

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 02-34

For the Purpose of approving Change Order #3 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 #3 on behalf of the Commission.

WHEREAS, design impacts and modifications have created cost impacts to the GMP and the OCC Expansion Project Team has directed Hoffman Construction Company to complete the necessary design modifications for the purpose of keeping the Project on schedule; and,

WHEREAS, resolution and anticipated recovery of the costs of the design modification impacts is currently underway between the OCC Expansion Project Team and the responsible party(ies) for the impacts, and funds recovered will be returned to the Owner's budget; and

WHEREAS, art pieces had not been selected prior to the execution of the GMP contract with Hoffman Construction and therefore the cost of construction for the integration of the artwork was unknown and excluded from the contract; and,

WHEREAS, the Art Committee for the OCC Expansion Project has recommended additional construction features for the installation and enhancement of selected artwork; and funds for these features are budgeted within the Owner's soft cost budget; and,

WHEREAS, Hoffman Construction Company has been selected to conduct Commissioning services not included in the original contract; and,

WHEREAS funds are budgeted for Commissioning services within the Owner's soft cost budget; and,


WHEREAS, the OCC Expansion Team recommends approval of Change Order #3 for the purpose of including change of scope work identified above and increasing the Guaranteed Maximum Price by \$1,100,500 for a total revised GMP not to exceed the amount of \$103,171,481; and

WHEREAS, the OCC Expansion Advisory Committee has reviewed the scope of work changes and the Committee supports the recommendation by the OCC Expansion Project Team to approve Change Order #3 to the GMP contract with Hoffman Construction Company for incorporation of the change of scope work to the contract and increase the Guaranteed Maximum Price,


BE IT THEREFORE RESOLVED AS FOLLOWS:

1. That the Metropolitan Exposition-Recreation Commission approves Change Order #3, 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 changes in scope of work as defined in Change Order #3, and to increase the Guaranteed Maximum Price by \$1,100,500 to \$103,171,481; and
2. That the MERC General Manager is authorized to execute GMP Change Order #3 on behalf of the Commission.

Passed by the Commission on October 23, 2002.



Chair



Secretary-Treasurer

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

By: 

Senior Assistant Counsel

Exhibit A: Change Order #3 to MERC Contract #922771 with Hoffman Construction Company of Oregon

MERC STAFF REPORT

Agenda Item: Approval of Change Order #3 to increase the Guaranteed Maximum Price (GMP) MERC Contract #922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion.

Resolution No. 02-34

Date: October 16, 2002

Presented by: Karl Schulz

Background/Analysis:

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 for the construction of the Oregon Convention Center Expansion. Change Order #1, approved via MERC Commission Resolution #02-13, dated April 24, 2002 incorporated (11) work alternates to the contract without an increase in the GMP maximum price, utilizing savings identified within the GMP. Change Order #2, approved via MERC Commission Resolution #02-14, dated April 24, 2002 authorized the increase of the GMP by \$3,570,981 to a total maximum price of \$102,070,981 for the incorporation of an additional (11) alternates to the scope of the Project.

Issue: The following list of Impacts and adjustments for the GMP contract have been presented by Hoffman Construction Company of Oregon and negotiated by MERC staff. The Project Team recommends the approval of Change Order #3 (Exhibit A) based on the following:

1. GMP Impacts/Design Modifications Settlement – \$600,000. MERC Staff is negotiating cost settlements with ZGF Architects regarding design issues that have impacted the construction of the Oregon Convention Center Expansion. OCC Staff Report dated May 10, 2002 (Exhibit B), defines one example of an impact that is being negotiated.

It is anticipated that costs for the design impacts will be allocated to the responsible party for causing the impact to the Project. Negotiations are presently underway. However, it is proposed that this work is temporarily financed by using the funds available from the Expansion soft cost budget until cost allocations can be resolved. Approval of Change Order 3 will allow the construction to be completed per the recommendations by the Design Team and MERC staff. This allows the Project construction to be completed without being delayed pending fund resolution with the Design Team. Funds received from the settlement of the design impacts will be returned to the soft cost budget for use by the OCC.

2. Art Integration - \$75,500. As documented in Exhibit A – 2.16, additional construction coordination costs for the art was excluded from the GMP contract. The art projects had not been selected and therefore design completed at the time of the establishment of the GMP. At the request of the Art Committee, additional construction features are requested in order to accommodate and install the art. This includes additional structural systems to suspend and support the Main Street artwork by Ming Fay, install bathroom art tile with specific features including lighting, and installation of miscellaneous art pieces. This cost does not include the cost to light the Ming Fay artwork since funding has not yet been identified for the lighting work. The funding of the artwork structure and integration was anticipated and budgeted for within the Owner's soft costs art budget.

