Method to Obtain Design and Construction Services:

Under the traditional design-bid-build method, the design firm must fully complete construction plans and specifications before a single construction contract can be advertised, bid and awarded. Many additional months are required before construction can begin. Alternatively, the County can fast track the construction under several separate construction contracts; however, the County would be separately responsible for each of the contracts.

Public agencies have become increasingly vulnerable to costly claims, delays and litigation when disputes ensue between separate contractors on the same site. A Design-Build contract is an

alternative form of procurement that results in a contract with a general contractor who undertakes project delivery with professional engineering and design service assistance.

Important advantages of the Design-Build approach for this project are that the process ensures the proposed project can be constructed within a specific budget and on as rapid a schedule as possible. These factors are of particular importance with regard to this project for several reasons:

1. The accelerated project delivery will allow the County to comply with regulatory permit requirements in a more timely manner and enjoy added public benefits from the new building;
2. The selection of construction methods and sequencing will benefit significantly by involving a single entity for both design and construction of the site improvements;
3. Project costs may be lower because of the close working relationship between the designer and constructor. This may lead to incorporation of more economical design features and the application of cost-saving construction methods
4. The project may proceed more efficiently because designers and constructors are members of the same team thereby fostering a cooperative exchange of ideas. This dynamic will allow for design efficiencies to be incorporated into the construction process and allow for prompt resolution of design issues that arise during construction.
5. The County gains the opportunity to fix the total project cost early in the process.
6. The County's administrative burden for the project is reduced by conducting one solicitation for the project, as opposed to conducting multiple solicitations for a design/bid/build approach. Having a single source of responsibility for construction of the facility in accordance with a performance-based specification helps ensure the County that the new building will perform as specified.
7. One of the highest potential areas for claims filed by subcontractors, or for excessive bid costs, involves issues related to perceived schedule difficulties, delays and disruptions in the workflow. This type of project is especially prone to such problems if not continually and carefully supervised. By utilizing Design-Build in this case, construction expertise and considerations for constructability will be incorporated into the project because the contractor will be working closely with the designers and the County.

D. Proposed Alternative Contracting and Purchasing Practices:

The County proposes to select the Design-Build firm using the following competitive process:

- a. Publicly advertise a Request for Proposals.
- b. The contractor will be selected through an evaluation process that will consider qualifications and construction team experience, proposed work schedule and availability

and both the technical proposal and the fee proposal, employing the following specific Evaluation and Selection Criteria:

1. Schedule 0-10 points
2. Experience 0-40 points
3. Cost Monitoring 0-50 points

TOTAL Points: 0-100

c. The submitted proposals will be reviewed and scored by an evaluation committee of 3-5 qualified individuals. Points will be awarded based on the relative merit of the information provided in response to the RFP. The highest rated response in each area will be given the maximum number of points available. The County may interview proposers to discuss and clarify the submitted proposal.

d. The evaluation committee will provide an initial ranking of the proposals and will reserve the right to interview one or more of the top ranked proposers. Based on the results of the interview, proposers may be re-ranked. Following any interviews, the evaluation committee shall make a recommendation to the Board of Commissioners for the Board's consideration.

E. Statutory Finding Requirements

1. Background:

ORS 279C.330(2) states that "As used in ORS 279C.335, "findings" means the justification for a conclusion that a contracting agency or state agency, in seeking an exemption from the competitive bidding requirements of ORS 279C.335(1), reaches based on the considerations set forth in ORS 279C.335 (2)."

ORS 279C.335 requires that the Board make findings in support of a decision to exempt a project from competitive bidding requirements and to authorize the use of an alternative contracting method. Yamhill County proposes to use a Request for Proposals solicitation method to select a Design-Build contractor for this project. ORS 279C.335(2) requires the adoption of findings establishing that:

- (a) The exemption is unlikely to encourage favoritism in the awarding public improvement contracts or substantially diminish competition for public improvement contracts;" [and]
- (b) Awarding a public improvement contracts under the exemption will likely result in a substantial cost savings and other substantial benefits to the contracting agency * * *."

