

BEFORE THE CONTRACT REVIEW BOARD OF THE
COUNCIL OF THE METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING AN)
EXEMPTION FROM METRO CODE)
SECTION 2.04.054 FOR AN)
AMENDMENT OF THE TURNER)
CONSTRUCTION COMPANY CONTRACT)

RESOLUTION NO. 91 - 1401 - A
Introduced by Executive Officer,
Rena Cusma

WHEREAS, Turner Construction Company has performed construction management services continuously at the Oregon Convention Center since October 1986 when they were competitively selected; and

WHEREAS, As a result of their on-going and competent service at the Center, Turner has gained an unequalled knowledge of both the Center, its operations and its operators; and

WHEREAS, There remains approximately \$2.3 million of construction to be completed at the Convention Center as detailed on attached Exhibit A-1 and Exhibit A-2; and

WHEREAS, The Advisory Committee on Design and Construction has recommended that Turner's contract be amended to allow Turner to complete the final construction items as Construction Manager/General Contractor; and

WHEREAS, Turner has agreed to perform the remaining work as Construction Manager/General Contractor for cost plus a 5% fee per the Amendment attached as Exhibit B; and

WHEREAS, Findings, attached as Exhibit [A-2] A-3, support the Turner amendment as resulting in significant cost savings to Metro and as not encouraging favoritism or diminishing competition.

BE IT RESOLVED, that the Council of the Metropolitan Service District, acting as Contract Review Board, authorizes the amendment, attached as Exhibit B, of the Turner Construction Company contract to allow Turner to complete the remaining construction activity as defined in Exhibit A-1 at the Convention Center as Construction Manager/General Contractor and adopts the findings attached hereto as Exhibit [A-2] A-3.

ADOPTED by the Council of the Metropolitan Service District this 28th day of February, 1991.

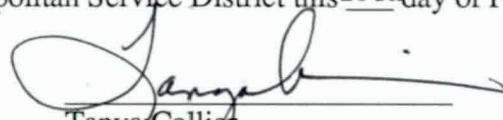

Tanya Collier
Presiding Officer

Exhibit A-1

Follow-on Construction Activities
Oregon Convention Center

<u>Mandatory</u> Work Items - Phase I	Est. Cost
Skyview Terraces (\$50,000 charged to MERC)	\$650,000
Installation of exterior handicap door controls	15,000
Erosion control at First Avenue	6,600
Addition of ticket window awnings	200,000
Additional electrical capacity (ballrm & mtg rm corridors)	150,000
Additional lighting in VIP lounge	10,000
Additional lighting at phone alcoves	10,000
Can wash at loading docks	10,000
Move First Ave. doors	5,000
Coiling door screens on select storage rms.	6,500
Fine Host office remodel work (\$75,000 charged to MERC)	75,000
Buster Simpson art project coordination	5,000
Cable signal boost - exterior	3,000
Skyview economizer units	60,000
Underground storage tank	<u>25,000</u>
Total[(mandatory)]	\$1,231,100
Turner 5% fee	\$61,555

Exhibit - A-2

Follow-on Construction Activity
Oregon Convention Center

<u>[Discretionary] Work Items- Phase II</u>	<u>Est. Cost</u>
Addition of passenger elevator - [Phase II]	300,000
Tower window maintenance system	400,000
Consolidated light controls	200,000
Installation of humidity controls	90,000
Additional storage rms. in service corridor	77,000
Cooling tower screen wall	25,000
Cable signal boost - Interior	<u>25,000</u>
Total [(discretionary)]	\$1,117,000
Turner 5% fee	\$55,850

EXHIBIT [A-2] A-3

FINDINGS SUPPORTING THE AMENDMENT TO THE TURNER CONTRACT

As required by Metro Code Section 2.04.041(b): Unlikely to encourage favoritism or substantially diminish competition:

1. Turner was originally selected by competitive process.
2. Turner will be required to solicit at least three competitive quotes for all elements of the work, ensuring competition at the subcontractor level.
3. Competitive quote procedures for public contracts up to \$31,000 in value are currently allowed by the Contract Review Board for MERC public contracts and were previously allowed for a group of follow-on contracts at the Convention Center and in establishing these rules, the Board previously found that the procedures did not substantially diminish competition.
4. The Metro Code already allows competitive quotes for parking lot surfacing in excess of \$25,000.

