

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING)
EXECUTION OF CHANGE ORDER NO. 19)
AND THE RATIFICATION OF CHANGE)
ORDERS NO. 1 THROUGH 18 TO THE)
HOFFMAN CONSTRUCTION COMPANY)
CONTRACT FOR THE CONSTRUCTION)
OF THE METRO REGIONAL CENTER)
AND ADJACENT PARKING STRUCTURE)

RESOLUTION NO. 94-1886

Introduced by
Regional Facilities Committee

WHEREAS, Hoffman Construction Company has been under contract since December 1991 to perform construction services related to the renovation of the Metro Regional Center and adjacent parking garage; and

WHEREAS, 18 change orders totaling \$3,393,992 have been executed which have added a wide range of changes to the original contract (See Exhibit A); and

WHEREAS, Change Order No. 19, which will be the last change order to the Hoffman contract, has been prepared and includes additional work on the parking structure to prevent water damage and final tenant improvements for the first floor office area (See Exhibit B); and

WHEREAS, Metro code 2.04.045 requires Metro Contract Review Board approval of certain change orders when such change orders exceed 10% of the original contract amount;

NOW, THEREFORE BE IT RESOLVED, that the Metro Contract Review Board takes the following action:

1. Authorizes execution of Change Order No. 19 to the Hoffman Construction contract.
2. Ratifies the execution of Change Orders 1 through 18 to the Hoffman Construction contract.

Adopted by the Metro Contract Review Board this 10th day of February, 1994.


Judy Wyers
Presiding Officer

EXHIBIT A

METRO HEADQUARTERS PROJECT

CHANGE ORDER SUMMARY

CHANGE ORDER #1

1.	Core & Shell 5000 sf retail space at corner of Grand Ave. and Lloyd Blvd.	\$118,000.00
2.	Parking garage traffic flow & travel demand management plan studies by Kittleson & Assoc.	4,300.00
3.	Demolition of mechanical equipment in fourth floor annex space.	14,600.00
4.	Contractor 5% fee on items 2 & 3.	<u>945.00</u>
	TOTAL	\$137,845.00

CHANGE ORDER #2

1.	Upsize south HVAC unit to 125 ton.	\$ 24,293.00
2.	PCB light fixture ballast removal.	19,614.00
3.	Replace hydraulic elevator with traction elevator at tower.	0.00
4.	Electrical power cost reimbursement during asbestos removal by PDI.	2,899.00
5.	Contractor 5% fee on item #2.	<u>981.00</u>
	TOTAL	\$ 47,787.00

CHANGE ORDER #3

1.	Reimburse one-half of costs to kill two existing water meters.	\$ 1,200.00
2.	Core & shell fourth floor annex space.	111,904.00
3.	Extend project completion date to 3/11/93.	<u>0.00</u>
	TOTAL	\$113,104.00

CHANGE ORDER #4

1.	Parking garage seismic analysis.	\$ 8,774.00
2.	Security system additions.	3,800.00
3.	Parking garage Conditional Use Review fee.	943.00
4.	Add recycling chutes.	23,365.00
5.	Parking garage design services.	55,909.00
6.	Change to recycled Santana toilet partitions.	0.00
7.	Core & shell adds, HVAC screen walls & Plaza screen wall upgrade.	<u>123,613.00</u>
	TOTALS	\$216,404.00

CHANGE ORDER #5

1.	Upgrade HVAC units to McQuay.	\$ 24,494.00
2.	Upgrade HVAC Energy Management Control System to Barber Coleman.	<u>10,476.00</u>
	TOTAL	\$ 34,970.00

CHANGE ORDER #6

1.	Change garage lighting to high pressure sodium.	1,885.00
2.	Remove parking garage lights with PCB's.	19,324.00
3.	Construct Parking garage seismic shear walls.	47,945.00
4.	Implementation of energy measures 1, 2, 3, 6, 7, 8, 10, & 11.	77,041.00
5.	Design extra's for Police TI, US West room, Landscape redesign, & Shear wall redesign.	<u>17,658.00</u>
	TOTAL	\$163,853.00

