

**METROPOLITAN EXPOSITION RECREATION COMMISSION**

**Resolution No. 01-32**

For the purpose of authorizing designated MERC and Metro staff to approve and process changes utilizing contingency funds established within the Guaranteed Maximum Price (GMP) contract for CM/GC services with Hoffman Construction Company, and within contingency established in the Zimmer Gunsul Frasca Partnership contract for architectural and design services performed on the Oregon Convention Center Expansion.

WHEREAS, the Commission previously approved a contract with Hoffman Construction Company for CM/GC work performed for the Oregon Convention Center Expansion; and

WHEREAS, the contract with Hoffman Construction Company specifies a guaranteed maximum price (GMP) for the completion of the project and includes, as one component of that price, contingency of approximately \$5.1 million of contingency and \$2.3 million of savings to cover the costs of construction and for buyout allowances, alternates or other items that are required to complete the scope of work specifically reviewed and approved by Hoffman Construction Company and MERC in writing; and

WHEREAS, the Commission previously approved a contract with Zimmer Gunsul Frasca Partnership for architectural and design services performed for the Oregon Convention Center Expansion; and

WHEREAS, the contract with Zimmer Gunsul Frasca Partnership specifies a total cost for services provided under the contract and, as a component of that total cost, provides funds for tasks that are required to complete the design services from a task list established at the time of contract with Zimmer Gunsul and Frasca and for scope of work tasks that are yet to be identified that are to be specifically reviewed and approved by Zimmer Gunsul Frasca Partnership and MERC in writing; and

WHEREAS, the Commission has previously approved an established signature authority procedure for processing all charges to the Oregon Convention Center Expansion, as defined in "Exhibit A",

**BE IT THEREFORE RESOLVED** that the Metropolitan Exposition Recreation Commission authorizes designated MERC and Metro staff as defined in "Exhibit A" to review, approve, and process changes within the contingency funds of the previously approved GMP contract with Hoffman Construction Company, and allowance items within the previously approved architectural and design contract with Zimmer Gunsul Frasca Partnership for tasks performed on the Oregon Convention Center Expansion, following established signature authority procedures.

Passed by the Commission on October 24, 2001.

  
Chairman

10-24-01  
Date

  
Secretary/Treasurer

10-24-01  
Date

APPROVED AS TO FORM: .

Daniel B. Cooper, General Counsel

By: 

Kathleen A. Pool

Senior Assistant Counsel

## MERC STAFF REPORT

**Agenda Item/Issue:** Authorizing MERC Staff to review, approve, and process changes within  
1) the Guaranteed Maximum Price (GMP) contingency established in the CM/GC Hoffman Construction Corporation contract, and  
2) the contingency defined as "Additional Amendments" established in the Design Team Contract with Zimmer Gunsul Frasca (ZGF) Partnership for the Oregon Convention Center Expansion. This resolution shall establish a signature authority of MERC staff for approval of cost proposals or task authorizations in the already established contract amount for the contracts with Hoffman Construction and ZGF Partnership.

**Resolution No:** 01-32

**Date:** October 24, 2001

**Presented by:** Karl Schulz, Senior Project Manager

**Background:** The CM/GC contract with Hoffman Construction Company established a contingency within the Guaranteed Maximum Price (GMP) for the completion of this project. This contingency is to be used by the CM/GC to fund minor changes to the project that must be completed to provide the scope of the project defined. This construction contingency shall be used for the completion of construction not already purchased, bought out or required to complete the work as defined in the contract with CM/GC Hoffman Construction Corporation, and shall be utilized when recommended by the CM/GC and reviewed and approved by MERC.

Exhibit D of the contract with Zimmer Gunsul Frasca established a contingency for design and architectural services for the Oregon Convention Center Expansion. This contracted process was established to fund design services that could not be determined if they would be required for this project until after preliminary programming and design work was completed. Once it was determined if a design service was excluded from the base bid contract and additional services were needed to complete the design, a Task Authorization would be processed defining the scope of the service and the funds to be allocated within the contingency.