As required by Metro Code Section 2.04.041 (b): Will result in substantial cost savings to the public contracting agency:

1. Turner's proposal of a 5% fee based on the cost of subcontracts is expected to result in a maximum cost savings of approximately \$234,810. This can be compared to the option of having the work performed by the project General Contractor at his 15% fee or at the going industry rates. Turner's very reasonable fee reflects their current on-site status, negating mobilization costs, and their familiarity with the requirements of the work.
2. An alternative to having Turner perform the work would require a significant amount of Metro staff time to prepare, bid and administer the several necessary individual contracts. To accomplish this work, as well as other on-going activities, would require additional staff. In addition, bidding as separate packages by Metro eliminates possible savings available to Construction Manager/General Contractor such as Turner.
3. A second alternative would require the bidding as a single package to a General Contractor. This would entail a high General Contractor fee due to the unrelated nature of the work and would also require a high degree of Metro staff time because of the necessary Construction Manager function.

Exhibit B

AMENDMENT NO. 3

TURNER CONSTRUCTION COMPANY

Contract No. 86-10-186-CC

The contract between the Metropolitan Service District, hereinafter referred to as "METRO", and Turner Construction Company, hereinafter referred to as "MANAGER", to provide construction management services at the Oregon Convention Center, Contract No. 86-10-186-CC, is hereby amended.

It is the intent of the parties to amend the contract to allow Manager to continue and complete its services at the Oregon Convention Center both as Construction Manger and General Contractor for the final construction activities described in the attached Exhibit A-1. Metro may also determine at some time in the future it is necessary and appropriate to complete the construction items listed as Phase II items on attached Exhibit A-2. Authorization of such Phase II items is subject to future approval by the Metro Council. Turner will need prior authorization in the form of a written Notice to Proceed prior to the commencement of each individual work item. As such it is necessary to modify the contract as follows:

At Paragraph C, Construction Phase, of the Scope of Work, attached as Exhibit A-1, the following:

5. Follow - On Contract Activity

Manager shall complete the follow-on contract items listed on attachment Exhibit A-1 as directed by Metro at the Oregon Convention Center as Construction Manager/General Contractor (CM/GC). Prior to commencing any individual item, Manager shall receive written authorization from Metro in the form of a Notice to Procced. In this role, Manager shall continue all Construction Manager activities as listed in the original scope of work and will add the following tasks:

- (a) Working with the Project Architect, prepare complete bidding documentation to permit timely construction of all authorized items listed on Exhibit A-1.
- (b) Solicit bids from at least 3 qualified bidders for each authorized work item in a timely manner. Solicitation shall include the placement of advertisements in the appropriate publications. All requirements of Metro's D/WBE Program shall be adhered to.
- (c) Award all contracts to the the lowest responsive bidder. Contracts will be executed between Turner and the individual subcontractors. Turner is responsible for all fiscal contract administration required of such contracts.
- (d) Manage such contracts during the course of construction. Such management shall include at the minimum all tasks previously assigned to Manager as Construction Manager and all tasks assigned the Convention Center's General Contractor (Hoffman - Marmolejo) as proscribed in the General and Supplementary Conditions of the Oregon Convention Center General Contract which are herein incorporated by reference.
- (e) All construction activity shall be complete by June 30, 1991.

At Exhibit B-1, Compensation to Manager, add Subparagraph C. 4 (k), Other Direct Costs, to read as follows:

(k) Metro will pay Manager direct subcontract costs associated with authorized Convention Center follow-on items as listed on attached Exhibit A-1.

At Exhibit B-1, Compensation to Manager, amend Paragraph D as follows:

D. [Fixed] Fee - In addition to the actual recoverable costs set forth in Paragraph B above, Metro shall pay Manager a fixed fee of \$430,000. The fixed fee shall not be subject to annual and other adjustments during the duration of this Agreement, without written approval of Metro.

In addition to the fixed fee, Manager shall receive a fee of 5% of the direct subcontract costs as compensation for the construction management and general contracting services associated with the authorized follow-on construction items listed in attachment Exhibit A-1.

Paragraph E of the Scope of Work, attached as Exhibit A, which limits Managers participation to construction manager services only, is deleted.