3. Garage Exhaust revisions- \$350,000. An allowance has been established to pay for the additional cost to retrofit the designed exhaust system for the parking garage. It has been determined that the garage exhaust system does not adequately perform as designed. Negotiations are being completed regarding funding for these costs to correct this issue. Hoffman Construction has been directed to complete the modifications in order to make the necessary corrections to have the fan system operating as designed. It is anticipated that this funding will be reimbursed by the Design Team for actual costs to renovate the fan system. Change Order #3 provides a transfer of funding to allow the work to be completed in anticipation of repayment in the future based on the settlement for the financial impacts.
4. Commissioning - \$75,000. This is an internal transfer for audit purposes required by the Project based on an understanding of CIP requirements. The cost for commissioning services has been budgeted in the Owner's soft cost budget. Hoffman Construction was selected to provide the commissioning services based on their experience in commissioning and their ability to direct the resolution of commissioning issues. The costs for this commissioning was approved in Change Order #2 which was financed through CIP funds. This allowed the services to begin for the parking structure commissioning. By transferring it to Change Order #3, this allows the money to be paid for directly by the Owner's soft cost budget established by the Project Team, and transfers it out of the CIP expenses, thus providing for proper funding allocation.

Fiscal Impact:

Change Order #3 represents \$1,100,500 cost for Scope of Work changes as defined above. The Owner's soft cost Project budget anticipated additional cost impacts to the GMP and had set aside approximately \$1.2 million for contingency expenditures. Items #2 (Art integration) and #4 (Commissioning) of Change Order #3 which total \$150,500 were anticipated within this \$1.2 million, and funds for these items are available to incorporate into the GMP.

Cost impacts to the GMP for a total \$950,000 caused by yet-to-be-established responsibility design issues represented by items #1 (GMP Impacts/Design Modifications Settlement) and #3 (Garage exhaust fans) of Change Order #3 were not anticipated, but must be completed and funded. Hoffman Construction has been directed to complete this work, as agreed by ZGF Architects, MERC staff, and the OCC Expansion Advisory Committee. Therefore, the Owner's soft cost budget will be utilized to provide a funding mechanism for this work.

Although it's expected that this unanticipated \$950,000 cost will be reduced and/or refunded, the dedication of these funds for Change Order #3 will tie up flexibility for future contingency expenditures that would utilize the Owner's soft costs for the Project. Therefore, it will be the goal of the Project Team to reduce the cost exposures and the amounts of work required to complete the modifications for the GMP Impacts/Design Modifications Settlement and the exhaust fans. Secondly, it will be the goal of the Project Team to recover those costs so as to fund other features for the Expansion Project.

Recommendation:

Staff recommends that the Metropolitan Exposition-Recreation Commission:

1. Approve Change Order #3 to MERC GMP contract 922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion Project to incorporate (4) Scope of Work changes as defined above, and to increase the Guaranteed Maximum Price by \$1,100,500 to a maximum total of \$103,171,481, and

2. That the MERC Commission further authorizes the MERC General Manager to execute Change Order #3 to the GMP contract on behalf of the Commission following established signature authority protocol.

Exhibit A: Change Order #3 to MERC contract #922771 with Hoffman Construction Company of Oregon.

**Exhibit B: OCC Staff Report -
"Confirmation of Design-Build Services...for the structural roof support...at the Ballroom mechanical area for the Oregon Convention Center Expansion", May 10, 2002**

CHANGE ORDER

AIA DOCUMENT G701

EXHIBIT A

Distribution To:

OWNER	YES
CONTRACTOR	YES
FIELD	YES
ARCH	YES

Project: Oregon Convention Center Expansion
 (Owner) MERC
 777 NE MLK Jr. Blvd.
 Portland, Oregon 97208

CHANGE ORDER NUMBER: **03**
 INITIATION DATE: October 15, 2002

To: Hoffman Construction Company of Oregon
 (Contractor) 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 only. See attached Alternate Pricing Summary/Change Order 3 Reconciliation worksheet for more detail.

