



Salem Housing Authority

Request for Low-bid
Exemption - Glen Creek
Redevelopment

Glen Creek Redevelopment:

Request for Utilization of CMGC Method – Low-bid Exemption

- **Action Requested:**
City Council approval of an exemption from the competitive low-bid process to utilize the Construction Manager / General Contractor (CMGC) method.

Purpose:

- Select contractor based on qualifications and experience
 - Engage contractor during preconstruction
 - Maintain one contractor from design through completion
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Glen Creek Village Background

- Glen Creek was removed from repositioning efforts in 2019 due to floodway issue.
- Project built in 1971 and has significant capital needs.
- Current funding does not allow capital funding in a floodway
- Land use actions now complete to separate parcel and re-develop.
- CMGC process will allow us to onboard contractor and complete pre-development work / cost estimates to inform project.
- Necessary to move project forward

Public Interest & Project Complexity



Affordable housing development and what it involves



Multiple public funding sources (federal, state, local, tax credits)



Strict regulatory and compliance requirements



Fixed funding caps and deadline-driven financing



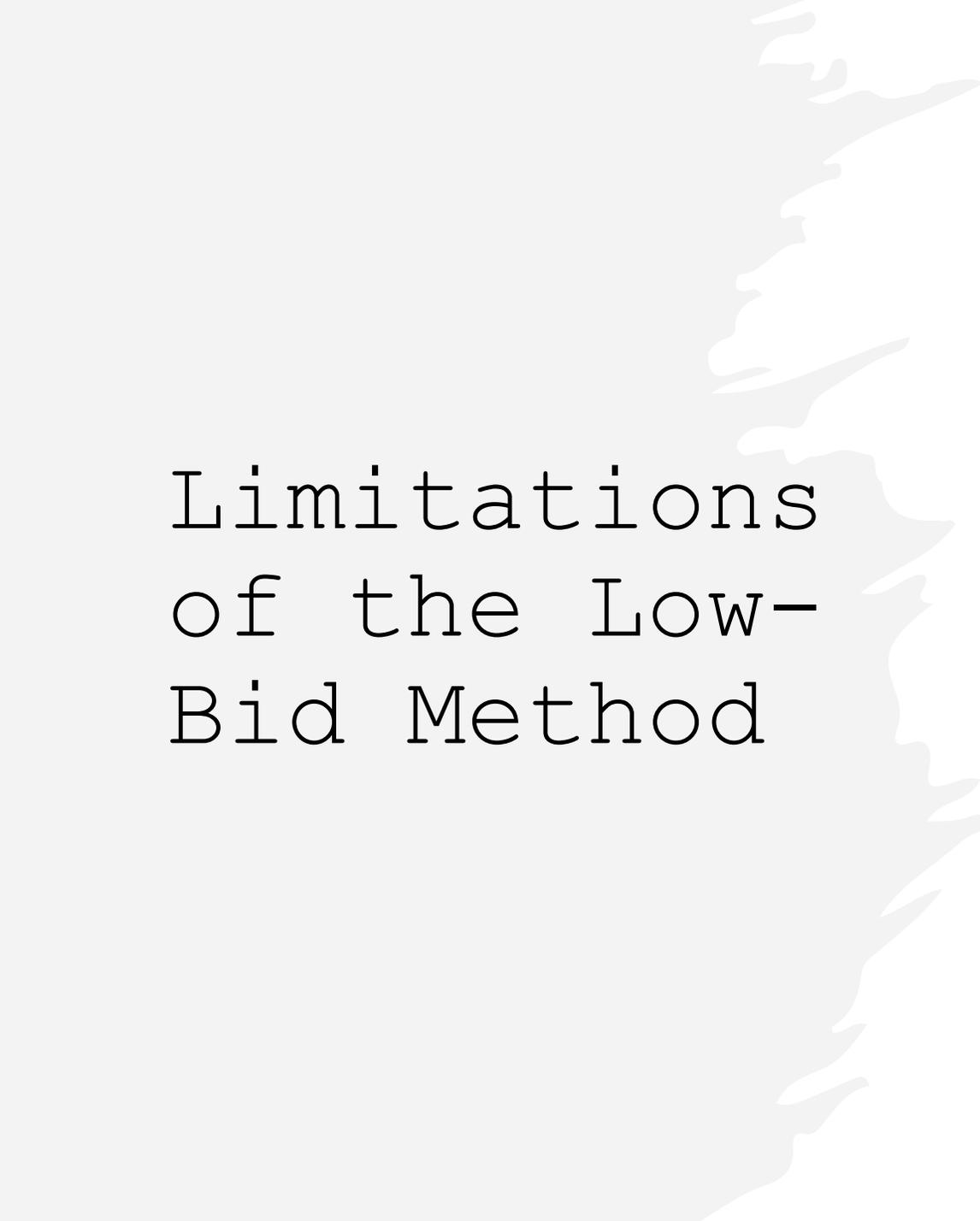
Intensive coordination with architects, engineers, and service providers



