

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON
ACTING AS THE PUBLIC CONTRACT REVIEW BOARD**

RESOLUTION NO. 2025-050

Approving Exemption under ORS 279C.335(2) from Design-Bid-Build Procurement Method and Approving an Alternative Procurement Method for the Walnut Park Redevelopment Project.

The Multnomah County Board of Commissioners Finds:

- A. In 2018, the County evaluated future development options for the Walnut Park complex, which is located at the corner of MLK Jr. Boulevard and NE Killingsworth Street. The evaluation involved community members, people receiving services, and staff and culminated in the Redevelopment Feasibility Study (2022) led by Woolley Associates LLC, Black Investment Consortium for Economic Progress (BICEP), and Cascadia Partners. The conceptual plan included a mix of housing, ground-floor commercial, office space, community space, and updated and expanded county services.
- B. Since this study was completed, the County has explored more cost and financing options and is interested in further pursuing an opportunity for a community-led partnership.
- C. The only project delivery method allowed without Board approval is design-bid-build. This delivery method does not include all services, resources, and expertise necessary to the Project and, therefore, is not well suited for this Project.
- D. The Chief Operating Officer recommends to the Board that an alternative method of contracting be used for the Walnut Park Redevelopment Project based on the findings attached hereto as Exhibit 1.
- E. The County's Public Contracting Rules and ORS 279C.335 require the approval of the use of an alternate contracting method and further require adoption of findings to support the exemption after notice and a public hearing.
- F. Pursuant to ORS 279C.335(5), notice of this hearing and the proposed exemption, alternative procurement, and findings in support thereof was published in the Portland Tribune on July 10, 2025 DATE, more than 14 days before this matter came before the Board.

- G. The Board concludes, based on the attached findings, that it is in the best interest of the County to utilize an alternative method for the competitive selection process and contracting method for the Walnut Park Redevelopment Project.

The Multnomah County Board of Commissioners Resolves:

1. The Board approves and adopts the findings attached as Exhibit 1 and, based on those findings and the foregoing recitals, approves an exemption under ORS 279C.335(2) from design-bid-build procurement method to allow use of an Alternative Procurement Method for the Walnut Park Redevelopment Project.
2. The authorization to utilize an alternative procurement method granted herein shall expire 10 years from the effective date of this Resolution.


ADOPTED this 24th day of July, 2025.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON
ACTING AS THE PUBLIC CONTRACT
REVIEW BOARD

Jessica Vega Pederson, Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Jed Tomkins, Sr. Asst. County Attorney

SUBMITTED BY: Travis Graves, Deputy Chief Operating Officer

EXHIBIT 1

FINDINGS OF FACT AND CONCLUSIONS SUPPORTING EXEMPTION UNDER ORS 279C.335(2) FROM DESIGN-BID-BUILD PROCUREMENT METHOD AND APPROVAL OF AN ALTERNATIVE PROCUREMENT METHOD FOR COMPETITIVE SELECTION PROCESS AND CONTRACTING METHOD FOR THE CONSTRUCTION OF THE WALNUT PARK REDEVELOPMENT PROJECT.

I. BACKGROUND

A. Alternative Project Delivery Method

The County will procure a contract with a Development Contractor who would have the possibility of being contracted with the County for the life of the development, if the County would choose to do so. Phases of the Walnut Park Redevelopment Project include:

- Phase I: Concept plan for design and the funding-finance-budget plan
- Phase II: Final design and budget-funding-financing-construction plan
- Phase III: Implementation, operation, and maintenance

The County would have checkpoints/off ramps built into the contract where we would decide whether or not to advance. The Development Contractor would not be the sole entity that would receive all of the scopes of work (architectural, engineering, financial analysis, etc.), as that work would still be competitively bid at the appropriate stages of the project.

The initial Request for Proposal (RFP) for a Development Contractor would lay out the process and decision-making structure. Alternative approaches would be some variation of parceling phases into discrete parts, some of which are not naturally amenable to being community-informed in and of themselves.

B. Project Description – Walnut Park Redevelopment Project

In 2018, the County evaluated future development options for the Walnut Park complex, which is located at the corner of MLK Jr. Boulevard and NE Killingsworth Street. The evaluation involved community members, people receiving services, and staff and culminated in the Redevelopment Feasibility Study (2022) led by Woolley Associates LLC, Black Investment Consortium for Economic (BICEP), and Cascadia Partners. The conceptual plan included a mix of housing, ground-floor commercial, office space, community space, and updated and expanded county services.

