

BEFORE THE METRO COUNCIL CONTRACT REVIEW BOARD

RESOLUTION OF METRO COUNCIL, ACTING)
AS THE METRO CONTRACT REVIEW BOARD,)
FOR THE PURPOSE OF APPROVING)
CONTRACT AMENDMENTS FOR THE
PREDATORS OF THE SERENGETI AND RED
APE RESERVE EXHIBITS AT THE OREGON
ZOO

RESOLUTION NO. 09-4057

Introduced by Chief Operating Officer
Michael Jordan with the concurrence of
Council President David Bragdon.

WHEREAS, pursuant to ORS 279A.060 and Metro Code 2.04.058 the Metro Council is designated as the Public Contract Review Board for the agency; and

WHEREAS, Metro Code 2.04.058 requires Council approval for contract amendments that exceed five percent of the initial contract value or \$25,000; and

WHEREAS, The Oregon Zoo has determined that the additional work in these change orders is necessary and appropriate, and is within the contingency budget for the project; and

WHEREAS, under the direction of the Zoo Construction Manager, 2KG Contractors, Inc. is constructing the Predators of the Serengeti and Red Ape Reserve exhibits in accordance with the project specifications and schedule; and

WHEREAS, the original contract was awarded as a result of an open competitive bid process with 2KG Contractors, Inc. being deemed the lowest responsive and responsible bidder; and

WHEREAS, the current contract amount is \$5,715,185 and the proposed contract amendments total \$169,015. The additional work has been reviewed by the Zoo Construction Manager and the project architect and has been approved as necessary and appropriately priced; and

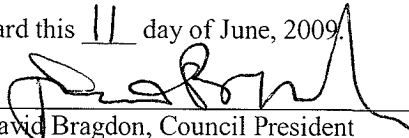
WHEREAS, the additional work in change order two is unforeseen and not part of the original contract. The additional work elements include rerouting of sprinkler line, moving sewer line, and electrical fan wiring and total \$43,015; and

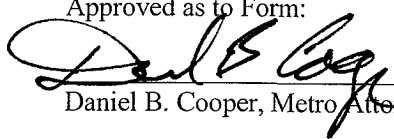
WHEREAS, the work covered in change order three in the amount of \$126,000 is for work that the Oregon Zoo originally planned to contract directly for. However, due to the timing of the work and the necessary coordination with the prime contractor, it is believed that incorporating the hydraulic cage doors into the 2KG contract is more cost effective and efficient; and

WHEREAS, the Metro Procurement Officer believes that the amending the existing contract with 2KG Contractors, Inc. is appropriate and that such action is in the best interests of Metro and will better ensure a timely project delivery for these exhibits; and

BE IT RESOLVED that the Metro Council acting as the Public Contract Review Board authorizes the Procurement Officer to execute contract amendments in the amount of \$43,015 and \$126,000 with 2KG Contractors, Inc. for the Predators of the Serengeti and Red Ape Reserve project.

ADOPTED by the Metro Council Contract Review Board this 11 day of June, 2009.


David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney



STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 09-4057, RESOLUTION OF METRO COUNCIL, ACTING AS THE METRO CONTRACT REVIEW BOARD, FOR THE PURPOSE OF APPROVING A CONTRACT AMENDMENT FOR THE PREDATORS OF THE SERENGETI AND RED APE RESERVE EXHIBITS AT THE OREGON ZOO

Date: June 2, 2009

Prepared by:

Darin Matthews, 503 797-1626
Steve Chaney, 503 525-4297

BACKGROUND

An open, competitive Request for Bid (RFB) was issued for the Predators of the Serengeti and Red Ape Reserve projects in 2008. In accordance with Metro Code, the lowest responsive, responsible bidder was selected, which was 2KG Contractors, Inc.

The project specifications and design drawings were prepared by Peck Smiley Ettlin Architects and adequately represented the scope of the project.

This contract was awarded on July 2, 2008 in the amount of \$5,659,300 and work began on July 25, 2008. The zoo Construction and Maintenance Manager reports that these projects have progressed as planned and that 2KG Contractors, Inc. has provided construction services in accordance with the contract.

In February 2009 the Metro Council approved change order #1 in the amount \$55,885. This represented additional work with excavation, slab demolition, and yard footings.

During the course of construction these past several months, a number of unforeseen issues have come up. These include the rerouting of a sprinkler line, moving an existing sewer line, additional wiring for electrical fans, additional steel wall bracing, and additional roof framing. These items are combined into change order #2 and total \$43,015.

The Zoo Construction and Maintenance Manager reviewed these additional items and agreed the work is necessary and can be paid within the existing project budgets. The consulting architect for the projects also reviewed the requests and verified that the work is outside of the existing contract scope and reasonably priced, which the Metro Procurement Officer concurs with.

The Oregon Zoo and Metro Procurement Office had originally planned to contract separately for the installation of hydraulic system controls for the exhibit shift doors. However, in order to stay on schedule and better coordinate the hydraulic work with the ongoing construction, it is believed that incorporating this work into the prime contract with 2KG is more practical. Metro had issued a Request for Bid (RFB) for this work and subsequently canceled that solicitation. The hydraulic work can be included in the prime contract for the amount of \$103,099. This is less than the engineer's estimate as well as the bid amounts received in the RFB process.

The total for change orders #2 and #3 is \$146,114. Combined with change order #1, the contract amount has increased by less than four percent. This is lower than industry standard for complex construction work in the public sector and we believe represents effective cost control and project management. While

Metro's procurement rules limit construction change orders to five percent, the Oregon Attorney General's Model Rules set this amount at 20 percent.

Metro Code 2.04.058, Public Contract Amendments, requires Metro Council approval of contract amendment or change orders that exceed \$25,000 or five percent of the original contract value. The Metro Procurement Officer has deemed this amendment to be appropriate and reasonably related to the original scope of work, and therefore, believes the amendment is in Metro's best interest to approve.

The Zoo will continue to manage and administer this contract to ensure these exhibits are constructed in accordance with the contract, including all plans and specifications. The Predators of the Serengeti and Red Ape Reserve exhibits are scheduled to open in summer 2009 and fall 2009, respectively.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** Metro Code 2.04.058, ORS Chapter 279C.
3. **Anticipated Effects:** Construction will continue on the new exhibits under the direction of Zoo Construction and Maintenance Manager and in accordance with schedules.
4. **Budget Impacts:** These change orders fall within budgeted contingency amounts. Total contract amount for 2KG Contractors will be \$5,861,299.

RECOMMENDED ACTION

Metro Council, acting as Public Contract Review Board, approves the attached contract amendment representing change orders #2 and #3 with 2KG Contractors, Inc.