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

- GMP Impacts/design modifications Settlement \$600,000
 For funding – see OCC staff report
- Art integration – Construction costs CCD 116, 125 \$75,500
 Excluded from GMP – see Exhibit A-2.16
- CCD 141 Garage Exhaust Fan design modifications \$350,000 Allowance
- Commissioning – Previously in CO 2 (GMP Exclusion) \$75,000

TOTAL \$1,100,500

- 2) There is no costs added for HCC fees per the 10% "deadband" contract requirements.

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.....	\$3,570,981
The Contract Sum/Guaranteed Maximum Cost prior to this Change Order was	\$102,070,981
The Contract Sum/Guaranteed Maximum Cost will be <i>increased</i> by this Change Order	\$1,100,500
The new Contract Sum/Guaranteed Maximum Cost including this Change Order will be	\$103,171,481
The Contract Time will be <i>unchanged with final TBD</i> by this Change Order	TBD 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 Architects
ARCHITECT

EXHIBIT A-4
Oregon Convention Center Expansion
GMP ALLOWANCES and ALTERNATES LIST

GMP ALLOWANCES and ALTERNATES CLOSEOUT

DATE: October 14, 2002

GMP ALLOWANCES

Following is a listing of the GMP CONTRACT ALLOWANCE items, which were included as allowances within the GMP Pricing and scope of work. Pricing allocations have been agreed to by all parties. Allowance costs to be adjusted by the GMP Contingency to reflect final costs of these line item allowances. It is agreed by the Owner and Contractor that once the design is complete and the work is bid in the market place, the Contractor is to finalize all Allowance costs and close out all Allowances and incorporate the work into the GMP.

It is agreed by all parties that the following Allowance items are defined a **DESIGN ALLOWANCES** and the design team and owner are to provide a design that meets the budget constraints and GMP Allowance amounts defined as follows:

TOTAL ALLOWANCE AMOUNTS - \$ 4,100,000.00

FINAL ALLOWANCE CLOSE OUT AMOUNT - \$TBD

1. AudioVisual – \$1,500,000.00 ALLOWANCE

FINAL CLOSE-OUT AMOUNT - \$1,337,286 See CPN 174

2. Telecommunications System – \$600,000 ALLOWANCE

FINAL CLOSE-OUT AMOUNT - \$756,344 See CPN 71

3. Carpeting Allowance - \$55 per SY. - \$/SY ALLOWANCE

FINAL CLOSE-OUT AMOUNT - \$49.32/sy See CPN 71

4. Skylight - \$2,000,000 ALLOWANCE

FINAL CLOSE-OUT AMOUNT - \$2,000,000 See CPN 43/71

5. GMP VE C-24 from GMP Exhibit A-6- \$/VE ALLOWNACE:

Panels in lobbies, meeting rooms, pre-function and ballrooms are set at \$15/sf supplied and installed and panels in exhibit halls are set at \$10/sf supplied and installed.

FINAL CLOSE-OUT AMOUNT - \$669,790 See CPN 71

6. The following are new Allowances added through Change Order 2

Concessions Alternate 13 changes to the work

This Allowance will track changes per CCD and CPN for revisions and cost impacts.

MEP Structural and Mechanical - Allowance Amount \$700,000

7. The following are new Allowances added through Change Order 3

Garage Exhaust Fan Modifications and changes to the work

This Allowance will track changes per CCD and CPN for revisions and cost impacts.

Garage Exhaust - Allowance Amount \$350,000

GMP ALTERNATES

GMP ALTERNATES – Revised Definitions through Bid documents

Following is a listing of GMP ALTERNATE items that are not included, in part or in whole, within the GMP Scope of Work, GMP Pricing or GMP Contingency. These Alternates and all associated costs will be added to the GMP Scope of Work only as funds become available through the GMP contract and GMP Contingency as agreed in writing by both the Owner and Contractor. These items are to be addressed after Design Deadband period ending October 1, 2001. The following items have design definition through the final bid package documents. This document tracks the current pricing and execution status of each item:

Item Description –

Alternate 1 - Add tenant improvements to office spaces at level 108.

Bid Package 5/6 Bid Pricing \$678,082 Execution Date 12/12/01 CPN 70

Alternate 2 - TI of VIP Area in Expansion at level 108.

Bid Package 5/6 Bid Pricing \$254,285 Execution Date 12/12/01 CPN 70

Alternate 3 - TI for retail, meeting space, and TI of existing mezz (EPO Area) for tickets and security staff at level 83'.