Through this process, the County found that County services are used by a number of former Black and African American residents who have been displaced, yet continue to return. This demonstrates the power and significance of this place in people's hearts and minds. Additionally, staff and people who receive services stated what previous County facility assessments identified, that the building, which was built in 1951, needs significant modernization or replacement.

Since this study was completed, the County has explored more cost and financing options, but the challenge of solely funding the redevelopment through public

investment remains a significant barrier.

The project would clarify the County's approach to a community-driven redevelopment of the County-owned block which houses the Walnut Park Complex, within the larger community vision for restoration of the corner of MLK Boulevard and Killingsworth.

II. FINDINGS REGARDING COMPETITION

ORS 279C.335 (2) requires that an agency make certain findings as a part of exempting certain public contracts or classes of public contracts from competitive bidding. ORS 279C.335 (2) (a) requires an agency to find that: *"It is unlikely that such exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts."*

The County's procedures for procurement of the Development Contractor alternative approach will encourage competition. The procurement will be advertised on Multco MarketPlace or other local newspapers. In order for the project to be successful, the County needs a highly qualified entity to perform this work.

The entity will be selected through a Request for Proposal ("RFP") process that is open and competitive. The RFP specifies how a proposal should be structured and what the potential contractors should submit. The selection criteria are clearly stated in the RFP and will align with responsible business practices as defined by Multnomah County.

After the proposals are submitted, the evaluation process will include the following steps:

- a) Proposals will be evaluated by an Evaluation Panel consisting of County and non-County professionals well acquainted with Major Capital Projects. Additional subject matter experts may help guide the evaluation panel without scoring evaluations.
- b) Proposals will be checked for completeness and compliance with the minimum requirements listed in the RFP. Complete and responsive proposals will then be evaluated under the criteria stated within the RFP.
- c) Members of the Evaluation Panel will use the County's ERP System to independently score the proposals. The independent scores of each panel member will be combined into overall scores for each proposal.
- d) The Evaluation Panel will identify the highest scoring proposers in the competitive range. If there is a clear choice at this stage negotiation with that firm will be initiated. If there are multiple competitive proposals those firms will be invited to be interviewed.
- e) The Evaluation Panel will conduct interviews with the short-listed proposers, if applicable.
- f) The Evaluation Panel will score the interviews, if applicable, and these scores will be combined with the written proposal scores to yield a total score for each of the short-listed proposers. Based upon the final score, a Notice of Intent to Award will be issued to the highest scoring firm.
- g) Upon expiration of the mandatory award protest period, the County will enter into

contract negotiations with the top ranked firm.

Given the above procurement process, County staff finds that selecting a Development Contractor pursuant to the exemption is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts.

FINDINGS REGARDING SUBSTANTIAL COST SAVINGS

ORS 279C.335 (2) requires that a public agency make certain findings as part of exempting certain public contracts or classes of public contracts from competitive bidding. ORS 279C.335 (2) (b) requires an agency to find that: *“Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency or the state agency that seeks the exemption or, if the contract is for a public improvement described in ORS 279A.050 (3) (b), to the contracting agency or the public.”*

ORS 279C.335(2)(b) further provides that: *“...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;*
- (B) The construction budget and the projected operating costs for the completed public improvement;*
- (C) Public benefits that may result from granting the exemption;*
- (D) Whether value engineering techniques may decrease the cost of the public improvement;*
- (E) The cost and availability of specialized expertise that is necessary for the public improvement;*
- (F) Any likely increases in public safety;*
- (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;*
- (H) Whether granting the exemption will affect the sources of funding for the public improvement;*
- (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;*
- (J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;*
- (K) Whether the public improvement involves new construction or renovates or remodels an existing structure;*
- (L) Whether the public improvement will be occupied or unoccupied during construction;*
- (M) Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and*
- (N) 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.”

A Major Capital Construction Project for the Walnut Park Redevelopment Project will be a complex project with complicated requirements. Expertise in Portland, specifically to the historic and current nature of the Walnut Park and Albina community, is important due to the permitting requirements for the City as well as the knowledge of how the weather and seasonal variations in the Pacific Northwest affect construction methods and schedules.

The Portland region has a number of very qualified local entities with the experience, capacity, past expertise and the skill set to work on the Walnut Park Redevelopment Project.