Paragraph C of Article VI, Indemnity and Insurance, which deals with Comprehensive General and Automobile Liability, is modified as follows:

C. Comprehensive General and Automobile Liability - Manager shall maintain comprehensive general and automobile liability insurance for the protection of Manager and Metro, its directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad form property damage, including loss of use thereof, and occurring or in any way related to Manager's operations, in an amount not less than \$1,000,000 combined single limit per occurrence/annual aggregate. Such insurance shall name Metro as additional insured with the stipulation that this insurance, as to the interest of Metro only therein, shall not be invalidated by any act or neglect or breach of contract by Manager. The coverage provided by this policy(ies) shall be primary and any other insurance carried by Metro is excess.

Such comprehensive general liability shall include Blanket Liability, Broad Form Property Damage Liability (including XCU), Personal Injury Liability, and Completed Operations Liability. The Completed Operations Liability shall remain in effect for a period of two years from final completion and acceptance of the Work by Metro.

Manager shall furnish Metro a certificate evidencing the date, amount, and type of insurance that has been procured, pursuant to this Contract. All policies will provide for not less than 30 days' written notice to Metro before they may be revised, not renewal, or cancelled.

Metro agrees that, apart from this contract, each of the contracts it enters into for the design and the construction of the project name Manager and Metro as additional insured and will contain clauses indemnifying and holding harmless Metro and Manager from any and all liability, settlements, loss, costs, and expenses, including attorney's fees, in connection with any action, suit or claim resulting from contractor's acts, errors or omissions, provided pursuant to their respective contracts. Metro shall also have Manager named as additional insured on all builder's risk insurance policies in connection with the project.

All additional contracts which Metro executes for the design and construction of the Project shall require the contracting parties to carry insurance as follows:

1. Workers' Compensation and Employers' Liability in accordance with applicable law.
2. Comprehensive General Liability--bodily injury liability and property damage liability combined in the amount of \$10,000,000 per occurrence.
3. Comprehensive Automobile Liability--bodily injury liability and property damage liability combined in the amount of \$10,000,000 per occurrence.
4. Architect/Engineer for the design portion of the project shall carry comprehensive general liability insurance in the amount of [~~\$5,000,000~~] \$1,000,000 per occurrence. The Architect/Engineer shall also carry professional errors and omissions insurance in the amount of [~~\$5,000,000~~] \$1,000,000.
5. [~~General contractor and/or~~] Metro shall carry property insurance covering the premises which shall protect Metro's interest only. Such insurance shall contain a provision for a deductible. Manager shall be responsible for any deductible which results from Manager's or Manager's subcontractors negligence. ["All Risk" builder's risk insurance upon the work and upon all materials, tools, equipment, supplies and temporary structures required in connection therewith, payable to the parties hereto as their interest may appear. Such insurance shall include the interest of Metro, the Manager and its subcontractors and shall be satisfactory to Metro.]

~~[Such insurance shall contain a waiver by the general contractor of any and all rights of recovery against Metro and Manager and their subcontractors and/or consultants for damages resulting from loss insured pursuant to Article VI herein.]~~ Metro and Manager shall obtain waivers of subrogation against each other. Metro shall include similar clauses in all other contracts for this project, unless such waivers are not obtainable.

~~[Manager will attempt to achieve a reduction of approximately \$165,800 from their original estimate of \$365,800 to \$200,000 currently shown in Exhibit B-2 in the premium for general liability insurance. If Manager is unable to accomplish such reduction by November 15, 1986, Metro may, at its election, attempt to secure identical coverage on behalf of Manager for this project. Metro will receive full cooperation of Manager in placing this coverage.]~~

The contract expiration date shall be extended to July 31, 1991.

All other terms and conditions remain in full force and effect.

TURNER CONSTRUCTION COMPANY METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

Date: _____

Date: _____

STAFF REPORT

CONSIDERATION OF RESOLUTION 91-1401 FOR THE PURPOSES OF AUTHORIZING AN EXEMPTION FROM REQUIREMENTS OF METRO CODE TO PERMIT AMENDING THE TURNER CONSTRUCTION COMPANY CONTRACT FOR COMPLETION OF THE OREGON CONVENTION CENTER

Date: January 22, 1991

Presented by: Neil Saling

FACTUAL BACKGROUND AND ANALYSIS

In the fall of 1986, Metro competitively selected Turner Construction Company to perform construction management services at the Oregon Convention Center. During the current wind-down period of construction activity at the Center, Turner maintains two staff members at less than full time to monitor and coordinate on-going punch list activity and participate in on-going building transition activities. The current Turner contract has a remaining contract balance of approximately \$200,000.

