

BEFORE THE METRO COUNCIL CONTRACT REVIEW BOARD

FOR THE PURPOSE OF APPROVING A) RESOLUTION NO. 11-4234
CONTRACT AMENDMENT FOR THE)
VETERINARY MEDICAL CENTER PROJECT) Introduced by Chief Operating Officer
AT THE OREGON ZOO) Michael Jordan with the concurrence of
) Council President Tom Hughes

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 improvement contract amendments that exceed five percent of the initial contract value or \$25,000.00; and

WHEREAS, on August 13, 2010, Metro awarded the contract (the "Contract") to construct the Oregon Zoo Veterinary Medical Center (the "Project") to SKANSKA USA, Inc., after conducting an open competitive bid process in which SKANSKA, USA, Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, the original Contract amount is \$6,454,899, and three amendments increasing the Contract in the amount of \$17,603, \$11,498, and 394,278 have been approved by the Chief Operating Officer; and

WHEREAS, three utility vaults and accompanying conduits need to be lowered in order to meet the new grades of the project. This condition resulted in constructions delays and the need for additional work to be performed under the Contract. Some of this work was immediately needed to avoid substantial risk to the Project, and has already been performed on an emergency basis under the "Force Account" provisions of the Contract and in accord with Metro Code Section 2.04.058(6); and

WHEREAS, the Oregon Zoo now wishes to obtain Metro Council approval for an amendment to the Contract for additional work, in the amount of \$40,308. The additional work elements include the following: lower 1 electrical and 2 communication vaults to new grades, provide a perimeter fence enclosure at the new drainage swale, excavate and add additional rock under concrete paving, stabilize a portion of the bank above the soil nail wall, over excavate ancient landslide material at the building pad; and

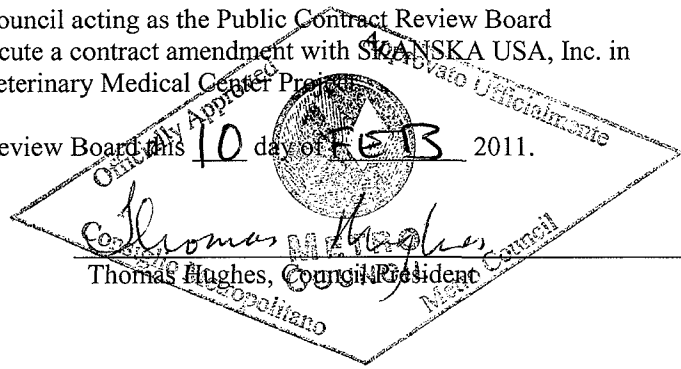
WHEREAS, the additional work has been reviewed by the Deputy Chief Operating Officer, the Oregon Zoo Bond Manager, the Oregon Zoo Construction Manager and the Project architect, and has been determined to be necessary, appropriately priced, and within the contingency budget for the project; and

WHEREAS, the sum of the prior approved contract amendments and the amendment proposed herein is \$463,687, amounting to less than five percent of the Project's total budget of \$9.5million; and

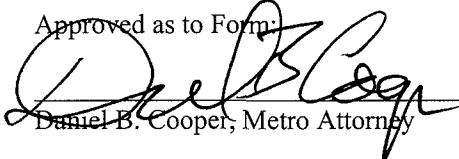
WHEREAS, the Metro Procurement Officer believes that amending the existing contract with SKANSKA USA, Inc. is appropriate and that such action is in the best interests of Metro and will better ensure a timely Project delivery; now therefore

BE IT RESOLVED that the Metro Council acting as the Public Contract Review Board authorizes the Chief Operating Officer to execute a contract amendment with SKANSKA USA, Inc. in the amount of \$40,308 for the Oregon Zoo Veterinary Medical Center Project.

ADOPTED by the Metro Council Contract Review Board this 10 day of FEB 2011.



Approved as to Form:


Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 11-4234, METRO COUNCIL, ACTING AS THE METRO CONTRACT REVIEW BOARD, FOR THE PURPOSE OF APPROVING A CONTRACT AMENDMENT FOR THE VETERINARY MEDICAL CENTER PROJECT AT THE OREGON ZOO

Date: January 19, 2011

Prepared by:

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BACKGROUND

An open, competitive Request for Bid (RFB) was issued for the Veterinary Medical Center project in 2010. In accordance with Metro Code, the lowest responsive, responsible bidder was selected, which was Skanska USA Building, Inc.