Limited margin for cost overruns



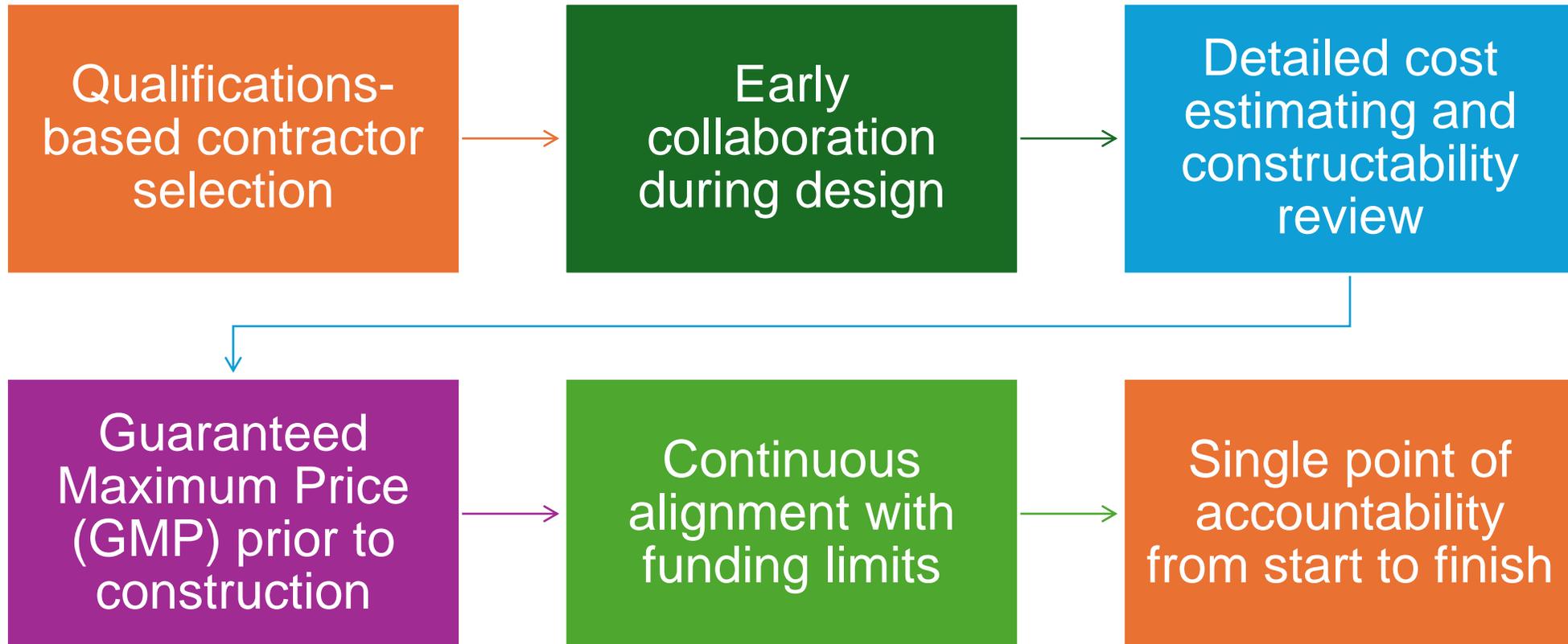
Significantly increased risk factors under a traditional low-bid model



Limitations of the Low- Bid Method

- **Contractor selected primarily on lowest price**
- **No contractor input during design phase**
- **Increased likelihood of change orders**
- **Greater potential for claims and schedule delays**
- **Reduced flexibility in volatile construction markets**
- **Low bid prioritizes initial price — not long-term project success or specialized experience.**

Benefits of the CMGC Method



Conclusion: Best Value & Risk Mitigation

The CMGC method:

- Protects public funds through proactive cost control
- Reduces risk of costly change orders and delays
- Provides consistency and accountability
- Supports timely delivery of critically needed affordable housing

This exemption serves the public interest by ensuring best value — not simply lowest initial price.

Project Timeline



- CMGC RFP – Spring 2026
- Dispose of Floodway Parcel – Summer 2026
- Apply for Federal Funding – Rental Assistance Demonstration / Section 18 Blend – Winter 2026
- Apply for State Funding – Low Income Housing Tax Credit Program – Spring 2027
- Target Construction Start – Early 2028

Current Project is 30 Public Housing Units, and the intent is to redevelop into 100 Affordable units – West Salem