**Process:** For changes to the GMP contingency proposed by the CM/GC using the Cost Proposal form, the Project Manager shall review all CM/GC requests for release of contingency funds. The Project Manager shall consult with the Design Team's representative to determine if the request to use contingency funds for the cost proposal is allowable by contract. Once it is agreed that the Cost Proposal is allowed, the costs proposed will be reviewed and approved by the Design Team's representative and the Project Manager to verify the costs proposed are reasonable. The cost proposal form will be routed then to a Co-Project Director for final signature and authorization for Cost Proposals between \$10,000 - \$250,000, for a second authorizing signature. For changes over \$250,000, 3 signatures authorizing the approval of the Cost Approval shall be provided and would include the signature of an additional Co-Project Director and/or MERC Director. This signature authority protocol (Exhibit A) has already been established for the authorization of contracts and expenditures for this project and is the same model proposed for the changes within the CM/GC GMP.

For the Design Contract, allocations of the Additional Amendment contingency fund for design services, the same approval signature authority protocol shall be used once the Task Authorization for fee has been reviewed, negotiated and approved by the Project Manager. For all Task Authorizations between \$10,000-\$250,000, two signatures shall be required. For Task Authorizations exceeding \$250,000, three signatures shall be required as defined above.

**Fiscal Impact:** The limits for both the CM/GC contract and the Design Services contract has already been established and cannot be exceeded without authorization from the MERC Commission. Therefore, this resolution does not have an additional fiscal impact but defines the approval process for funds already allocated.

**Recommendation:** Staff recommends that the Commission approve the authorization process for the release of contingency within the GMP with Hoffman Construction Corporation and the contingency within the design contract with Zimmer Gunsul Frasca Partnership for the Oregon Convention Center Expansion as defined in this staff report.

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# EXPANSION

EXHIBIT A (total 8 pages)

MERC Commission Resolution  
and Staff Report 10/24/01

Signature Authority for  
Contingency within  
GMP and ZGF contracts

**MEMO**

March 22, 2001

TO: Jeff Blosser  
Scott Moss

FROM: Karl Schulz   
Senior Project Manager  
OCC Expansion Project

PROJECT: Oregon Convention Center Expansion

SUBJECT: Signature Authority

Over the last couple of weeks there have been a number of discussions regarding the signature authority and approval process for expenditures for this project. This issue was addressed early in the project in order to provide clarity and to prevent confusion at a later date as to which persons had authority, and what levels, to approve expenditures for this project. Attached you'll find a document dated June 12, 2000 defining the expenditure approval process. This is the document that was approved by Mark B. Williams and has been the basis of all practices for payment process for this project.

In response to changes of personnel over the last year for positions with signature authority for Expansion expenditures, we have modified this document by replacing the appropriate position in lieu of specific names. The process and levels of authority as approved by Mark was not changed in anyway.

It is assumed by the Project Team that the process as documented in the June 12, 2000 correspondence is to be used unless we receive in writing an alternative methodology or approval process. We will continue completing the expenditure process as defined in the Signature Authority letter dated June 12, 2000 and modified 3/19/01 for the project duration.

(2) attachments

Signature Authority dated 6/12/00

Signature Authority (modified 3/19/01)

MEMO

June 12, 2000  
(Modified March 19, 2001)

TO: Jeff Blosser  
Scott Moss

FROM: Karl Schulz   
Project Manager

SUBJECT: Signature Authority  
Oregon Convention Center Expansion  
Project Fund 559-59500



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**EXPANSION**

3/19/01: Due to changes in personnel since the original date of this document, this document has been modified to identify the positions of authorizing individuals for expenditures to the Expansion Project. The procedures to be followed and the levels of authorization for each identified position have not been changed.

