

BEFORE THE CONTRACT REVIEW BOARD OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF EXEMPTING ) RESOLUTION NO. 90-1285  
OREGON CONVENTION CENTER )  
FOLLOW-ON CONTRACT ITEMS FROM ) Introduced by Rena Cusma,  
REQUIREMENTS OF METRO CODE ) Executive Officer  
SECTION 2.04.041(C) AN 2.04.044 )

WHEREAS, the Oregon Convention Center, under construction by Metro in northeast Portland, is scheduled to open September 19, 1990; and

WHEREAS, to avoid impacts to the schedule of the General Contractor, and associated costs and potential claims to the public, follow-on contracts to complete certain items at the Oregon Convention Center are anticipated; and

WHEREAS, adequate time for a full bid process is not available for the several follow-on contract items; and

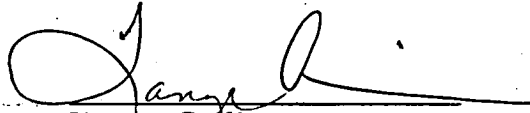
WHEREAS, alternate methods of ensuring competition will be utilized; and now, therefore;

BE IT RESOLVED,

1. That the Contract Review Board of the Metropolitan Service District adopts the findings attached hereto as Exhibit A; and
2. That the Contract Review Board hereby exempts the class of Oregon Convention Center follow-on construction contracts between \$15,000 and \$31,000 from requirements of Metro Code Section 2.04.044; and
3. That the Contract Review Board hereby exempts the window maintenance suspension system from requirements of Metro Code 2.04.044; and

4. That the Contract Review Board directs that for the Oregon Convention Center follow-on construction contracts (attached hereto as Exhibit B) and the window maintenance suspension system contract, competitive quote procedures specified in Metro Code Section 2.04.043 be utilized as the alternate contracting procedure.

ADOPTED by the Contract Review Board of the Metropolitan Service District this 28th day of June, 1990.

A handwritten signature in black ink, appearing to read 'Tanya Collier', written over a horizontal line.

Tanya Collier  
Presiding Officer

Exhibit "A"

Findings for Miscellaneous Follow-on Contract Items  
Between \$15,000 and \$31,000

- As required by ORS 279.015(2)(a), the Metropolitan Service District Contract Review Board finds that exempting the Oregon Convention Center Follow-on Contracts between \$15,000 and \$31,000 is unlikely to encourage favoritism or substantially diminish competition because:
  1. Three competitive quotes will be required as an alternate contracting procedures, thus competition will not be diminished and favoritism will be avoided.
  2. Competitive quote procedures for public contracts up to \$31,000 in value rather than bids are currently allowed by the Contract Review Board for Metropolitan Exposition-Recreation Commission public contracts and in establishing that rule, the Board previously found that this did not substantially diminish competition.
  3. The Metro Code already allows competitive quotes for parking lot surfacing in excess of \$15,000.
  4. Many public agencies use the higher threshold of \$31,000 or above, and this does not depart from standard industry practices.
- As required by ORS 279.015(2)(b), the Metropolitan Service District Contract Review Board finds that exempting Oregon Convention Center Follow-on Contracts between \$15,000 and \$31,000 will result in substantial cost savings because:
  1. The ability to contract for work quickly in the pre-opening time frame precludes normal bid procedures; cost savings will result directly to the public by contracting these items prior to opening and thus avoiding conflicts with building operations.

2. The time and effort to develop detailed contract documents for bidding required for accurate bids will be avoided, thus allowing Metro to preserve valuable staff time.

Findings for the  
Window Maintenance Suspension System

- As required by ORS 279.015(2)(a), the Metropolitan Service District Contract Review Board finds that exempting Oregon Convention Center Window Maintenance Suspension System is unlikely to encourage favoritism or substantially diminish competition because:
  1. Agency staff have surveyed the the marketplace, and find only two to three firms qualified to fabricate and install a window maintenance suspension system for the Oregon Convention Center towers.
  2. The alternate contracting method requires solicitation of three quotes, thereby covering the market for qualified contractors, and will therefore not diminish competition or encourage favoritism.
  
- As required by ORS 279.015(2) (b), the Metropolitan Service District Contract Review Board finds that exempting the Oregon Convention Center Window Maintenance Suspension System is unlikely to encourage favoritism or substantially diminish competition because:
  1. The ability to focus discussion with the two to three known qualified contractors, and to avoid development of generic bid specifications, will result in costs savings, both in terms of on-going operations, liability, and initial capital costs.
  2. The time and effort to develop detailed bid and contract documents will be avoided, thus freeing up Metro's limited resources.
  3. The ability to contract for work more quickly will result in cost savings to the public.

Exhibit B

Oregon Convention Center  
Follow On Contract Items

<u>Item</u>	<u>Budget Amt.</u>
Window Maintenance Suspension System	\$100,000
Underground Storage Tank (cc-614)	30,000
Change Out Hardware (Front Doors/ cc 581)	27,000
Handicap Changes - plumbing	12,000
Handicap Changes - other	26,000
Add Counter at Phone Banks	6,000
Pendulum (Misc.)	5,000
Bells (Misc.)	5,000
Dragon Boat	1,000
Add Conduit for Signage/Bells	5,000
Change Out Hardware at Pass through Doors (Partitions/ cc 598)	2,400
Trench Drain at 1st Ave. (cc 604)	6,600
Pipe Freeze Protection (cc 605)	16,000
Automatic Teller Machines work	4,000
Add Rails at Planters	10,000
Exh. Hall toilet room sight shields	2,000
Computer Installation	5,000
Power Line Induction	1,500
Add Landscaping at Holladay Planter s (Buster)	2,500
Add power for Time Clock	1,000
Add power at Cook's Office	500
Items to be defined (contingency)	<u>75,000</u>
TOTAL	\$343,500

CONVENTION & VISITOR FACILITIES  
COMMITTEE REPORT

RESOLUTION NO. 90-1285, FOR THE PURPOSE OF EXEMPTING OREGON  
CONVENTION CENTER FOLLOW-ON CONTRACT ITEMS FROM REQUIREMENTS OF  
METRO CODE SECTION 2.04.041(c) AND 2.04.044

Date: June 20, 1990

Presented by: Councilor Knowles

COMMITTEE RECOMMENDATION: The Convention and Visitor Facilities  
Committee voted 4 to 0 to recommend Council adoption of Resolution  
No. 90-1285. Voting: Councilors Knowles, Buchanan, McFarland and  
Van Bergen. Absent: Councilor Hansen. This action was taken June  
12, 1990.

