

BEFORE THE METRO COUNCIL CONTRACT REVIEW BOARD

FOR THE PURPOSE OF APPROVING A) RESOLUTION NO. 11-4244
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 four amendments increasing the Contract in the amount of \$17,603, \$11,498, and \$394,278, and \$40,308 have been approved by the Metro Council; and

WHEREAS, the service road accessing the Project site has been heavily impacted by the exceedingly wet weather and continued heavy construction activity, causing significant slumping of the road and road sub grade, which must be corrected by shoring immediately to prevent continued deterioration and the potential failure of the road when a 300-ton crane, scheduled to arrive in early April to raise the walls on the Veterinary Medical Center, uses the road; and

WHEREAS, the construction of a soldier pile wall to shore up the service road needs to begin immediately to avoid substantial risk of loss and threat to property and safety, and required prompt execution by the Chief Operating Officer of contract Amendment 5 to remedy the condition in the amount of \$70,079, under the emergency provisions of Metro Code Sections 2.04.058(a)(6) and 2.04.010(f); and

WHEREAS, the Oregon Zoo now wishes to obtain Metro Council approval for amendments five and six to the Contract for additional work, in the amount of \$70,079 and \$72,673. The additional work elements of Amendment 6 include the following: performing additional work to resolve site utility conflicts, adding required secondary containment fencing, remedying utility conflicts with road grade, incorporating project permit required changes in the contract scope, adding gas line valves, remedying site utility conflicts due to erroneous pre-existing as built drawings, relocating a drain due to conflicts with other building elements, and recognizing a financial credit for prior change order approved work costing less than originally estimated; and

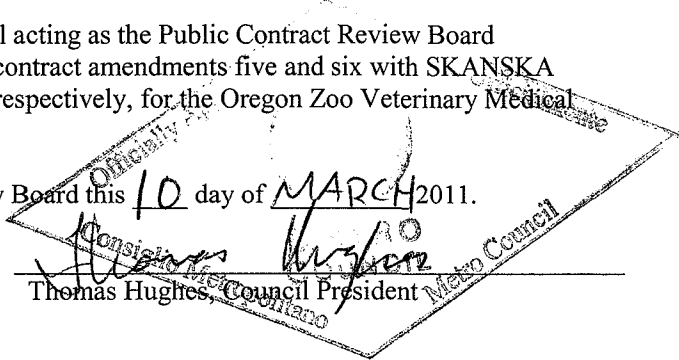
WHEREAS, the additional work has been reviewed by the Deputy Chief Operating Officer, the Oregon Zoo Bond Manager, the Oregon Zoo Construction Manager and the Project architect, and has been determined to be necessary, appropriately priced, and within the contingency budget for the project; and

WHEREAS, the sum of the prior approved contract amendments and the amendment proposed herein is \$606,439, amounting to six 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 contract amendments five and six with SKANSKA USA, Inc. in the amount of \$70,079 and \$72,673, respectively, for the Oregon Zoo Veterinary Medical Center Project.

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



Approved as to Form:

[Signature]
for Daniel B. Cooper, Metro Attorney

[Signature]
Thomas Hughes, Council President

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO 11-4244, 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: February 25, 2011

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BACKGROUND

An open, competitive Request for Bid was issued for the Veterinary Medical Center (VMC) 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.

During the course of construction, existing site conditions and necessary changes to the VMC construction documents have required contract change orders. The program team is requesting amendment to the contract to address the following conditions:

Change Order Five

- A. A portion of the Gate J service road near the existing Living Collections Administration Building has been deteriorating over the years from normal use, storm water erosion and construction traffic. The VMC project geotechnical engineer has been monitoring the road's condition and recently concluded that the road is becoming unstable for large vehicles. The road is the only access to the VMC site and will serve future bond program construction projects, as well as normal zoo operations. To repair the road, the bond program directed VMC project consultants to assess the condition, develop a design, and requested Skanska USA Building prepare a change order for the repair. The design includes installation of a 40 foot soldier pile retaining wall, installation of storm water drainage, and installation of new asphalt.

Change Order Six

- A. Existing as built drawings did not accurately show the location of an existing sanitary sewer line that conflicts with a new storm line manhole. The storm line and manhole require relocation.
- B. Zoo regulations require a secondary animal containment fence in the event an animal escapes from its primary containment. The VMC project includes two gates that are part of this secondary containment fence, but were not adequately designed to criteria. This change order covers the necessary changes and associated costs.
- C. A portion of the service road within the project's disturbance area was lowered to accommodate the new building elevation. Additional work was required to reroute gas, water, and fire lines and other utilities to accommodate the service roads lower grade.

- D. The City of Portland required changes to the electrical drawings during the permit process. Changes included adding a disconnect, installing a new enclosure for the generator switch gear, and revising wire sizes and circuits layouts.
- E. Two new valves were installed on a new gas line serving the VMC and existing buildings to the north. The valves provide flexibility in shutting off gas to the buildings without shutting down the entire line.
- F. Existing as built drawings did not accurately show the location of electrical and telecommunication conduits that conflict with a new storm line. The solution required hand digging and placing sand and gravel to route the storm line under the conduits.
- G. A drain located in the VMC loading area conflicted with a building column. The drain location was moved.
- H. This credit is a result of prior approved change order work costing less than originally estimated. The work was related to lowering electrical and communication vaults and was included in contract change order four.

Change Order Five		
Item	Brief Description	Amount
A	Upper Service Road Shoring – Soldier Pile Wall	\$70,079
Change Order Five Total		\$70,079

Change Order Six		
Item	Brief Description	Amount
A	Site Utility Conflicts	9,373
B	Secondary Containment Gates and Fencing	14,150
C	Utility Conflicts with Lower Road Grade	27,859
D	Electrical Permit Scope Changes	14,189
E	Gas Line Valves	1,419
F	Site Utility Conflicts	7,593
G	Drain Relocation	2,200
H	Credit for previous change order work	(4,110)
Change Order Six Total		\$72,673

The project’s design consultants 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 Zoo Bond Construction Manager, Program Director, and the Metro Deputy Chief Operating Officer reviewed these change orders and agreed the work is necessary and can be paid within the adopted project budget.

Information about prior contract amendments in change orders one through four totaling \$463,687 has been presented to the Metro Council in prior resolutions. The total for change order five is \$70,079 and change order six is \$72,673. With approval of these change orders, the total change orders to date total \$606,439, or six percent of the project’s 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.

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 bond program 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 Bond Program Construction Manager and in accordance with contract documents and schedules. The project schedule will be extended an additional 12 days for a total extension of 52 days.
4. **Budget Impacts:** These change orders total within the project's budgeted contingency. The total contract for Skanska USA Building, Inc will increase to \$7,061,338.

RECOMMENDED ACTION

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