



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Morris, Schlossberg, and Barofsky
FROM: Lisa Krentz, Chief Electric Operations Officer
DATE: April 7, 2026
SUBJECT: Supplemental Information for use of a CM/GC contract at the Carmen-Smith Hydroelectric Project
OBJECTIVE: Approval of Use of Alternative Procurement Process to Secure CM/GC Services

Issue

Staff requests Board approval for an exemption from the standard procurement process to procure Construction Manager/General Contractor (CM/GC) services associated with three large civil infrastructure projects at the Carmen Smith Hydroelectric Project. The proposed alternate procurement process will allow EWEB to consider additional evaluation criteria with the goal of selecting the firm that provides the best overall value to EWEB. In accordance with procurement requirements, a public notice of the proposed exemption was posted in the *Portland Daily Journal of Commerce* approximately two weeks prior to the April 2026 Board Meeting. The public is also provided an opportunity to comment on the use of the alternative procurement at this meeting.

Staff has prepared the following findings for the Board in support of the exemption, consistent with ORS 279C.335.

Background

The Oregon Legislative Assembly encourages public agencies to consider alternative and innovative contracting methods that take into account project specific factors and market conditions. Under ORS 279C.335(2), a local contract review board may exempt certain contracts from the traditional competitive bidding process by demonstrating that an alternative contracting process is unlikely to encourage favoritism or diminish competition, and that it will result in substantial cost savings to the public agency.

EWEB has fifteen years of experience working with a CM/GC to complete multiple projects at the Carmen-Smith Hydroelectric Project, including refurbishment of the Carmen and Trail Bridge powerhouses and construction of several aquatic and recreational projects required under the FERC license. EWEB has found the CM/GC method to be an effective approach for managing large construction projects in a remote location with unique scheduling and regulatory constraints. EWEB believes that use of a CM/GC to manage the upcoming upstream and downstream fish passage projects, as well as the Smith Spillway expansion and flow release project, will allow the utility to benefit from the expertise of a highly qualified contractor engaged early in the design, regulatory review, and construction planning processes. Early

CM/GC involvement also increases the likelihood that construction activities will meet required regulatory milestones and deadlines.

Discussion

The CM/GC contract will be procured through a competitive Request for Proposals (RFP) process that allows qualified firms to submit proposals based on several evaluation criteria, including relevant experience, team qualifications, price, and references from similar work. Firms that meet the minimum qualifications established by EWEB and demonstrate substantial construction management experience will be considered, and the firm offering the best overall value based on experience and cost will be selected. No reduction in competition is expected, as the individual work packages under the resulting CM/GC contract will be subcontracted and procured through an open competitive process managed by the CM/GC. Subcontractor selection will be based on competitive low bid and local firms are expected to bid on those work packages. The CM/GC may be allowed to self-perform certain portions of the work packages and competitively bid on the other work packages. This arrangement can be beneficial to EWEB if the CM/GC has specialized construction expertise or resources necessary for particular elements of the work. The contract between EWEB and the CM/GC will limit the value of the self-performed work based on the total estimated cost of construction for each project.

The potential for cost savings and efficiency improvements through this delivery method are significant. The CM/GC will provide extensive construction experience during the design and construction planning phases, supporting EWEB's design consultant with constructability assessments, value engineering, construction scheduling and sequencing, and early procurement of long-lead items. Additional time savings will be realized by eliminating the need for EWEB to directly procure and manage the numerous construction contracts that would otherwise be required. This approach will also allow the EWEB license deployment team to focus on other project priorities, since the CM/GC will oversee many aspects of construction management that would otherwise require direct staff involvement. While it is difficult to precisely quantify the expected cost savings associated with the CM/GC approach, an estimate of the cost savings realized will be documented at the conclusion of the project in accordance with ORS 279C.335.

Recommendation

Staff recommends approval of the exemption from the standard procurement process to procure CM/GC services for three large civil infrastructure projects at the Carmen-Smith Hydroelectric Project.

Requested Board Action

Staff requests Board approval, as part of the April 7, 2026, EWEB Board meeting consent calendar, of an exemption from the standard procurement process to procure CM/GC services associated with three large civil infrastructure projects at the Carmen Smith Hydroelectric Project.