COMMITTEE DISCUSSION/ISSUES: A staff report was presented by Neil  
McFarlane, Convention Center Project Operations Manager. He reported  
that Metro has determined not to assign additional work to the  
general contractor except for items that are required for receipt of  
the Building Occupancy Permit. This is intended to allow the general  
contractor to complete the contract work within the prescribed  
contract period and avoid any potential schedule claims based upon  
owner requested changes.

Because of the above policy, it will be necessary to award a number  
of "follow-on" contracts (FOC) for the following items:

<u>Item</u>	<u>Budget Amount</u>
Window Maintenance Suspension System	\$100,000
Underground Storage Tank (cc-614)	30,000
Change Out Hardware (Front Doors/cc 581)	27,000
Handicap Changes - plumbing	26,000
Handicap Changes - other	12,000
Add Counter at Phone Banks	6,000
Pendulum (Misc.)	5,000
Bells (Misc.)	5,000
Dragon Boat	1,000
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Add Rails at Planters	10,000
Exh. Hall toilet room sight shields	2,000
Computer Installation	5,000
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Add Landscaping at Holladay Planter s (Buster)	2,500
Add power for Time Clock	1,000
Add power at Cook's Office	500
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CONVENTION & VISITOR FACILITIES COMMITTEE REPORT

June 20, 1990

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All of the above items are considered necessary to the efficient and desired operation of the Convention Center. None of the items were included in the general contractor's scope of work and are considered "extras" to the general contract.

Staff is requesting the use of a competitive quotes procedure (3 quotes) as provided in the Metro Code for the follow-on contract items which total less than \$31,000 in value and the window maintenance suspension system. In essence, this raises the threshold for formal bids from \$15,000 to \$31,000. This is the same threshold established by Council for Metro ERC contracts. The higher threshold is requested because of timing requirements of follow-on work.

The Committee stated that it appeared that some of the follow-on items are oversights that should have been included in the original scope of work.

The Committee indicated that approval of Resolution No. 90-1285 does not eliminate Metro's duty to try and recover appropriate costs from the architect if the architect made errors or omissions in the original construction specifications.

DK:RB:aeb

A:\90-1285.RPT



## STAFF REPORT

### CONSIDERATION OF RESOLUTION 90-1285 FOR THE PURPOSES OF EXEMPTING OREGON CONVENTION CENTER FOLLOW-ON CONTRACT ITEMS FROM REQUIREMENTS OF METRO CODE SECTION 2.04.041(c) AND 2.04.044

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Date: June 5, 1990

Presented by: Neil McFarlane

As of May 15, 1990, due to the impending substantial completion date at the Convention Center of July 16, 1990, Metro has determined that it is in the best interest of timely completion of the general contract not to assign additional work to the General Contractor Hoffman-Marmolejo (HOM) except for items which are deemed essential to receipt of the Building Occupancy Permit. This policy is intended to allow HOM to complete the contract work within the prescribed contract duration and thereby avoid any potential schedule claims based upon owner requested changes.

As a result of this policy, it will become necessary to award a "follow-on contract" (FOC) which would include a number of items to be completed subsequent to HOM's substantial completion and prior to or soon after Grand Opening. The items which would be included in the FOC are miscellaneous in nature. All of the items are regarded as necessary to the efficient and desired operation of the building. None of the items were included in the General Contractor's scope of work and therefore are considered "extras" to the General Contract.

The current list of items are detailed below. As work progresses on site additional items may be come apparent as FOC items. To accommodate such items a \$75,000 allowance for these undertermined items is recommended.

#### Follow On Contract Items

<u>Item</u>	<u>Budget Amt.</u>
Window Maintenance Suspension System	\$100,000
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Add power for Time Clock	1,000
Add power at Cook's Office	500
Items to be defined (contingency)	<u>75,000</u>
TOTAL	\$343,500

The resolution allows the use of competitive quotes procedure (3 quotes) as specified in Metro Code Section 2.04.043 to be used for the follow-on contract items which total less than \$31,000 in value. In essence, this raises the threshold for formal bids from \$15,000 to \$31,000. This is identical to the threshold established by the Council for Metro ERC contracts and is the threshold for formal bidding used by the City of Portland. The higher threshold is justified primarily by the timing requirements of follow-on work. This work will be most cost-effective to complete prior to the Center's September 1990 opening.

The resolution also exempts the Window Maintenance Suspension System from competitive bidding. The work required for the window maintenance contract is extremely technical. Ongoing operations of the system will result in substantial liability exposure. A review of the market place has resulted in identification of only two or three firms technically capable of executing the work in a responsible manner. Therefore, the quote procedure will not diminish competition. The ability to go directly to the two or three qualified firms will enhance Metro's probability of soliciting a favorable price and contract arrangements to minimize Metro's on-going operations liability exposure.

Recommendation:

The Executive Officer recommends approval of Resolution No. 90-1285 by the Contract Review Board.