

BEFORE THE METRO CONTRACT REVIEW BOARD

CONSIDERING AN AMENDMENT TO METRO)	Resolution No. 05-3619
CONTRACT NO. 924826, FOR A SHARED)	
REVENUE CONTRACT FOR LEASE OF A)	Introduced by Chief Operating Officer
PORTABLE SIMULATION THEATER AT THE)	Michael J. Jordan, with the concurrence of
OREGON ZOO)	Council President David Bragdon
)	
)	

WHEREAS, Metro and Iwerks Entertainment, Inc. entered into a shared revenue contract for a maximum contract price of \$225,000 to provide a portable simulation theater for use at the Oregon Zoo; and

WHEREAS, the projected revenue exceeded projections and subsequently the revenue share anticipated for Iwerks Entertainment; and

WHEREAS, the total amount of all amendments-to-date is \$25,000; and

WHEREAS, the contract requires an amendment of \$175,000 to fulfill expected obligations in the remaining contract term to April 30 2006; and

WHEREAS, pursuant to Metro Code Section 2.04.046(b), Council approval is required for any amendment to a public contract which causes the total amount of amendments to exceed \$100,000 more than the original contract; and

WHEREAS, the Metro Council has determined that it is appropriate to amend the above-named contract in light of the policies set forth in ORS 279A.015 and ORS 279B.010;

WHEREAS, the Chief Operating Officer recommends the amendment of the contract and has therefore forwarded this matter to the Council for approval; now therefore

BE IT RESOLVED

That the Chief Operating Officer is authorized to execute amendment No. 2 to Contract No.924826 in a form substantially similar to that shown in the attached Exhibit A.

ADOPTED by the Metro Council this 29th day of September, 2005.


 David Bragdon, Council President

Approved as to Form:


 Daniel B. Cooper, Metro Attorney



STAFF REPORT

CONSIDERING AN AMENDMENT TO METRO CONTRACT NO. 924826, FOR A SHARED REVENUE CONTRACT FOR LEASE OF A PORTABLE SIMULATION THEATER AT THE OREGON ZOO

Date: August 30, 2005 Prepared by: David Biedermann

BACKGROUND

Metro and Iwerks Entertainment, Inc., entered into an agreement in 2003 for the contractor to provide a portable ride simulation theatre at the Oregon Zoo. The original agreement was a lease with proceeds going to the Zoo. The agreement was re-negotiated in 2004 as a shared revenue agreement that enhanced the Zoo's profit margin and extended the contract through April of 2006. A change order was executed to allow for the anticipated increased revenue.

Subsequently, the revenue has now exceeded even those estimates. As a result, Metro is committed to pay the vendor a higher-than-anticipated share of the revenue, and the contract (including Change Order 1) is insufficient to allow that.

For that reason, staff proposes executing a second amendment to increase the contract by \$175,000 (to a total of \$400,000) to cover all revenue sharing expected until the contract terminates in April of 2006. This includes the revenue sharing commitment and the various movie-licensing fees required, such as \$30,000 for the Sponge Bob feature.

Metro Code 2.04.058 (a)(3) allows..." The Chief Operating Officer may execute amendments to public contracts (so long as) ...(t)he amount of the aggregate cost increase resulting from all amendments does not exceed 20 percent of the initial contract if the face amount is less than or equal to \$1,000,000 or. ...(t)he Metro Contract Review Board has authorized the extension of the contract amendment."

ANALYSIS/INFORMATION

1. **Known Opposition** None.
2. **Legal Antecedents** Metro Code Section 2.04.058 requires the approval of the Metro Contract Review Board for amendments to public contracts that exceed 20 percent of the contract total if that total is less than \$1,000,000.
3. **Anticipated Effects** Payment for the additional revenue commitment.
4. **Budget Impacts:** If approved by the Metro Public Contract Review Board, the Oregon Zoo will execute a budget amendment to reflect that action.

RECOMMENDED ACTION: The Chief Operating Officer recommends approval of Resolution 05-3619.