

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 02-14

For the Purpose of approving Change Order #2 for GMP Contract 922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion, and authorizing the MERC General Manager to execute GMP Change Order #2 on behalf of the Commission.

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

WHEREAS, by Resolution #01-36 and Resolution #02-08, the Commission previously approved the addition of eleven (11) alternates to the GMP scope of work; and

WHEREAS, the OCC Expansion Project Team has now identified an additional eleven (11) alternates with a total cost of \$3,570,981 as necessary operational, functional, or aesthetic work to be completed in the Expansion and existing Oregon Convention Center building so as to match it with the Expansion; and

WHEREAS, as part of MERC's annual budget approval process in Resolution #01-39, the Commission approved a separate line item totaling \$3,570,981 in the MERC Pooled Capital Fund, CIP account for FY 2002-03 for funding the 11 additional alternates; and

WHEREAS, the OCC Expansion Team recommends approval of Change Order #2 for the purpose of including the 11 additional alternates and increasing the Guaranteed Maximum Price by \$3,570,981 for a total revised GMP not to exceed the amount of \$102,070,981; and

WHEREAS, the OCC Expansion Advisory Committee has reviewed the list of 42 alternates and the Committee supports the recommendation by the OCC Expansion Project Team to approve Change Order #2 to the GMP contract with Hoffman Construction Company to activate the 11 additional alternates and increase the Guaranteed Maximum Price,

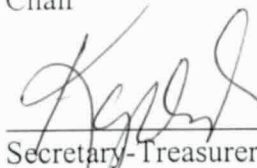
BE IT THEREFORE RESOLVED AS FOLLOWS:

1. That the Metropolitan Exposition-Recreation Commission approves Change Order #2, in a form substantially similar to Exhibit A, to Guaranteed Maximum Price (GMP) MERC contract #922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion to include 11 additional alternates in the scope of work and to increase the Guaranteed Maximum Price to \$102,070,981; and
2. That the MERC General Manager is authorized to execute GMP Change Order #2 on behalf of the Commission..

Passed by the Commission on April 24, 2002.




Chair



Secretary-Treasurer

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

By: 
Kathleen A. Pool
Senior Assistant Counsel

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MERC STAFF REPORT

Agenda Item: Approval of Change Order #2 to increase the Guaranteed Maximum Price (GMP) MERC Contract #922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion.

Resolution No. 02-14

Date: April 24, 2002

Presented by: Karl Schulz
Jeff Blosser

Background/Analysis:

The Oregon Convention Center is currently in the construction phase of the expansion project that will nearly double the square footage of the existing building. MERC Commission Resolution 01-02 dated January 17, 2001 established the Guaranteed Maximum Price (GMP) contract #922771 for \$98.5 million with Hoffman Construction Company of Oregon for the construction of the Oregon Convention Center Expansion.

A total of (42) alternates were defined within the contract to be executed should additional funding become available. The OCC Expansion Advisory Committee has reviewed the list of (42) alternates and the Committee supports the recommendation by the OCC Expansion Project Team to approve activating (11) additional alternates. Change Order #2 is the authorization to activate (11) selected GMP alternates (see attachment) and to increase the Guaranteed Maximum Price contract #922771 for the Oregon Convention Center Expansion by \$3,570,981 to a total of \$102,070,981.

These improvements will enhance and upgrade the existing building and systems so that it will seamlessly integrate with the new facility and its systems, and compliment the new addition. Seamless integration is necessary to market and price the facility as a single unit as opposed to two facilities--one old and one new.

There are major cost advantages to including these improvements in the GMP and to having these improvements managed and constructed as part of the existing construction project. As part of the existing GMP, design service was provided for these alternates, and construction services and materials can be more economically provided if both parts of the facility are worked on concurrently. In addition, it would eliminate the need for future multi-processes, and the related costs that would be required to otherwise solicit proposals for these improvements.

Change Order #2 shall be managed identically to requirements already defined by the GMP contract with Hoffman Construction for allowance adjustments. The actual amount spent for each allowance will be adjusted based on actual bids, and savings will be returned to MERC for additional projects identified for the Expansion, as approved by the MERC Commission. The costs for each of the activated alternates will be individually tracked by Hoffman Construction, and identified as a separate line item on the GMP billing. The funds will be managed through the OCC Expansion Project by the Expansion Project Team to verify that all work is provided as defined. Costs will be approved following the documentation systems and signature authority protocols as already established for the OCC Expansion Project.

Previous Commission Action:

With passage of Resolution 01-39 on October 24, 2001 the MERC Commission approved the CIP budget within the MERC Pooled Capital Fund for FY 2002-2003 as part of the annual fiscal year budget review process to provide funding for the activation of the (11) additional selected alternates identified above to the OCC Expansion Project.

