

BEFORE THE CONTRACT REVIEW BOARD OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING AN )  
EXEMPTION FROM REQUIREMENTS OF METRO )  
CODE SECTION 2.04.053 FOR AN AMENDMENT ) RESOLUTION NO. 89 - 1085  
TO CONTRACT WITH TURNER CONSTRUCTION ) Introduced by  
COMPANY FOR CONSTRUCTION MANAGEMENT ) Executive Officer Rena Cusma  
SERVICES FOR THE CONVENTION CENTER )

WHEREAS, Turner Construction Company was competitively selected in the fall of 1986 to provide construction management services for the convention center project ; and

WHEREAS, the terms of that contract provided for a total budet for reimbursable services; and

WHEREAS, the conditions envisioned at the time of contract negotiation have changed; and

WHEREAS, Metro recognizes that the contract amount should be increased to reflect the current and anticipated circumstances; and


WHEREAS, the Advisory Committee on Design and Construction has reviewed the contract terms and the associated costs in detail and has recommended to the Executive Officer approval of the contract amendment; and,

WHEREAS, the Executive Officer recommends Council approval; now, therefore,

BE IT RESOLVED,

That the Contract Review Board hereby exempts the attached contract Amendment No. 2 with Turner Construction Company from the competitive procurement Section 2.04.053 of the Metro Code.

ADOPTED by the Contract Review Board of the Metropolitan Service District this 11th day of May, 1989.

  
Mike Ragsdale, Presiding Officer

AMENDMENT NO. 2

This amends the Agreement between the Metropolitan Service District ("Metro") and Turner Construction Company ("Manager") executed October 30, 1986, and amended December 4, 1986.

WHEREAS, the parties agreed to the conditions set forth in the original agreement and desire to amend the Agreement;

The following changes are made to the original agreement as previously amended:

EXHIBIT B - 1 COMPENSATION TO MANAGER

B. Compensation - The total cost of the services provided under this Agreement during Design and Construction Phases, including all actual recoverable costs, plus contractor's fixed fee, shall not exceed [~~\$2,248,545~~] **\$2,652,430**. [a detailed breakdown of which is described in B-2.]

E. Cost Limitation - If, at any time, Manager estimates that the cost of performing the services herein will exceed the annual project budget or the estimated total cost (excluding fee) of [~~\$1,828,545~~] **\$2,232,430** by more than 5 percent of the agreed upon annual budget, Manager shall notify Metro immediately in writing indicating the additional amount necessary to complete the service. Compensation for services before November 4, 1986, shall be for direct salary, and expenses and shall not exceed \$10,000. Thereafter, excluding fee, cost is limited to [~~\$1,818,545~~] **\$2,222,430**.

WHEREAS, all other conditions and covenants remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed by their duly authorized officers.

MANAGER:  
TURNER CONSTRUCTION COMPANY

OWNER:  
METROPOLITAN SERVICE DISTRICT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

(TITLE) \_\_\_\_\_

(TITLE) \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

CONVENTION, ZOO & VISITOR  
FACILITIES COMMITTEE REPORT

Agenda Item No. 5.1

Meeting Date May 11, 1989

RESOLUTION NO. 89-1085, AUTHORIZING AN EXEMPTION FROM REQUIREMENTS OF METRO CODE SECTION 2.04.053 FOR AN AMENDMENT TO CONTRACT WITH TURNER CONSTRUCTION COMPANY FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE CONVENTION CENTER

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Date: May 2, 1989

Presented by: Councilor Knowles

COMMITTEE RECOMMENDATION: At the April 18, 1989 Convention, Zoo & Visitor Facilities (CZVF) Committee meeting, members present -- Councilors DeJardin, Kelley, Van Bergen and myself -- voted unanimously to recommend Council adoption of Resolution No. 89-1085. Councilor Buchanan was absent.

COMMITTEE DISCUSSION/ISSUES: Convention Center Project Manager Neil McFarlane presented Resolution No. 89-1085, which amends the contract with Turner Construction Company for \$403,885 to reflect increases in actual service costs. Metro contracted with Turner in the Fall of 1986 on a "cost + fixed fee" arrangement to manage the Convention Center construction. The amendment would not increase the fixed fee; only actual expenditures are reimbursed.

Staff noted the following reasons for the requested amendment: 1) the pre-construction service estimates have been exceeded; 2) the Center's construction phase is longer than originally anticipated; and 3) direct reimbursable expenses have increased. Consistent with construction contract development, Metro did include additional funds within the Capital Fund line item for this contract; therefore, the actual tap on project contingency will be approximately \$18,000. Neil Saling, Metro Construction Manager, clarified that the additional costs requested under the amendment are "correct" per the formulas developed at the time of the original contract.

The Committee raised no additional questions or issues.

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STAFF REPORT

Agenda Item No. 5.1

Meeting Date: May 11, 1989

CONSIDERATION OF RESOLUTION NO. 89-1085, AUTHORIZING AN EXEMPTION OF REQUIREMENTS OF METRO CODE SECTION 2.04.053 FOR AMENDMENT NO. 2 TO CONTRACT WITH TURNER CONSTRUCTION COMPANY FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE CONVENTION CENTER

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Date: April 7, 1989

Presented by: McFarlane

BACKGROUND AND FACTUAL ANALYSIS:

In the fall of 1986, Metro selected Turner Construction Company to be the construction manager on the convention center project. A cost-plus-fixed-fee contract was negotiated. The contract language also included a cap of \$2,258,545 for the total contract.

Metro agreed to pay direct salaries, fringe benefits, a general and administrative overhead amount calculated as a percentage of direct salaries, reimbursable costs, and fee. The overhead amount is calculated each year and applied to the following year. During the course of the contract, that audited percentage has increased from 89% to 96%.

Metro also planned to bear some of the operating expenses of the construction manager. These expenses included office space, parking, secretarial support, and fax use. Estimates were made of the other reimbursable expenses, and a contract amount was derived.

Turner submits monthly bills with detailed documentation for all expenses. The actual expenses are reimbursed, plus the appropriate percentage of the fee.

This amendment adjusts the amount of the cap to reflect the increase in overhead, and in direct reimbursable expenses not included in the original contract. The estimated total of this addition is \$403,885. Only actual expenditures are reimbursed. No increase in fee is authorized. The new contract cap is \$2,662,430.

The Advisory Committee on Design and Construction has reviewed this amendment and recommended its approval.

Under provisions of Ordinance No. 88-271E, the Council must exempt amendments to the Turner contract which exceed \$10,000 from the competitive procurement process otherwise required in Section 2.04.053 of the Metro Code.

EXECUTIVE OFFICER RECOMMENDATION:

The Executive Officer recommends Council adoption of Resolution No. 89-1085.