As of 3/19/01:

Senior Project Manager:	Karl Schulz
OCC Director:	Jeff Blosser
Metro Assistant ASD Director:	Scott Moss
MERC Capital Projects Manager:	Mark Hunter
MERC Director of Administration:	Byrant Enge
Expansion Admin Assistant:	Vicki Baker
Expansion Admin Technician:	Jean Frost

This memo defines the proposed steps required to process charges to the Oregon Convention Center Expansion Project Budget and the process required for approving payment for charges or fees from project fund 559-59500. The payments and invoices process has been determined based on discussions with Jeff Blosser, Scott Moss, Dave Biedermann, and Karl Schulz. This document will also propose the signature process and approval authority for payments.

~~6/19/01: Updates: Beginning 6/19/01, Mark Hunter will have review authority in place of Brian Sheverson. Mark is no longer approved from all applications since he is not contingent with this project. David Biedermann's name is also removed from the list of contingent with MERC.~~

If this document needs to be approved and accepted using a formal process required by Metro or MERC, I am dependent on your action to complete the approval process. It is my intent to use the protocol defined here as the official process to use for this project, unless minor modifications are required.

**All payment documents:**

All documents shall be routed through the Expansion Admin Assistant and/or Expansion Admin Technician. They will be responsible to make sure that all payments are coded properly. Senior Project Manager will verify and initial all payments to be processed from the project budget. MERC Capital Projects Manager will serve as back up whenever Senior Project Manager is unavailable.

**Items up to \$500.00**

Contracting/ordering: Expansion Admin Assistant and OCC Admin Assistant (Lisa Brown) will have the authority to make purchases or payments for items up to \$500.00.

Payment Approval: One signature required: Senior Project Manager. MERC Capital Projects Manager will serve as review backup to Senior Project Manager. OCC Director to sign for purchases acquired by Senior Project Manager.

**Items between \$500 and \$10,000.**

Contracting/ordering: Senior Project Manager and OCC Director will be able to contract with agencies for services up to \$10,000 without approval from other management staff using the MERC purchasing guidelines.

Payment Approval: Both the Senior Project Manager and OCC Director will have the authority to approve payments for up to \$10,000. One signature required: Senior Project Manager or OCC Director. MERC Capital Projects Manager will serve as primary backup for review, with MERC Director of Administration as the secondary backup, for Senior Project Manager. Metro Assistant ASD Director will serve as backup for OCC Director.

**Items between \$10,000 and \$250,000**

Contracting/ordering:

a. \$10,000 - \$75,000: All contracts shall be approved by Senior Project Manager and OCC Director after they have been processed based on MERC Purchasing requirements. Metro Assistant ASD Director will serve as backup for OCC Director.

b. \$75,000 - \$250,000: All contracts shall be approved by Senior Project Manager and OCC Director after they have been processed based on Metro Purchasing requirements. Metro Assistant ASD Director will serve as backup for OCC Director.

Payment Approval: Payments for architects and CM/GC are to be reviewed and signed by (2) project team members. Two signatures required: Senior Project Manager and OCC Director. MERC Capital Projects Manager will also review (initial) as a backup to Karl Schulz; MERC Director of Administration to be secondary backup. Metro Assistant ASD Director will serve as backup for OCC Director.

**Items over \$250,000**

Contracting/ordering: All contracts shall be approved by Senior Project Manager and OCC Director after they have been processed based on Metro Purchasing requirements. Metro Assistant ASD Director will serve as backup for OCC Director.

Payment Approval: All these items to be reviewed by Senior Project Manager and MERC Capital Projects Manager. Three signatures required: 1. Senior Project Manger, 2. OCC Director, and 3. Metro Assistant ASD Director. MERC Capital Projects Manager to be primary backup, with MERC Director of Administration secondary backup for Karl.

Thank you for your assistance.