Construction activity at the Convention Center Project has spanned four and one-half years with a total project price tag of over \$90 million. The building's official Grand Opening was held in September 1990. Notwithstanding the public opening of the building, a number of construction items remain outstanding. This outstanding work is estimated to cost approximately \$2.3 million and results from decisions made during construction to delay certain work until it was determined that funds would be available and from the requirements and shortcomings of the building which are now becoming evident as the building begins operations. A list of these items is attached as Exhibit A-1. The list is separated into "mandatory" and "discretionary" items. The mandatory items are necessary to the successful operation of the building and, in some cases, have been previously approved by the Metro Council. The discretionary work items are considered less important and would be considered if funds allow.

Resolution No. 91-1401 would grant Metro Council authorization for the completion of both mandatory and discretionary items and would amend the Turner contract, allowing Turner to act not only as construction manager but also as general contractor (CM/GC) for the remaining work. Prior to commencing any individual work item, Turner would have to have received a written Notice to Proceed. Project Staff recommend approval of this

could be ascertained. Once these uncertainties were determined, Project staff would elect on a case by case basis whether to proceed with the discretionary items.

It is expected that the mandatory work items could be completed within four months of execution of the proposed Turner amendment. Turner currently is expected to continue at the Center in their current capacity only through March 1991.

Recommendation:

The Executive Officer recommends approval of Resolution No. 90-1401 by the Contract Review Board.

BEFORE THE CONTRACT REVIEW BOARD OF THE
COUNCIL OF THE METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING AN)
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SECTION 2.04.054 FOR AN)
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CONSTRUCTION COMPANY CONTRACT)

RESOLUTION NO. 91 - 1401
Introduced by Executive Officer,
Rena Cusma

WHEREAS, Turner Construction Company has performed construction management services continuously at the Oregon Convention Center since October 1986 when they were competitively selected; and

WHEREAS, As a result of their on-going and competent service at the Center, Turner has gained an unequalled knowledge of both the Center, its operations and its operators; and

WHEREAS, There remains approximately \$2.3 million of construction to be completed at the Convention Center as detailed on attached Exhibit A-1; and

WHEREAS, The Advisory Committee on Design and Construction has recommended that Turner's contract be amended to allow Turner to complete the final construction items as Construction Manager/General Contractor; and

WHEREAS, Turner has agreed to perform the remaining work as Construction Manager/General Contractor for cost plus a 5% fee per the Amendment attached as Exhibit B; and

WHEREAS, Findings, attached as Exhibit A-2, support the Turner amendment as resulting in significant cost savings to Metro and as not encouraging favoritism or diminishing competition.

BE IT RESOLVED, that the Council of the Metropolitan Service District, acting as Contract Review Board, authorizes the amendment , attached as Exhibit B, of the Turner Construction Company contract to allow Turner to complete the remaining construction activity at the Convention Center as Construction Manager/General Contractor and adopts the findings attached hereto as Exhibit A-2.

ADOPTED by the Council of the Metropolitan Service District this ____ day of February, 1991.

Tanya Collier
Presiding Officer

Exhibit A-1

Follow-on Construction Activities
Oregon Convention Center

<u>Mandatory Items</u>	<u>Est. Cost</u>
Skyview Terraces (\$50,000 charged to MERC)	\$650,000
Installation of exterior handicap door controls	15,000
Erosion control at First Avenue	6,600
Addition of ticket window awnings	200,000
Additional electrical capacity (ballrm & mtg rm corridors)	150,000
Additional lighting in VIP lounge	10,000
Additional lighting at phone alcoves	10,000
Can wash at loading docks	10,000
Move First Ave. doors	5,000
Coiling door screens on select storage rms.	6,500
Fine Host office remodel work (\$75,000 charged to MERC)	75,000
Buster Simpson art project coordination	5,000
Cable signal boost - exterior	3,000
Skyview economizer units	60,000
Underground storage tank	25,000
Addition of passenger elevator - Phase I	<u>50,000</u>

Total(mandatory) \$1,281,100

Turner 5% fee \$64,055

<u>Discretionary Items</u>	<u>Est. Cost</u>
Addition of passenger elevator - Phase II	250,000
Tower window maintenance system	400,000
Consolidated light controls	200,000
Installation of humidity controls	90,000
Additional storage rms. in service corridor	77,000
Cooling tower screen wall	25,000
Cable signal boost - Interior	<u>25,000</u>