CHANGE ORDER #7

1.	Employee parking garage entry/exit gates.	\$ 9,342.00
2.	Delete drip irrigation design fee (C.O. #6).	(800.00)
3.	Remove old brick & add new at employee parking entrance.	11,627.00
4.	Delete electrical transformer upgrade ECM 8 from C.O. #6.	(1,677.00)
5.	Demo & replace sidewalks & utilities at existing parking garage.	104,334.00
6.	Remove & replace existing parking garage light fixtures.	75,720.00
7.	Reimburse contractor for sitework permit at existing parking garage.	<u>11,814.00</u>
	TOTAL	\$210,360.00

CHANGE ORDER #8

1.	Tenant improvements increase in allowance.	\$626,766.00
2.	Audio/visual/paging package.	98,204.00
3.	Remove North Plaza from critical path schedule.	<u>\$0.00</u>
	TOTAL	\$724,970.00

CHANGE ORDER #9

1.	Site electrical work (upgraded street lights to be reimbursed by city).	\$122,253.00
2.	Use Grimms soil mix in landscaping (reimbursed by Solid Waste grant).	<u>\$1,437.00</u>
	TOTAL	\$123,690.00

CHANGE ORDER #10

1.	Weather Delay time extension.	\$0.0
2.	Data/phone rough-in and wiring ADA phones for elevators.	\$112,429.00
3.	Audio/Visual system rough-in (conduit & wiring).	\$18,246.00
4.	Parking Garage elevator upgrade.	<u>\$51,198.00</u>
	TOTAL	\$181,873.00

CHANGE ORDER #11

1.	Resourceful renovation display case. (reimbursed by Solid Waste).	\$23,000.00
2.	Drip irrigation at South Plaza (reimbursed by Solid Waste).	\$1,747.00
3.	Parking Gargage landscape & irrigation.	\$13,045.00
4.	FF&E casework and low wall partitions.	<u>\$151,800.00</u>
	TOTAL	\$189,592.00

CHANGE ORDER #12

1.	Upgrade to sheerview perforated blinds.	\$15,714.00
2.	PP&L Finanswer energy measures design.	<u>14,614.00</u>
	TOTAL	\$30,328.00

CHANGE ORDER #13

1.	Furniture layout design & specifications.	\$35,878.00
2.	Tennant improvment additional costs.	249,311.00
3.	City required fire protection backflow valve upgrade at parking structure.	<u>28,736.00</u>
	TOTAL	\$313,925.00

CHANGE ORDER #14

1.	Install magnetic security locks at stairs #2 & #4 in basement & first floor.	\$ 5,097.00
2.	Parking structure guardrail city permit.	1,236.00
3.	Parking structure painting & new guardrails.	94,413.00
4.	Interior building signage.	<u>10,103.00</u>
	TOTAL	\$110,849.00

CHANGE ORDER #15

1.	Re-roof parking structure stair #1 & elev.	\$ 2,754.00
2.	Provide sod vs. seed at daycare play area.	1,782.00
3.	Authorize use of gateway allowance for plaza retail space & landscaping.	0.00
4.	North plaza retail & plaza upgrades final design cost settlement.	<u>192,824.00</u>
	TOTAL	\$197,360.00

CHANGE ORDER #16

1.	Architect TI work - Metro RFPs 22, 29, 30, 34, & 35; TVA ASIs 25, 103, & 68; HCCO CORs 88T & 108T.	\$13,071.00
2.	Architect TI redesigns, N & S plaza redesigns & incorporation of recycled materials.	<u>61,560.00</u>
	TOTAL	\$74,631.00

CHANGE ORDER #17

1.	Reimburse Contractor for final TI costs.	\$80,671.00
2.	Additional pickets for daycare fence.	6,490.00
3.	Interior canitilever wall signs.	7,664.00
4.	Remove asphalt & re-seal parking structure top deck with urethane coating.	<u>150,000.00</u>
	TOTAL	\$244,825.00

CHANGE ORDER #18

1.	Design & Construction services for Parks & Greenspaces & Exhibit Space Tennant Improvements.	<u>\$278,608.00</u>
	TOTAL	\$278,608.00

CHANGE ORDER #19

1.	Delete painting of lower parking spaces.	(\$15,000.00)
2.	Parking structure top deck additional tar removal, crack suppression membrane, & disabled concrete access ramps.	34,156.00
3.	Reimburse contractor for final first floor tenant improvement costs.	<u>40,726.00</u>
	TOTAL	\$59,882.00

CHANGE ORDER

AIA DOCUMENT G701

Distribution to:

OWNER

ARCHITECT

CONTRACTOR

FIELD

OTHER

PROJECT: Metro Headquarters
(name, address)