The County has experience with multi-stage RFPs on major redevelopment projects (Courthouse, Earthquake Ready Burnside Bridge, Behavioral Health Resource Center, and the Library Bond Capital Projects) and have reached out to partners for lessons learned (Prosper Portland, Metro, City of Gresham, Oregon Department of Transportation, Portland Public Schools, and the Oregon Museum of Science and Industry).

On a technically complex project where public and private partner roles in funding, financing, and ownership are unknown, the Development Contractor approach offers several benefits that could lead to a lower overall project cost. The ongoing input from Development Contractor can result in fewer design errors, omissions, and can extend the County's ability to pay for and deliver a new facility. Knowledgeable cost estimating and strong auditing from the owner, Development Contractor, and owner-hired independent experts can provide a check against inflated prices through negotiations when work packages are assigned. Additionally, the owner can reserve the right to bid a work package directly if a satisfactory price cannot be negotiated.

The County finds that awarding of this contract with its unique challenges and circumstances pursuant to the exemption will result in cost savings to the County.

The following section presents County staff findings relative to each of the factors required to be addressed by ORS 279C.335(2)(b) (A) through (N), with captions edited for space.

A. How many persons are available to bid

Using this alternative method of contracting to ensure that the County is selecting a Development Contractor will help co-develop proposals to deliver this work, will mitigate the risk of having unsolicited entities that are not qualified to do the work successfully bidding on the project. With multiple, active community-based development projects through Prosper Portland, Metro, City of Gresham, Oregon Department of Transportation, and the Oregon Museum of Science and Industry, there are an ample

number of firms in the region that are likely well qualified to do work on the project.

B. The construction budget and the projected operating costs for the completed public improvement

The Development Contractor alternative method offers Multnomah County major advantages over other delivery methods in achieving delivery of the completed projects. Design and construction will be managed to meet the unique challenges of these projects. Risk will be mitigated and allocated most cost-effectively. All pricing will be solicited competitively, or negotiated, with the objective of putting Multnomah County in the best position to deliver the projects within budget.

An operating budget has not been determined for the future Walnut Park Redevelopment Project. Upon completion, short-term and ongoing operating costs will be included in the budget.

C. Public benefits that may result from granting the exemption

When compared to the typical low bid method of project delivery, the Development Contractor approach best addresses equity concerns by providing a greater level of certainty for community-driven redevelopment by ensuring oversight of, potentially, all phases of the project. Past redevelopment within the Walnut Park community has left a scarred history of communities being engaged, promised a part of development, and then having those opportunities and rights taken away and given to others without ties to the community.

By utilizing this alternative approach, the County will be able to more effectively engage the Community Health Center Board, community stakeholders, and County staff to understand and address the real and potential operational impacts of this project.

This alternative approach will benefit the public by placing the County in the best position to mitigate community impacts, optimize diverse participation, deliver required features, manage costs, expedite construction, and improve the quality of project outcomes.

D. Whether value engineering techniques may decrease the cost of the public improvement

Target-Value Design (TVD) is a value engineering technique, or cost control method, by which aspects of the project are assigned budgets and are designed not to exceed those budgets. This method results in both initial savings as well as long-term savings for projects. In the Development Contractor method, the relationship of the owner, construction contractor, and designer fosters a team approach to target-value design.

E. The cost and availability of specialized expertise that is necessary for the public improvement

The Development Contractor selection process is based on qualifications as well as certain preconstruction fees with price as a significant factor. The County will evaluate proposers on such factors that may include:

- Knowledge of Walnut Park's Historic and Current Significance and History of Displacement in Portland
- Community Restoration on Culturally Specific Projects
- Proposer Qualifications
- Proposer Experience with Partnership Projects
- Organization and Key Personnel
- Project Approach
- Pre-Construction Services Fee
- Sustainable Practices

A low bid process does not provide the opportunity to obtain the most qualified contractors with the specialized expertise needed for the projects. The Development Contractor approach allows the County to select a contractor based on qualifications in design and construction, instead of selecting the low bidder on a completed design, and, thus, to acquire the specialized expertise needed for project design, design assist constructability reviews, quality assurance, site logistics planning, and target-value design.