The project specifications and design drawings were prepared by Peck Smiley Ettlin Architects representing the scope of the project. The bond program team sought review of the drawings and specifications from multiple engineers and architects for constructability and completeness as a risk mitigating procedure. Those reviews concluded that the excavation and soil nail wall installation were the most inherently risky aspects of the entire project. Due to these risks, the project is carrying a substantial contingency.

- A. Three vaults located on the project site need to be adjusted to finish grade. The plans infer a simple adjustment, however the vaults need to be lowered approximately 3 feet which involves lowering conduits feeding the vaults and encasing the them in concrete for protection. There is one electrical vault and two communication vaults.
- B. The new drainage swale from Kingston road is approximately six feet wide and 3 feet deep. The swale passes under the zoo's perimeter fence creating a security breach. The closure is made of a galvanized steel frame with flat steel bars 4" on center.
- C. The architectural plans call for an 8" rock section under the concrete driveway, the civil and geo tech recommend a 12" section of rock. The area is approximately 6,150 sq. ft.
- D. The recent heavy rainfall, 2" in a 24hr period, caused a minor landslide at the top of the east side of the soil nail wall. The slide was approximately 15 ft. long. Water from the drainage swale and a very steep grade in the bank above the wall were the primary cause of the slide. The temporary solution was to pipe the water from the culvert at Kingston to a storm outlet at the bottom of the swale. The permanent solution is to relocate a portion of the swale and re-grade the bank above the wall which will take place next summer.
- E. The geo tech has confirmed certain soft areas within the building footprint which do not meet compaction requirements. The areas were excavated and rock was added.

Change Item	Brief Description	Amount
A	Lower Electrical and Communication Vaults	\$18,478
B	Perimeter Fence Closure at Drainage Swale	1,011
C	Additional Sub-grade rock at Concrete Driveway	5,490
D	Stabilize Small Slide area	5,446
E	Over Excavate Ancient Slide Material at Building Slab	9,883
Change Order 4 Total		\$40,308

The Zoo Bond Program Director and Construction Manager reviewed these additional items and agreed the work is necessary and can be paid within the adopted project budget. 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 Metro Deputy Chief Operating Officer and Office of Metro Attorney have approved previous change orders 1, 2 and 3, in the amount of \$17,603, \$11,498, and \$394,278 respectively. This represented a contract clarification on letter of credit versus performance/payment bond, relocating an existing gas line which would have been situated under the new building had it not been relocated and discovery of an ancient landslide at the soil nail wall, sub slab drainage and city required permit changes.

The total for change order 4 is \$40,308. The total amount for change orders 1, 2 and 3 is \$423,379, for a grand total of \$463,687 of project change orders to date. This amount represents less than five percent of the project's total budget of \$9.5 million. Due to the risky nature of the soil nail wall and zoo site conditions, the project includes an adequate contingency to cover these change orders. As previously stated, the excavation and soil nail wall represent what is believed to be the riskiest aspect of the project. Remaining project contingency is believed adequate to complete the project within budget.

Item "E", Over Excavate Ancient Slide Material at Building Slab," includes the entire slab area but not the building footings. There will be additional over excavation when the footings are dug however the geo tech believes the amount to be minimal.

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, and that the amendment is in Metro's best interest. Further, the Procurement Officer believes the amendments to date fall within public industry standards and represent sound project oversight.

The Zoo will continue to manage and administer this contract to ensure this project is constructed in accordance with the contract, including all plans and specifications. The Veterinary Medical Center Project is scheduled to be completed in fall 2011.

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 Veterinary Medical Center under the direction of the Zoo Construction Manager and in accordance with contract documents and schedules. The project schedule will be extended an additional 3 days for a total extension of 36 days.
4. **Budget Impacts:** These four change orders fall within budgeted contingency amounts. The total contract amount for Skanska USA Building, Inc will increase to \$6,918,586.

RECOMMENDED ACTION

Metro Council, acting as Public Contract Review Board, approves the attached contract amendment representing change orders 1, 2, 3 and 4 with Skanska USA Building, Inc.