CHANGE ORDER NUMBER: 19

TO (Contractor):

INITIATION DATE: December 10, 1993

HOFFMAN CONSTRUCTION COMPANY
PO Box 1300
Portland, Oregon 97207

ARCHITECT'S PROJECT NO: 91025

CONTRACT FOR: Building Renovation

CONTRACT DATE: 1/10/92

You are directed to make the following changes in this Contract:

- 1) Delete painting of walls, columns and ceilings in the two parking levels within the building. DEDUCT: (15,000.00)
 - 2) Reimburse subcontractor for additional costs associated with parking structural top deck work including tar removal, crack-suppression membrane and handicapped access ramps. Reference Subcontractor's 12/9/93, proposal summary. ADD: \$34,156.00
 - 3) Reimburse subcontractor for final portion of first floor tenant improvement costs. Reference subcontractor's 12/9/93, proposal summary. ADD: \$40,726.00
- TOTAL \$59,882.00**

Not valid until signed by both the Owner and Architect.
Signature of the Contractor indicates his agreement herewith, including any adjustment in the Contract Sum or Contract Time.

The original (Contract Sum) (~~Guaranteed Maximum Cost~~) was \$ 9,341,000.00

Net change by previously authorized Change Orders \$ 3,394,974.00

The (Contract Sum) (~~Guaranteed Maximum Cost~~) prior to this Change Order was \$ 12,735,974.00

The (Contract Sum) (~~Guaranteed Maximum Cost~~) will be (increased) (~~decreased~~) (~~unchanged~~)
by this Change Order \$ 59,882.00

The new (Contract Sum) (~~Guaranteed Maximum Cost~~) including this Change Order will be ... \$ 12,795,856.00

The Contract Time will be (~~increased~~) (~~decreased~~) (unchanged) by (0) Days.

The Date of Substantial Completion as of the date of this Change Order therefore is 3/18/93

~~ARCHITECT~~
~~Address~~
~~BY~~
~~DATE~~

Hoffman Construction Co.
CONTRACTOR
PO Box 1300
Address
Portland, Oregon 97207
BY *[Signature]*
DATE 12/15/93

Authorized:
Metro
OWNER
2000 SW 1st Avenue
Address
Portland, Oregon 97201
BY
DATE

STAFF REPORT

Meeting Date: January 5, 1994

FOR THE PURPOSE OF AUTHORIZING RESOLUTION NO. 94-1886 FOR THE EXECUTION OF CHANGE ORDER NUMBER 19 AND THE RATIFICATION OF CHANGE ORDERS 1 THROUGH 18 TO THE HOFFMAN CONSTRUCTION COMPANY CONTRACT FOR THE CONSTRUCTION OF THE METRO REGIONAL CENTER AND ADJACENT PARKING STRUCTURE

Date: December 29, 1993

Presented by: Berit Stevenson

FACTUAL BACKGROUND AND ANALYSIS

Hoffman Construction Company was awarded the construction contract in the amount of \$9,341,000 to renovate the old Sears building in December 1991. The work has been ongoing since contract award and is expected to be concluded the last week in December 1993 with the completion of the Parks & Greenspaces office space. During the course of the two year project, 18 change orders totaling \$3,393,992 have been executed which have addressed a wide range of changes to the original contract. These changes include project elements which were included in the original project budget (parking garage), code requirements (seismic upgrades), pass through of additional revenues (FinAnswer) and city planning requirements (plaza retail space) as well as scope changes which enlarge the Metro office area (Parks and Greenspaces). A detailed list and description of these changes (See Exhibit A) has been provided on a biweekly basis to the Regional Facilities Committee throughout the course of the project in the form of project reports and budget updates.

Metro Code at section 2.04.045 provides that the Metro Contract Review Board must approve certain change orders for material additions to the scope of work once such additions equal 10% or more of the original contract amount. Metro's General Counsel has informed Metro staff that additions to the contract which are technical in nature such as additions due to code requirements or unforeseen conditions fall outside of the 10% limitation. In addition, change orders which are the result of a dispute with the contractor are not included in the 10% limitation.