Attached: Signature Authority: Project 559-59500 (table)

cc: Roy Burling  
Mark Hunter  
Scott Moss  
Lisa Brown

cc: (3/19):  
Mark Hunter  
Lisa Brown  
Bryant Enge

## Signature Authority: Project 559-59500

		Expan. Project Manager <small>(Karl Schulz)</small>	Co-Project Director: OCC Director <small>(Jeff Blosser)</small>	MERC Director of Admin. <small>(Bryant Enge)</small>	Co-Project Director: Metro Assistant ASD Director <small>(Scott Moss)</small>	MERC Capital Projects Mgr <small>(Mark Hunter)</small>	Expansion Admin Assistants <small>(Vicki Baker) (Jean Frost)</small>	OCC Admin Assistant <small>(Lisa Brown)</small>
<b>ALL INVOICES PROCESSED THRU:</b>							X	Backup – Vicki
<b>Initial all payments</b>		X				Backup - Karl		
<b>Up to \$500</b>	Purchase	X	N/A	N/A	N/A	Backup - Karl	X	X
	Payment -- 1 signature	X	Backup	N/A	N/A	Backup - Karl		
<b>\$500-\$10,000</b>	Purchase <sup>1</sup>	X (or)	X (or)	N/A	N/A	Backup - Karl		
	Payment -- 1 signature	X (or)	X (or)	Backup – Karl	Backup- Jeff	Backup - Karl		
<b>\$10,000 - \$75,000</b>	Purchase <sup>2</sup>	X (and)	X (and)	Backup - Karl	Backup- Jeff	Backup - Karl		
	Payment -- 2 signatures	X (and)	X (and)	Backup - Karl	Backup -- Jeff	Backup - Karl		
<b>\$75,000 - \$250,000</b>	Purchase <sup>3</sup>	X (and)	X (and)	Backup - Karl	Backup- Jeff	Backup - Karl		
	Payment -- 2 signatures	<sup>4</sup> X (and)	X (and)	Backup - Karl	Backup – Jeff	<sup>4</sup> Backup - Karl		
<b>\$250,000 and over</b>	Purchase <sup>3</sup>	X (and)	X (and)	Backup- Karl	Backup- Jeff	Backup - Karl		
	Payment -- 3 signatures	<sup>4</sup> Review & sign (and)	X (and)	Backup Signature- Karl	X (and)	<sup>4</sup> Review w/ Karl		

<sup>1</sup> Use Merc purchasing guidelines: contract for services without approval from other management staff.

<sup>2</sup> Contracts must be approved by both Karl and Jeff after being processed based on MERC Purchasing requirements.

<sup>3</sup> Contracts must be approved by both Karl and Jeff after being processed based on Metro Purchasing requirements.

<sup>4</sup> Payments for Architects and CM/GC to be reviewed (initialed) and signed by minimum (2) project team members.



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**MEMO**

June 12, 2000

*Approved For  
MERC  
[Signature]  
6/13/00*

**TO:** Jeff Blosser  
Scott Moss

**FROM:** Karl Schulz *KS*  
Project Manager

**SUBJECT:** Signature Authority  
Oregon Convention Center Expansion  
Project Fund 559-59500



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This memo defines the proposed steps required to process charges to the Oregon Convention Center Expansion Project Budget and the process required for approving payment for charges or fees from project fund 559-59500. The payments and invoices process has been determined based on discussions with Jeff Blosser, Scott Moss, Dave Biedermann, and Karl Schulz. This document will also propose the signature process and approval authority for payments.

~~6/12/00 Updated Beginning 6/13/00 Mark Hunter will have review authority on all items. Ben Stevenson's name has been removed from all authority lists. Ben Stevenson no longer works on this project. David Ericson's name is also removed. He is no longer with MERC.~~

If this document needs to be approved and accepted using a formal process required by Metro or MERC, I am dependent on your action to complete the approval process. It is my intent to use the protocol defined here as the official process to use for this project, unless minor modifications are required.

**All payment documents:**

All documents shall be routed through Vicki Baker in the Expansion Project Office. She will be responsible to make sure that all payments are coded properly. Karl Schulz will verify and initial all payments to be processed from the project budget. Mark Hunter will serve as back up whenever Karl Schulz is unavailable.

**Items up to \$500.00**

Contracting/ordering: Vicki Baker and Lisa Brown will have the authority to make purchases or payments for items up to \$500.00.

Payment Approval: One signature required: Karl Schulz. Mark Hunter will serve as review backup to Karl Schulz. Jeff Blosser to sign for purchases acquired by Karl.