F. Any likely increases in public safety

Safe and efficient movement of traffic must be maintained around construction sites. Local street systems are needed at various parts of the day for traffic entering and leaving work sites during normal working and peak commuting hours. Important users include pedestrian and bicycle traffic at various times of day. It is crucial that all work be highly coordinated with the public to avoid unnecessary traffic delays. At the same time, an extended closure of surface streets to these surface users (i.e. vehicles, bicycles and pedestrians, can be disruptive and should in most instances be avoided, if possible). Maintaining safe movement of roadway, bicycle and pedestrian traffic around construction sites will require contractors dedicated to meeting all of those goals in addition to the primary construction tasks.

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 Walnut Park Redevelopment Project will be technically complex and will require that the selected contractor plan and execute difficult operations. The approach assumes the following risk mitigation steps:

- The recommended approach contemplates a solicitation of an entity to commence and perform the Phase I work and to potentially oversee Phase II and perhaps even Phase III. The Project will continue after Phase I only upon County approval. Board meetings for briefings, input and approvals will occur in accordance with County procedures therefor.
- The Development Contractor may not be the sole entity that was contracted for all of the work (architectural, engineering, financial analysis), as that work may still be competitively bid at the appropriate stages of the project.
- The initial RFP for the Development Contractor would lay out the process and decision-making structure.
- Although the contract will contemplate the performance of all three Phases, only

Phase I will be guaranteed at the outset and the County will have the options thereafter to continue the contract or end the contract at various milestones depending on County approval of the results of the preceding phase/sub-phase.

- Much like the CM/GC construction contract that guarantees pre-construction work at the outset, with leave to continue on to construction upon the county's approval of the results of pre-construction work.

H. *Whether granting the exemption will affect the sources of funding for the public improvement*

Using this alternative method could allow for additional funding sources of the project. The Development Contractor may be able to provide project financing, thus removing the public sector's burden on use of debt capacity. Private entities may be able to leverage greater access to funding through philanthropic giving, grants, programs like New Market Tax Credits, and government appropriations that would not be available to a County-only managed, owned, or funded project.

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*

This alternative approach enables the County to better manage the negative impact of inflationary market conditions in several ways:

- Ability to share project risk with a private partner.
- Ability to leverage private financing and funding to deliver the project on a quicker schedule, with the potential to alleviate the County's need to finance through bonds.

J. *Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement*

Large Major Capital Projects like the Walnut Park Redevelopment Project have multiple technical complexities. Areas of technical complexity include:

- Traffic management and site logistics phasing to minimize impacts to street traffic and related roadway and sidewalk traffic (autos, bicycles, pedestrians)
- Potentially complex permitting
- Potentially challenging site conditions
- Control of the construction to limit concerns of neighboring building owners, occupants and visitors
- Unique construction with requirements for higher volumes of space and critical acoustical issues

With the Development Contractor approach, the entity is selected based significantly on qualifications. As the design is developed, the County and the projects will benefit from qualified entity's input regarding complicated design, construction and permitting issues. In addition, since the public owner is made aware of complicated technical issues during the design process, the risks are better identified, understood, and managed. The Development Contractor is involved in solving the problems proactively. The likelihood of successfully resolving technical complexities without undesirable schedule and cost

impacts is enhanced. Because traditional design-bid-build delivery does not allow for designer-owner-contractor interaction during design development, it provides the County less opportunity to resolve technical issues most effectively, whether it be for new construction, renovation or remodel.

K. Whether the public improvement involves new construction or renovates or remodels an existing structure

The project will involve the construction of new buildings and possibly a renovation.

L. Whether the public improvement will be occupied or unoccupied during construction

There is a currently occupied County building on the location. It is unknown at this time whether or not it will have to be evacuated during construction.

M. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and

It is likely that there will be multiple phases of construction.

N. 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 County has Department Staff and the County Attorney's Office, as well as consultants, that have the necessary expertise and substantial experience in the Development Contractor and multi-stage contracting approach. The County will use the County Staff, County Attorneys, and consultants to assist in developing the proposed alternative contracting method and to help negotiate, administer and enforce the terms of the pending public improvement contracts.

III. Conclusion

In accordance with ORS 279C Multnomah County finds that:

Regarding Competition:

Given the particular needs for the Walnut Park Redevelopment Project, understanding of similar community-based redevelopment approaches in the region by County employees to enact a Development Contractor procurement approach, and the benefits of the method as stated in this document, County staff finds that selecting an entity pursuant to the exemption is unlikely to encourage favoritism in the awarding of public contracts or diminish competition for public contracts. County staff believe there will be

cost savings, schedule savings, and open more options to deliver a project using an alternative contracting method for the Walnut Park Redevelopment Project.