Fiscal Impact:

Change Order #2 authorizes the activation of (11) additional Scope of Work alternates as defined in Exhibit A, to the Oregon Convention Center Expansion Project, with an increased cost of \$3,570,981 to the \$98.5 million GMP contract with Hoffman Construction to a revised GMP total of \$102,070,981.

Funding sources for these alternates includes the MERC Pooled Capital Fund beginning fund balance and MERC Pooled Capital Fund transfer of resources that is supported by a transfer from the Oregon Convention Center. Adequate funding is available without displacing and/or deferring existing planned MERC capital projects and jeopardizing Oregon Convention Center operations. Funding for these alternates were pre-approved as part of the MERC's Capital Improvement Plan and MERC's Proposed Budget for the FY 2002-03, approved by the MERC Commission as part of its annual budget review through Resolution #01-39 on October 24, 2001.

Because the (11) selected alternates are for changes to the existing facility to integrate it with the Expansion, and all costs will paid out of the MERC's Pooled Capital Fund, Change Order #2 will have no impact on the \$115 million OCC Expansion Project Budget.

Change Order #2 increases the final total construction costs of the OCC Expansion by less than 10%, therefore, there is no impact to the amount of the Contractor's Fee as defined in Item 9 of the GMP contract. No extension of project time is required for the incorporation of the selected alternates.

Recommendation:

Staff recommends that the Metropolitan Exposition-Recreation Commission:

1. Approve Change Order #2 to MERC GMP contract 922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion Project to include (11) additional alternates in the Scope of Work and to increase the Guaranteed Maximum Price by \$3,570,981 to a maximum total of \$102,070,981 pending approval of funding by the Metro Council for the FY 2002-03, and
2. That the MERC Commission further authorizes the MERC General Manager to execute Change Order #2 to the GMP contract on behalf of the Commission following established signature authority protocol.

EXHIBIT A – STAFF REPORT

Change Order #2 11 GMP Alternates

- Alternate # 4 – Exterior Signage – \$50,000
- Alternate #15 – Upgrade Existing AV - \$600,000
- Alternate #20 – Remodel Existing Operations - \$600,000
- Alternate #21 – Replace Existing Carpeting - \$1,010,981 (bid price)
- Alternate #25 – Interior Signage at Existing - \$200,000
- Alternate #26 – Interior Electronic Signage - \$150,000
- Alternate #27 – Exterior Electronic Signage - \$310,000
- Alternate #28 – Existing Kitchen Remodel - \$175,000
- Alternate #29 – Replace FA annunciation at Existing - \$400,000
- Alternate #39 – Replace Existing Carpeting at MLK Lobby – (included in Alt. #21 pricing)
- Add Commissioning Services – hired from HMC/Mechanical - \$75,000

CHANGE ORDER
AIA DOCUMENT G701

Distribution To:
OWNER YES
CONTRACTOR YES
FIELD YES
ARCH YES

Project: (Owner)	Oregon Convention Center Expansion MERC 777 NE MLK Jr. Blvd. Portland, Oregon 97208	CHANGE ORDER NUMBER: 02 INITIATION DATE: April 1, 2002
To: (Contractor)	Hoffman Construction Company of Oregon 805 SW Broadway Suite 2100 Portland, OR 97205	CONTRACTOR'S PROJECT NO.: 1360000 CONTRACT FOR: Oregon Convention Center CONTRACT DATE: February 25, 2001

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

- 1) This Change Order incorporates bidding, contracting and procurement of work performed as directed for GMP alternates and added scope of work items as listed below. Alternate costs will be tracked separately within the GMP contract for funding and accounting purposes. See attached Alternate Pricing summary for more detail.

All costs were executed for adding the following GMP Alternates into the GMP scope of work through GMP Exhibit A-4:

• Alternate 4 – Exterior Signage	\$50,000	
• Alternate 15 – Upgrade Existing AV	\$600,000	
• Alternate 20 – Remodel Existing Operations	\$600,000	
• Alternate 21 – Replace Existing Carpeting	\$1,010,981	
• Alternate 25 – Interior Signage at Existing	\$200,000	
• Alternate 26 – Interior Electronic Signage	\$150,000	
• Alternate 27 – Exterior Electronic Signage	\$310,000	
• Alternate 28 – Existing Kitchen Remodel	\$175,000	
• Alternate 29 – Replace FA annunciation at Existing	\$400,000	
• Alternate 39 – Replace Existing Carpeting at MLK Lobby	\$W/Alt 21	
• Add Commissioning services – Hired from HMC/Mechanical	\$75,000	
	TOTAL	\$3,570,981