Total (discretionary) \$1,067,000

Turner 5% fee \$53,350

Total (all items) \$2,348,100

Turner fee (all items) \$117,405

EXHIBIT A-2

FINDINGS SUPPORTING THE AMENDMENT TO THE TURNER CONTRACT

As required by Metro Code Section 2.04.041(b): Unlikely to encourage favoritism or substantially diminish competition:

1. Turner was originally selected by competitive process.
2. Turner will be required to solicit at least three competitive quotes for all elements of the work, ensuring competition at the subcontractor level.
3. Competitive quote procedures for public contracts up to \$31,000 in value are currently allowed by the Contract Review Board for MERC public contracts and were previously allowed for a group of follow-on contracts at the Convention Center and in establishing these rules, the Board previously found that the procedures did not substantially diminish competition.
4. The Metro Code already allows competitive quotes for parking lot surfacing in excess of \$25,000.

As required by Metro Code Section 2.04.041 (b): Will result in substantial cost savings to the public contracting agency:

1. Turner's proposal of a 5% fee based on the cost of subcontracts is expected to result in a maximum cost savings of approximately \$234,810. This can be compared to the option of having the work performed by the project General Contractor at his 15% fee or at the going industry rates. Turner's very reasonable fee reflects their current on-site status, negating mobilization costs, and their familiarity with the requirements of the work.
2. An alternative to having Turner perform the work would require a significant amount of Metro staff time to prepare, bid and administer the several necessary individual contracts. To accomplish this work, as well as other on-going activities, would require additional staff. In addition, bidding as separate packages by Metro eliminates possible savings available to Construction Manager/General Contractor such as Turner.
3. A second alternative would require the bidding as a single package to a General Contractor. This would entail a high General Contractor fee due to the unrelated nature of the work and would also require a high degree of Metro staff time because of the necessary Construction Manager function.

AMENDMENT NO. 3

TURNER CONSTRUCTION COMPANY

Contract No. 86-10-186-CC

The contract between the Metropolitan Service District, hereinafter referred to as "METRO", and Turner Construction Company, hereinafter referred to as "MANAGER", to provide construction management services at the Oregon Convention Center, Contract No. 86-10-186-CC, is hereby amended.

It is the intent of the parties to amend the contract to allow Manager to continue and complete its services at the Oregon Convention Center both as Construction Manager and General Contractor for the final construction activities described in the attached Exhibit A-1. Turner will need prior authorization in the form of a written Notice to Proceed prior to the commencement of each individual work item. As such it is necessary to modify the contract as follows:

At Paragraph C, Construction Phase, of the Scope of Work, attached as Exhibit A-1, the following:

5. Follow - On Contract Activity

Manager shall complete the follow-on contract items listed on attachment Exhibit A-1 as directed by Metro at the Oregon Convention Center as Construction Manager/General Contractor (CM/GC). Prior to commencing any individual item, Manager shall receive written authorization from Metro in the form of a Notice to Proceed. In this role, Manager shall continue all Construction Manager activities as listed in the original scope of work and will add the following tasks:

- (a) Working with the Project Architect, prepare complete bidding documentation to permit timely construction of all authorized items listed on Exhibit A-1.
- (b) Solicit bids from at least 3 qualified bidders for each authorized work item in a timely manner. Solicitation shall include the placement of advertisements in the appropriate publications. All requirements of Metro's D/WBE Program shall be adhered to.
- (c) Award all contracts to the the lowest responsive bidder. Contracts will be executed between Turner and the individual subcontractors. Turner is responsible for all fiscal contract administration required of such contracts.
- (d) Manage such contracts during the course of construction. Such management shall include at the minimum all tasks previously assigned to Manager as Construction Manager and all tasks assigned the Convention Center's General Contractor (Hoffman - Marmolejo) as proscribed in the General and Supplementary Conditions of the Oregon Convention Center General Contract which are herein incorporated by reference.
- (e) All construction activity shall be complete by June 30, 1991.

At Exhibit B-1, Compensation to Manager, add Subparagraph C. 4 (k), Other Direct Costs, to read as follows:

(k) Metro will pay Manager direct subcontract costs associated with authorized Convention Center follow-on items as listed on attached Exhibit A-1.

