

BEFORE THE METRO COUNCIL CONTRACT REVIEW BOARD

RESOLUTION OF METRO COUNCIL, ACTING AS) RESOLUTION NO. 10-4147
THE METRO CONTRACT REVIEW BOARD, FOR)
THE PURPOSE OF APPROVING CONTRACT) Introduced by Chief Operating Officer
AMENDMENTS FOR THE PREDATORS OF THE) Michael Jordan with the concurrence of
SERENGETI AND RED APE RESERVE EXHIBITS) Council President David Bragdon.
AT THE OREGON ZOO)

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 public contract amendments that exceed five percent of the initial contract value or \$25,000; and

WHEREAS, Metro awarded the contract to construct the Predators of the Serengeti and Red Ape Reserve exhibits at the Oregon Zoo (the "Contract") to 2KG Contractors, Inc., after conducting an open competitive bid process in which 2KG Contractors, Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, the original Contract amount was \$5,659,300, and the Metro Council has approved amendments to the Contract in the sum of \$445,968, to date; and

WHEREAS, the Oregon Zoo now wishes to obtain Metro Council approval for two further amendments to the Contract for additional work: change order eight in the amount of \$63,908, and change order nine in the amount of \$63,767. The additional work performed under these change orders was unforeseen and not part of the original Contract. The additional work elements include door hardware, electrical modifications, public safety modifications to the cheetah exhibit, additional asphalt, modifications to yard grades in the orangutan exhibit, paint removal on the steel mesh frame in the orangutan exhibit, additional fire alarm requirements by the City of Portland and inline water pumps to increase the efficiency of the existing boilers; and

WHEREAS, the Oregon Zoo has determined that the additional work set forth in these change orders was necessary and appropriate, and is within the contingency budget for the project. The debits and credits to the Contract have been reviewed by the Zoo Budget and Finance Manager and the project architect and has been approved as necessary and appropriately priced; and

WHEREAS, the Metro Procurement Officer believes that 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

WHEREAS, the sum of the prior approved contract amendments and those proposed herein is \$573,643, amounting to a 10.13 percent increase in the cost of the original Contract, which is within the industry-accepted standard range for complex construction projects; now therefore

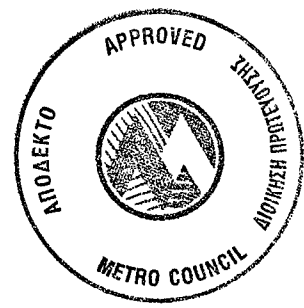
BE IT RESOLVED that the Metro Council acting as the Public Contract Review Board authorizes the Procurement Officer to execute contract amendments in the amount of \$63,908 and \$63,767 with 2KG Contractors, Inc. for the Predators of the Serengeti and Red Ape Reserve project.

ADOPTED by the Metro Council Contract Review Board this 22 day of April 2010


David Bragdon, Council President

Approved as to Form:


Daniel B. Cooper, Metro Attorney



STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 10-4147, 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: April 22, 2010

Prepared by: Darin Matthews, 503 797-1626
Jim Mitchell, 503-914-6025

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.

The Metro Council has approved change orders one through seven in the amount \$445,968. This represented additional work with mechanical, electrical, structural, hydraulics, and other revisions to original contract documents.

During the course of construction, a number of unforeseen items have come up. The additional work elements include door hardware, electrical modifications, public safety modifications to the cheetah exhibit, additional asphalt at a service road, modifying yard grades in the orangutan exhibit, paint removal on the steel mesh frame at orangutan, additional fire alarm requirements by the City of Portland and inline water pumps to increase efficiency of the existing boilers. The combined amount of change order #8 and #9 is a total of \$127,675.

The Zoo Construction 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 total for change orders 8 and 9 is \$127,675. The total previous change order amount is \$445,968, for a grand total of \$573,643. This is 10.1% of the original contract amount which is well within 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 summer 2010, 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 \$6,232,943.

RECOMMENDED ACTION

Metro Council, acting as Public Contract Review Board, approves the attached contract amendment representing change orders #8 and #9 with 2KG Contractors, Inc.