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

The original Contract Sum/Guaranteed Maximum Cost was	\$98,500,000
Net change by previously authorized Change Orders	\$0
The Contract Sum/Guaranteed Maximum Cost prior to this Change Order was	\$98,500,000
The Contract Sum/Guaranteed Maximum Cost will be <i>increased</i> by this Change Order	\$3,570,981
The new Contract Sum/Guaranteed Maximum Cost including this Change Order will be	\$102,070,981
The Contract Time will be <i>unchanged</i> by this Change Order	0 Days
The Date of Substantial Completion as of the date of this Change Order therefore is	April 15, 2003

Recommended:	Approved:	Approved:
BY _____ DATE _____	BY _____ DATE _____	By _____ DATE _____
HOFFMAN CONSTRUCTION CO. CONTRACTOR	MERC OWNER	ZGF ARCHITECT

HOFFMAN CONSTRUCTION COMPANY
GMP ALLOWANCE / ALTERNATE PRICING

BUILDING: Oregon Convention Center Expansion
LOCATION: Portland, Oregon
ARCHITECT: ZGF
SUBJECT: GMP EXHIBIT A-4 CLOSE-OUT PRICING

EST NO: 1360000
NAME: DGG
BASE ESTIMATE DATE: See GMP

UPDATED: 03/28/02

OCC - CIP ALTERNATES - GMP Change Order

Item No.	DESCRIPTION OF ALTERNATE OCC CIP Budgeted Items	Date of Execution	ALTERNATE GMP Increase	ALTERNATE Exercised
Alt. - 4	Exterior Signage and sign monuments	April 1, 2002	BP 7	TBD
Alt. - 15	Upgrade Existing AV head end for the existing system	May 1, 2002	\$600,000	TBD
Alt. - 20	Remodel Existing Operations Area for increase staff	May 1, 2002	\$600,000	TBD
Alt. - 21	Replace existing carpet at existing facility	Done	\$1,010,981	Yes - Need CO
Alt. - 25	New interior signage for Existing	May 1, 2002	\$200,000	TBD
Alt. - 26	New Interior electronic Signage for Expansion.	April 1, 2002	\$150,000	TBD
Alt. - 27	New exterior electronic signage for Expansion and Existing	May 1, 2002	\$310,000	TBD
Alt. - 28	Existing Kitchen Remodel	May 1, 2002	\$175,000	TBD
Alt. - 29	Existing FA Annunciation replacement in addition to alt 6	May 1, 2002	\$454,830	TBD
Alt. - 39	Replace existing lobby carpet removed from GMP	Done	W/ Alt. 21	Yes - Need CO
Alt.- 40B	South Lot Parking Controls	May 1, 2002	\$35,000	TBD
Alt.- 40C	South Lot Lighting Only	May 1, 2002	Hold	Allow
Alt. - TBD	Dishwasher Replacement	May 1, 2002	\$50,000	TBD
	CPN TBD - GMP CO - TOTAL Alts		\$3,585,811	TOTAL

HOFFMAN CONSTRUCTION COMPANY

ESTIMATE SUMMARY

BUILDING: Oregon Convention Center Expansion
 LOCATION: Portland, OR
 ARCHITECT: ZGF / KPFF
 SUBJECT: VE Estimate

ESTIMATE NO.: 1360000
 ESTIMATOR: DGG
 CHECKED BY:
 DATE: 01/20/02
 BASE EST DATE: 03-Jan-01

ACCOUNT	DESCRIPTION OF WORK	TOTAL EST QUANTITY	UNIT	UNIT PRC. LABOR	TOTAL EST. LABOR HRS	UNIT PRC. MATERIAL	TOTAL EST. MAT'L COST	TOTAL EST. COST
							\$0	\$0
Description:	Alt 21 - Replace carpet at existing facility							
	Alt. 39 - MLK Lobby Replacement							
	Re:Oregon Carpet Bid Amount	1	LS				\$937,839	\$937,839
	Re:Oregon lobby replacement bid amount	1	LS				Incl'd	Incl'd
	Add Skyview Terrace	1	LS				Incl'd	Incl'd
	Add final measurements and border revisions	1	LS				Incl'd	Incl'd
	Add costs for prtotection of existing, barricades, etc						Incl'd	Incl'd
	Add HCC Supervision/technician	1	LS				\$25,000	\$25,000
	GMP Buy-out allocation	5	%				\$48,142	\$48,142
	Total of ALLOWANCE Closeout							\$1,010,981