At Exhibit B-1, Compensation to Manager, amend Paragraph D as follows:

D. [Fixed] Fee - In addition to the actual recoverable costs set forth in Paragraph B above, Metro shall pay Manager a fixed fee of \$430,000. The fixed fee shall not be subject to annual and other adjustments during the duration of this Agreement, without written approval of Metro.

In addition to the fixed fee, Manager shall receive a fee of 5% of the direct subcontract costs as compensation for the construction management and general contracting services associated with the authorized follow-on construction items listed in attachment Exhibit A-1.

Paragraph E of the Scope of Work, attached as Exhibit A, which limits Managers participation to construction manager services only, is deleted.

Paragraph C of Article VI, Indemnity and Insurance, which deals with Comprehensive General and Automobile Liability, is modified as follows:

C. Comprehensive General and Automobile Liability - Manager shall maintain comprehensive general and automobile liability insurance for the protection of Manager and Metro, its directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad form property damage, including loss of use thereof, and occurring or in any way related to Manager's operations, in an amount not less than \$1,000,000 combined single limit per occurrence/annual aggregate. Such insurance shall name Metro as additional insured with the stipulation that this insurance, as to the interest of Metro only therein, shall not be invalidated by any act or neglect or breach of contract by Manager. The coverage provided by this policy(ies) shall be primary and any other insurance carried by Metro is excess.

Such comprehensive general liability shall include Blanket Liability, Broad Form Property Damage Liability (including XCU), Personal Injury Liability, and Completed Operations Liability. The Completed Operations Liability shall remain in effect for a period of two years from final completion and acceptance of the Work by Metro.

Manager shall furnish Metro a certificate evidencing the date, amount, and type of insurance that has been procured, pursuant to this Contract. All policies will provide for not less than 30 days' written notice to Metro before they may be revised, not renewal, or cancelled.

Metro agrees that, apart from this contract, each of the contracts it enters into for the design and the construction of the project name Manager and Metro as additional insured and will contain clauses indemnifying and holding harmless Metro and Manager from any and all liability, settlements, loss, costs, and expenses, including attorney's fees, in connection with any action, suit or claim resulting from contractor's acts, errors or omissions, provided pursuant to their respective contracts. Metro shall also have Manager named as additional insured on all builder's risk insurance policies in connection with the project.

All additional contracts which Metro executes for the design and construction of the Project shall require the contracting parties to carry insurance as follows:

1. Workers' Compensation and Employers' Liability in accordance with applicable law.
2. Comprehensive General Liability--bodily injury liability and property damage liability combined in the amount of \$10,000,000 per occurrence.
3. Comprehensive Automobile Liability--bodily injury liability and property damage liability combined in the amount of \$10,000,000 per occurrence.
4. Architect/Engineer for the design portion of the project shall carry comprehensive general liability insurance in the amount of ~~[\$5,000,000]~~ \$1,000,000 per occurrence. The Architect/Engineer shall also carry professional errors and omissions insurance in the amount of ~~[\$5,000,000]~~ \$1,000,000.
5. ~~[General contractor and/or]~~ Metro shall carry property insurance covering the premises which shall protect Metro's interest only. Such insurance shall contain a provision for a deductible. Manager shall be responsible for any deductible which results from Manager's or Manager's subcontractors negligence. ["All Risk" builder's risk insurance upon the work and upon all materials, tools, equipment, supplies and temporary structures required in connection therewith, payable to the parties hereto as their interest may appear. Such insurance shall include the interest of Metro, the Manager and its subcontractors and shall be satisfactory to Metro.]

~~[Such insurance shall contain a waiver by the general contractor of any and all rights of recovery against Metro and Manager and their subcontractors and/or consultants for damages resulting from loss insured pursuant to Article VI herein.]~~ Metro and Manager shall obtain waivers of subrogation against each other. Metro shall include similar clauses in all other contracts for this project, unless such waivers are not obtainable.

~~[Manager will attempt to achieve a reduction of approximately \$165,800 from their original estimate of \$365,800 to \$200,000 currently shown in Exhibit B-2 in the premium for general liability insurance. If Manager is unable to accomplish such reduction by November 15, 1986, Metro may, at its election, attempt to secure identical coverage on behalf of Manager for this project. Metro will receive full cooperation of Manager in placing this coverage.]~~

The contract expiration date shall be extended to July 31, 1991.

All other terms and conditions remain in full force and effect.

