

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 02-08

For the Purpose of approving the selection of alternates for incorporation into the Guaranteed Maximum Price scope of work for the Oregon Convention Center Expansion, and authorizing OCC Expansion Team staff to execute documents incorporating the selected alternates into the OCC Expansion.

WHEREAS, the Commission's contract with Hoffman Construction Company identifies forty two (42) alternates that can be added to the GMP Scope of Work as funds become available through GMP contract and GMP Contingency as agreed in writing by both MERC and Hoffman Construction Company; and

WHEREAS, funds have become available within the GMP through savings from Bid Package 5/6 in the amount of approximately \$2.3 million; and

WHEREAS, the OCC Expansion Project Team has reviewed all 42 and recommends selecting alternates based on criteria including life safety, future OCC revenue, operation enhancement, reduced operation costs, and efficiencies in construction; and

WHEREAS, nine alternates have previously been approved by Resolution No. 01-36 at a total costs of \$2,143,423; and

WHEREAS, the OCC Expansion Team recommends approval of two additional alternates: 1. Alternate #35 - Painting of the Parking Garage Ceiling at Lower Level to upgrade finishes and provide higher light level at a cost of \$52,503; 2. Alternate #40 - Remodel of the south parking lot as required by the City of Portland, at a cost of \$74,784.

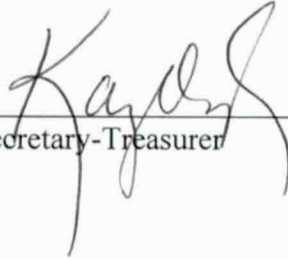
WHEREAS, the list of alternates has been reviewed by the OCC Expansion Advisory Committee and the Committee supports the recommendation by the OCC Expansion Project Team for the alternates to be executed with the identified GMP savings.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition-Recreation Commission selects 1. Alternate #35 - Painting of the Parking Garage Ceiling at Lower Level to upgrade finishes and provide higher light level at a cost of \$52,503; and 2. Alternate #40 -

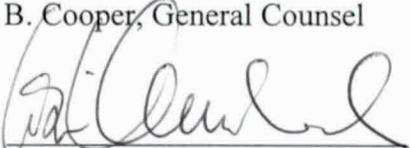
Remodel of the south parking lot as required by the City of Portland, at a cost of \$74,784 to be included in the GM Scope of Work, and authorizes staff to execute documents incorporating these alternates in the OCC Expansion.

Passed by the Commission on February 27, 2002.


Chair


Secretary-Treasurer

Approved As To Form:
Daniel B. Cooper, General Counsel

By: 
Senior Assistant Counsel

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OGC/KAP/kvw (02/20/02)

MERC STAFF REPORT

Agenda Item/Issue: OCC Expansion staff's recommendations for approval and execution of Alternates for the Oregon Convention Center Expansion.

Resolution No: 02-08

Date: Presented by: Karl Schulz, Senior Project Manager

Background: Alternates for this project were established within the GMP contract (MERC contract #92266) with Hoffman Construction, authorized by MERC Resolution 00-12 dated April 5, 2000. Forty-two (42) Alternates were established in the GMP contract for funding consideration at a later date. Earlier this year the Expansion Team established a criteria for prioritizing the Alternates to be incorporated into the project that evaluated issues for Life Safety, potential long-term revenue opportunities, reduced operation costs, and efficiencies in coordination into the construction process for the Expansion. The estimated costs for all 42 Alternates exceeded the available funding. Alternates were then categorized into one of three groups to be executed, pending the results of subcontractor bidding: 1. Alternates recommended to be contracted; 2. Alternates pending alternative funding; 3. Alternates on hold.

On August 29, 2001 over 250 bids were received by Hoffman Construction, the CM/GC contractor for the Oregon Convention Center Expansion Project, for Bid Package 5/6. This combined bid package represented an estimated \$60 million of work for the construction of the building shell and finish work for the Expansion. Over this last month, Hoffman Construction has reviewed these bids and reconciled them with the overall GMP project budget. Based on an excellent bidding climate at the time that the bids were received in August, savings have been estimated for the project's overall budget based on lower subcontractor costs than originally projected. Hoffman has estimated that there will be approximately a \$2.3 million savings that can be utilized to fund alternate items. Based on repeated evaluations and reviews of all alternate items, the OCC Expansion staff recommend (9) Alternates be executed and approved by the MERC Commission with the \$2.3 million of projected savings. This approval was provided in Resolution 01-36 for the Alternates.

Additional savings have been managed for the 9 Alternates approved in Resolution 01-36. The total amount of the 9 Alternates is \$2,143,423 out of the \$2,300,000 available. The remaining amount available to fund Alternates is \$156,577. The OCC Expansion staff recommend that the available fund be authorized to fund the following Alternates that were identified in the construction contract, Resolution 00-12:

Alternates Recommended for Execution by OCC Expansion Project Staff:

Bids were received for all Alternates and costs for the amounts defined below with previously Alternates already approved are funded by the \$2.3 million in bid savings.

Previously Approved

Alternate #6, 42, 1, 2, 3, 9, 18, 43, 7 totaling \$2,143,423 and approved by Resolution 01-36. - \$2,143,423.

Requesting Approval

1. Alternate #35 – Painting of the Parking Garage Ceiling at Lower Level to upgrade finishes and provide higher light level. - \$52,503.
2. Alternate #40 – Remodel of the south parking lot as required by the City of Portland - \$74,784

Total amount of Alternates listed above is \$2,270,710 out of the \$2,300,000 available.

Fiscal Impact: Hoffman Construction has determined the amount of funds still required to complete the construction of the Expansion including completing Buy-Out and maintaining enough contingency and funding to complete the project. The OCC Expansion Project Team has

confirmed that \$2.3 million in savings within the GMP has been established due to the competitive bids received for Bid Package 5/6. Execution of the Alternates recommended above would not require an increase to the overall project budget since the cost is already within the \$98.5 million GMP previously established for this project. It is not anticipated that execution of these Alternates will not impact the fiscal year budget for FY 2001-02. The proposed budget for FY2002-03 will be reviewed and any potential adjustments will be made prior to final budget approval.

Recommendation: Staff recommends that the MERC Commission authorize the OCC Expansion Project Team to execute the list of Alternates defined above that shall be funded from the \$2.3 million projected savings in the GMP. These said Alternates shall be coordinated into the construction of the OCC Expansion as part of the project scope so as to have the least amount of impact to completion of the project. Based on MERC Commission approval, the OCC Expansion Project Team will complete these Alternates as part of the OCC Expansion Project.