**EXPANSION**

**Items between \$500 and \$10,000.**

Contracting/ordering: Karl Schulz and Jeff Blosser will be able to contract with agencies for services up to \$10,000 without approval from other management staff using the MERC purchasing guidelines.

Payment Approval: Both Karl Schulz and Jeff Blosser will have the authority to approve payments for up to \$10,000. One signature required: Karl Schulz or Jeff Blosser. Mark Hunter will serve as primary backup for review, with Roy Burling as secondary backup for Karl. Scott Moss will serve as backup for Jeff.

**Items between \$10,000 and \$250,000**

Contracting/ordering:

a. \$10,000 - \$75,000: All contracts shall be approved by Karl Schulz and Jeff Blosser after they have been processed based on MERC Purchasing requirements. Scott Moss will serve as backup for Jeff Blosser.

b. \$75,000 - \$250,000: All contracts shall be approved by Karl Schulz and Jeff Blosser after they have been processed based on Metro Purchasing requirements. Scott Moss will serve as backup for Jeff Blosser.

Payment Approval: Payments for architects and CM/GC are to be reviewed and signed by (2) project team members. Two signatures required: Karl Schulz and Jeff Blosser. Mark Hunter will also review (initial) as a backup to Karl Schulz; Roy Burling to be secondary backup. Scott Moss will serve as backup for Jeff Blosser.

**Items over \$250,000**

Contracting /ordering: All contracts shall be approved by Karl Schulz and Jeff Blosser after they have been processed based on Metro Purchasing requirements. Scott Moss will serve as backup for Jeff Blosser.

Payment Approval: All these items to be reviewed by Mark Hunter and Karl Schulz. Three signatures required: 1. Karl Schulz, 2. Jeff Blosser, and 3. Scott Moss. Mark Hunter to be primary backup, with Roy Burling secondary backup for Karl.

Thank you for your assistance.

Attached: Signature Authority: Project 559-59500 (table)

cc: Roy Burling  
Mark Hunter  
Scott Moss  
Lisa Brown

**Signature Authority: Project 59500**

		Karl Schulz	Jeff Blosser	Roy Burling	Scott Moss	Mark Hunter	Vicki Baker	Lisa Brown
		ALL INVOICES PROCESSED THROUGH					X	Backup - Vicki
Initial all payments		X				Backup - Karl		
Up to \$500	Purchase	X	N/A	N/A	N/A	X	X	X
	Payment -- 1 signature	X	Backup	N/A	N/A	Backup - Karl		
\$500 - \$10,000	Purchase	X (or)	X (or)	N/A	N/A	N/A		
	Payment -- 1 signature	X (or)	X (or)	Backup - Karl	Backup - Jeff	Backup - Karl		
\$10,000 - \$75,000	Purchase <sup>2</sup>	X (and)	X (and)	Backup - Karl	Backup - Jeff	Backup - Karl		
	Payment -- 2 signatures	X (and)	X (and)	Backup - Karl	Backup - Jeff	Backup - Karl		
\$75,000 - \$250,000	Purchase	X (and)	X (and)	Backup - Karl	Backup - Jeff	Backup - Karl		
	Payment -- 2 signatures	X (and)	X (and)	Backup - Karl	Backup - Jeff	Backup - Karl		
\$250,000 and over	Purchase <sup>3</sup>	X (and)	X (and)	Backup - Karl	Backup - Jeff	Backup - Karl		
	Payment -- 3 signatures	<sup>4</sup> Review & sign (and)	X (and)	Backup - Karl	X (and)	<sup>4</sup> Review w/ Karl		

<sup>1</sup> Use Merc purchasing guidelines: contract for services without approval from other management staff.

<sup>2</sup> Contracts must be approved by both Karl and Jeff after being processed based on MERC Purchasing requirements.

<sup>3</sup> Contracts must be approved by both Karl and Jeff after being processed based on Metro Purchasing requirements.

<sup>4</sup> Payments for Architects and CM/GC to be reviewed and signed by (2) project team members.