Generally, the individual Hoffman contract change orders are comprised of several line items, one or more of which may be technical in nature or the result of a contractor dispute and others may be changes in scope. In addition, an individual change order item may also be comprised of several elements, some of which fall outside of the 10% limitation due to their technical nature. Project staff have completed an analysis and have found that just over 8% of the change orders relate to material additions to the original scope of work. Metro General Counsel independently reviewed the change orders and believes there is sufficient ambiguity in some of the possible classifications of line items to merit an omnibus Contract

Review Board approval of all change orders. Accordingly, he has recommended staff seek Metro Contract Review Board approval of Change Order No. 19 (See Exhibit B) and ratification of Change Orders 1 through 18.

BUDGET IMPACT

Funding for payments related to the 19 change orders are included in the Metro Headquarters project budget. After all payments have been made to include Change Order No. 19, an amount of \$70,000 will remain available in the construction account contingency.

RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 94-1886.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 94-1886 AUTHORIZING EXECUTION OF CHANGE ORDER NO.19 AND RATIFICATION OF CHANGE ORDERS NO.1 THROUGH 18 TO THE HOFFMAN CONSTRUCTION COMPANY CONTRACT FOR THE METRO REGIONAL CENTER AND ADJACENT PARKING STRUCTURE

Date: January 31, 1994

Presented By: Councilor McLain

COMMITTEE RECOMMENDATION: At its January 26, 1994 meeting the Committee voted 6 to 1 to recommend Council approval of Resolution No. 94-1886. Committee members voting in favor were Councilors Buchanan, Devlin, Gardner, McLain, Monroe and Van Bergen. Voting in opposition was Councilor Kvistad.

COMMITTEE DISCUSSION/ISSUES: Doug Butler, Interim Regional Facilities Director, presented the Staff Report. He pointed out that the Metro Code requires that the Contract Review Board must approve certain change orders for material additions to the scope of work once such additions equal 10 % or more of the original contract price. To date 18 change orders have been approved by the Executive Officer which total \$3,394,974 or 36% of the original contract. The Code exempts from Contract Review Board approval change orders which are of a technical nature such as additions due to code requirements or unforeseen conditions and change orders which are a result of a dispute with the contractor. Metro Project Staff estimates that just over 8% of the change orders relate to material additions to the scope of work. Mr. Butler pointed out that the reason this matter is before the Contract Review Board is that General Counsel Dan Cooper conducted an independent review and believes there is sufficient ambiguity to merit a blanket approval of all the change orders.

Councilor Van Bergen requested that General Counsel comment on the independent review of the change orders. General Counsel Dan Cooper indicated that his review of change orders is mostly with regard to proper form and to assure they are legally sufficient and not ambiguous. He pointed out that he approved several change orders early on which were clearly below the 10% limit. When change order No. 18 came across his desk in November 1993 with a form on it that indicated that the total change orders were now over three million dollars, he told Mr. Saling he would not approve it because he did not think the Executive had authority without first going to the Contract Review Board. He went on to say that it was clear to him that there was confusion in Mr. Salings mind about approval authority as a result of having a Council approved project budget and approval authority in the Contract Code.

Councilor Van Bergen asked if a procedure should be set up to require Contract Review Board approval of change orders. Mr. Cooper stated that the Code was pretty clear about the need for the Contract Review Board approval of change orders to add work of a material nature when the total accumulation of these change orders exceed 10% of the original contract on projects in excess of

\$1,000,000. Mr. Cooper suggested that there should be internal procedures in place in each department, such as Regional Facilities, which manage large construction projects which ask the right questions when a change order is needed. Particularly, is the change order an addition to the scope of work and how does the change order affect the 10% requirement or the budget. Those change orders which exceed the 10% requirement or exceed the Council approved budget should be taken to the Council for approval.

Mr. Cooper said a mitigating factor to this incident could be the fact that Mr. Saling took each change order to the Regional Facilities Committee as the project proceeded. Councilor McFarland responded to say that Mr. Saling did indeed report to the Committee on the Change orders but did not ask or suggest in any way that the Committee or Council should approve the change orders. He provided reports and gave the impression they were within limits authorized by the Council. Councilor McLain confirmed a similar experience the year before when she chaired the Regional Facilities Committee.

Council Staff suggested that the Committee request General Council Cooper send a communication to all appropriate departments which clearly and concisely explain the requirements of the Contract Code regarding change orders and make it clear that the Adopted Budget with its appropriation authority is different than the Contract Code and the specific requirements of each must be met various project managers. Mr. Cooper indicated that he was already preparing such a document.