The contracting agency should also "**** direct the use of alternative contracting methods that take account of market realities and modern practices consistent with the public policy of

encouraging competition.” and require approval of written findings that support the alternative contracting methods. ORS 279C.335(4)(a) and (b).

2. Compliance Findings:

In addition to the above findings addressing statutory requirements, it is proposed that the Local Contract Review Board find as follows:

a. Maximizing Competition:

To maximize competition, the County will employ a competitive Request for Proposals process as outlined in these findings for selecting the contractor, in which the cost of services (along with other factors) will be one element of the selection criteria.

b. Minimizing Favoritism:

To minimize favoritism, objective selection criteria and a formal selection process will be used to select the contractor. When there are single fabricators of materials or special packaging requirements for subcontractor work, advance approval by the County’s representative will be required.

c. Likelihood of Substantial Cost Savings:

- 1. Fast Track Project:** The project can be completed more rapidly thereby minimizing inflationary impacts to the County and improving the public benefits to be derived from use of the new building. A fast track process will allow for certain elements of construction to proceed in step with the design process.
- 2. Value Engineering:** The contractor will work with their engineer to simplify and reduce the cost of construction.
- 3. Constructability:** The contractor will be motivated to simplify construction.
- 4. Document Reviews:** The contractor will provide construction documents as they evolve so rework is minimized between design professional and contractor.
- 5. Reduced Change Order Exposure:** The contractor will have direct control of the construction at a fixed price thereby reducing exposure to change order costs.
- 6. 100% Performance Bond:** Requirements for 100% performance and 100% payment bonds protect the County in the event of contractor default. The Contractor will be responsible for the performance of the subcontractors during construction.

7. Fixed Price: By providing the design, the contractor will be in a better position to protect the County from cost overruns.

8. Improved Teamwork: The Design-Build process provides for improved teamwork between the County, Designer, and Contractor by minimizing adversarial relationships, resulting in savings from disputes and claims.

CONCLUSION:

These proposed findings support Yamhill County HHS Department's request for an exemption from public bidding requirements of state law and local ordinance, and authorization to issue a request for proposals to obtain design and construction services, under a single contract, for the new HHS Behavioral Health housing project.

PUBLIC NOTICE

The Yamhill County Board of Commissioners, sitting as the Local Contract Review Board will hold a public hearing for the purpose of taking comments on draft findings for an exemption from the competitive bidding requirements of ORS Chapter 279C.335. The exemption, if approved, would authorize an alternative procurement process, specifically, a request for proposal solicitation, to obtain Design-Build project services for the Yamhill County Health and Human Services Department, Behavioral Health Housing project. The hearing will be held on Thursday, October 16, 2025, at 9:45 a.m. in Room 32 of the Yamhill County Courthouse, 535 NE Fifth Street, McMinnville, Oregon, 97128. Interested persons may comment orally or in writing at the above hearing or may submit written comments prior to the hearing. This meeting will also be available by electronic meeting services.

The Design-Build process is one in which the contractor is responsible for architectural/engineering services as well as construction, under a single contract. Adoption of the draft findings would authorize the use of a request for proposals as an alternative competitive process, using the Design-Build project methodology.

Please direct all written comments to Nohely Barajas-Montalvo, Yamhill County, 434 NE Evans, McMinnville, Oregon, 97128. Copies of the draft findings are also available at the Board of Commissioners' Office, 434 NE Evans, McMinnville, Oregon, 97128 or by calling Nohely Barajas-Montalvo at 503-434-7502.

PLEASE CONTACT US BY 4PM WEDNESDAY OCTOBER 15TH IF YOU REQUIRE SPECIAL ASSISTANCE OR ACCOMMODATIONS TO PARTICIPATE.

DATED: October 1, 2025