



Fern Ridge School District + DLR Group

DUE DILIGENCE REPORT

MAY 30, 2014

May 30, 2014

Fern Ridge School District
Attn: Board of Directors
Superintendent Dennis Friedrich
88834 Territorial Road
Elmira, OR 97437



Architecture Planning Interiors

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RE: Due Diligence Report

Dear Dennis and all Board Members,

Congratulations again on your successful bond campaign. We truly appreciate the roles everyone played in that success and your incorporation of DLR Group in those efforts.

While we feel the planning and campaign assistance provided by the DLR Group team was successful, we also understand that performance alone is not deserving of continued service with you as our client. We take nothing for granted and want to continue to earn your trust and business. With the Fern Ridge community, you have responsibilities to show that you are making prudent decisions, and that includes your selection of a design firm for your bond work.

Per your current contract with DLR Group, Fern Ridge School District has reserved their right to continue to work with DLR Group for the follow-on design efforts. As is written into your contract, ORS 279C.115 allows for direct award to the same firm that performed the initial planning when that planning was awarded through an RFP process, which it was.

The question then becomes, would DLR Group be the right choice? We hope that we have conveyed over the last 18 months that you can trust us to be skilled professionals committed to your district. However, there are other metrics to consider, which I hope this due diligence report addresses. We have included here for your review:

- Resumes of our proposed staff
- A sample list of our school projects in Oregon
- References and letters of recommendation
- Fees from comparable projects with other districts
- Our proposed fee for negotiation
- Copies of the Washington A/E Guidelines and Fee Schedule (Oregon has none, and most designers therefore defer to that resource)

Please Note: I, as a Principal in this Firm would commit myself to being the project manager for the design team at all meetings, and would perform the construction administration duties through the entirety of your project. Furthermore, we will open an office nearby with one of our consultants in Lane County to best serve your needs. We will write both items in the contract amendment with you.

We simply ask, before you decide to start over and issue an RFP, that you give us the opportunity to sit at the negotiating table with you to establish what you find to be a fair fee.

While some may desire to issue a Request for Proposal for these services, please understand the following:

The State of Oregon's Public Contracting Rules ORS 279C.100-.125 does not allow the District to ask for a price during the RFP process. You must select a firm based on qualifications and only after selection, negotiate a price. You would be negotiating a price with a firm you just met, not one that has gotten to know your District over the last 18 months. We hope that we have earned your trust and that you would be willing to negotiate a fee with us first, and only pursue an RFP if we were unable to come to an agreement on price.

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There is also the savings to the District and your bond by using DLR Group:

RFP Costs and Schedule: An RFP selection process will take 2 months for advertisement, review, interview, and selection. There is the cost to write the RFP and advertise it, as well as the time for your Business Manager and Superintendent to manage that process.

Design Fees: DLR Group spent approximately \$40,000 to assess your buildings and interview staff. Another firm would start that over from scratch. You avoid a learning curve with DLR Group and hit the ground running, thus avoiding a repeat of those expenses.

Owner's Representation: If DLR Group were fortunate enough to continue on as your design firm, because of our presence, relationship with your staff, and knowledge of your protocols, we can provide representation services at a fraction of an unfamiliar firm. We are proposing \$72,000 for those services versus the normal third party fee of 1.2% of the total bond, or \$250,000. That is a savings to the District.

We strive to continue to earn your work. I hope that with what we have accomplished to date, and along with this Due Diligence Report, we will have the opportunity to sit down at the table with you to negotiate a fee.

In summary, the benefits to Fern Ridge School District in using DLR Group for the design:

- You know us, and there is a value in knowing who your partner is through direct experience
- We have worked with 40 Oregon School Districts – as much or more than any other Oregon design firm
- We specialize in work with rural Districts and Districts your size – Coos Bay, Klamath Falls City Schools, Nestucca Valley, Dallas, North Marion, Banks, Scappoose, Cascade, etc.
- Our designs are durable, functional, and energy efficient while also being on the leading edge of educational delivery
- While the RFP process does not allow you to ask for a price up front, with this report you have the benefit here of having a price to negotiate from, as well as comparable comparisons from other districts to know we are being transparent and fair
- Per the report, we will open an office with one of our consultants in Lane County
- Our approach is to assign a Principal, me, to your project as the design team Project Manager. No other design firm puts that kind of importance on projects of this size.
- Per the report, we will save you over \$200k because we know your buildings, staff, and protocols and will already be working in the area
- We will save you 4 months on your schedule with no ramp up period to learn your buildings and an abbreviated contracting period
- You know we are committed to our partnership with your district as proven by working 5 months on your campaign

Thank you for your consideration.

Best Regards,

DLR Group



Scott Rose, LEED AP
Principal

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