TURNER CONSTRUCTION COMPANY METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

Date: _____

Date: _____

REGIONAL FACILITIES COMMITTEE REPORT

RESOLUTION NO. 91-1401A, AUTHORIZING AN EXEMPTION FROM METRO CODE SECTION 2.04.054 FOR AN AMENDMENT OF THE TURNER CONSTRUCTION COMPANY CONTRACT

Date: February 27, 1991

Presented by: Councilor Knowles

COMMITTEE RECOMMENDATION: At its February 26, 1991, meeting the Council Regional Facilities Committee unanimously recommended Council adoption of Resolution No. 91-1401A. Voting were Councilors Knowles, Bauer, Buchanan, Gardner, and McFarland.

COMMITTEE DISCUSSION/ISSUES: Neil Saling presented the staff report. He explained that the resolution would authorize an amendment to Turner's contract to allow them to act as the general contractor, as well as construction manager, for the residual construction work remaining to be done at the Oregon Convention Center. Staff and the Advisory Committee on Design & Construction support the contract amendment because of Turner's experience with the project and their commitment to perform the work for a 5% fee, which is considerably lower than the normal 10-15% charge for general contractor services. Estimated cost of the remaining work totals \$2.3 million, not including Turner's fee. It is broken down in two phases, outlined in Attachments A-1 and A-2.

The committee identified three issues for their consideration. First was the primary thrust of the resolution, to amend the Turner contract to have them act as general contractor. Second was the scope of the work left to be done: the committee wanted to review the work items before forwarding the entire list to the full Council. Third was the issue of how to dispose of residual funds remaining in the Convention Center project account.

There was little discussion of the first item beyond Mr. Saling's presentation. The committee agreed that the proposed course of action was prudent and fiscally responsible.

To the issue of evaluating the need for each of the work items on the remaining list, Councilor Knowles asked how much money would be left if the \$2.3 million were spent as outlined. Mr. Saling responded that there would be some \$200,000. The committee decided that it should review the residual work items now, because staff wants to give Turner a notice to proceed with approved work items upon Council approval of the resolution. Waiting another 2-4 weeks for further review would cause unnecessary delay in getting the work going. Mr. Saling walked the committee through the 16 items on his "mandatory" list (Exhibit A-1 to the original resolution). Councilor Buchanan asked why the addition of a passenger elevator was in two phases, with one phase in the "mandatory" list and the other listed as "discretionary." Mr. Saling said the point was well taken, and there would be no problem moving Phase I of the elevator project

to the "discretionary" list (now Exhibit A-2 to the amended resolution).

Councilor Knowles pointed out that most of the items in the above list were included in Hoffman's original contract, and had been removed earlier to ensure the project came in on budget. Authorizing their completion would only restore the original scope of the project. He then moved to amend the "be it resolved" part of the resolution to read in line 3, ". . . complete the remaining construction activity as defined in Exhibit A-1 at the Convention . . ." and authorize staff to make necessary technical changes. Councilor Gardner stated that he still had a problem with authorizing some of the items that he considered discretionary. Councilor Bauer disagreed with Councilor Gardner, saying that he was willing to authorize the 15 items Mr. Saling had described and giving the Council the opportunity to raise individual issues if they wished.

The third issue identified was that of disposing of any money left over after all work was completed. Councilor McFarland asked how much of the remaining money was interest. Mr. Saling said that virtually all of it was interest: \$85 million was raised through bond sales, state funds, and the Convention Center Local Improvement District, and \$89 million had already been spent. All money on top of the \$85 million could be classified as interest earnings. In addition, we had already returned \$1.7 million to the taxpayers through a previous reduction in the millage rate for debt service. He added that no discrete promise had been made to the Tax Supervising & Conservation Commission of how much money would be returned, only that we would return what wasn't spent on the Convention Center. The committee discussed with Mr. Saling the process for determining whether, and how much, to return to the taxpayers through another millage rate reduction. The conclusion was that this determination would be made after construction was completed, but that consideration of additional work items would bear in mind the potential to return unspent money to the taxpayers.

The committee's final approval of the resolution included the separation of the original list of work items into two lists. (The original Exhibit A-1 is now A-1 and A-2.) The first 15 items, from Skyview Terraces through Underground Storage Tank, will be authorized upon Council approval of Resolution No. 91-1401A. The remaining items will be dealt with separately at a later time.