Bid Package 5/6 Bid Pricing \$314,180 Execution Date 12/12/01 CPN 70

Alternate 4 - Exterior Signage and sign monuments and structure/foundations for Expansion –

Bid Package 7 Execution Date 10/01/02 CO 2

Alternate 5 - Remodel existing Security System Devices. VOID

Alternate 6 - Upgrade/replace existing Fire Life Safety system.

Bid Package 5/6 Bid Pricing \$246,541 Execution Date 12/12/01 CPN 70

Alternate 7 - Seismic Upgrade of existing Cooling Towers.

Bid Package 5/6 Bid Pricing \$14,438 Execution Date 12/12/01 CPN 70

Alternate 8 - Eco Roof System including soil, planting and drainage - VOID

Alternate 9 - Integrate Existing Head End HVAC DDC System with New Expansion DDC

Bid Package 5/6 Bid Pricing \$249,365 Execution Date 12/12/01 CPN 70

Alternate 10 - Close Condenser Loop for Existing Refrig and Ice Machines.

Bid Package 5/6 Bid Pricing \$OCC Execution Date N/A VOID

Alternate 11 - Revise compressed air system for existing Exhibit Halls and tie to Expansion. Loop the existing buried compressed air system to reduce line pressure loss. VOID

Alternate 12 - Telecom Upgrade at Existing facility and modified distribution. VOID

Alternate 13 - Concessions and Kitchen tenant improvements.

Bid Package N/A -CCD 109 Execution Date 10/01/02 CO 2

Alternate 14 - LEED's program.

Bid Package N/A VOID

Alternate 15 - Upgrade Existing AV head end for the existing system, to be compatible and tie to expansion system.

Bid Package 8 Estimate \$600,000 Execution Date - Canceled VOID

Alternate 16 - Upgrade Existing AV system speaker and boxes in Existing Ballroom and Meeting.

Bid Package 8 VOID

Alternate 17 - Replace Existing AV wiring.

Bid Package 8 VOID

Alternate 18 - Upgrade Existing Light Control System

Bid Package 5/6 Bid Pricing \$84,315 Execution Date 12/12/01 CPN 70

Alternate 19 - Tenant Improvement of existing OCC and MERC Administration office Area.

Bid Package 5/6 Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 20 - Remodel Existing Operations Area for increase staff.

Bid Package N/A Estimate \$600,000 VOID

Alternate 21 - Replace existing carpet.

Bid Package 5/6 Execution Date 10/01/02 CO 2

Alternate 22 - Replace vinyl wall covering at existing facility.

Bid Package N/A Execution Date 10/01/02 CO 2

Alternate 23 - Replace existing lobby furniture.

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 24 - Install VAV at Existing Exhibit Hall Units

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 25 - New Interior Signage for Existing

Bid Package 7 Execution Date 10/01/02 CO 2

Alternate 26 - New Interior Electronic Signage for Expansion.

Bid Package 7 Estimate \$365,000 VOID

Alternate 27 - New Exterior Electronic event signage for Expansion and Existing facility.

Bid Package 7 Execution Date 10/01/02 CO 2

Alternate 28 - Remodel Existing Kitchen and Kitchen Office Area.

Bid Package N/A Execution Date 10/01/02 CO 2

Alternate 29 - Replace Fire Evacuation PA system at Existing facilities

Bid Package N/A Execution Date 10/01/02 CO 2

Alternate 30 - Restoration of Existing Meeting Rooms finishes.

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 31 - Replace Existing Cooling Towers.

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 32 - Upgrade to electronic locking system at Existing meeting and ballrooms.

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 33 - Upgrade existing cooling towers to variable speed fans.

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 34 - Upgrade and modify systems as identified in GMP for recommendations to be gained from ongoing Energy Analysis.

Bid Package N/A Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 35 - GMP VE G-2 and G-3 from GMP Exhibit A-6: Postponing of painting of garage concrete/cmu walls and ceiling removed through VE from GMP scope of work.

Bid Package 4 Bid Pricing \$ _____ Execution Date _____ CPN ____

Alternate 36 - GMP VE G-5 from GMP Exhibit A-6: Deleting parking garage precast parking bumpers/wheel stops removed through VE from GMP scope or work.

Bid Package 4 Bid Pricing \$ _____ Execution Date _____ VOID

Alternate 37 GMP VE G-4 from GMP Exhibit A-6: Postponing parking equipment at garage entries removed through VE from GMP scope of work.

Bid Package 5/6 Bid Pricing \$226,059 Execution Date 12/12/01 CPN 92

Alternate 38 - GMP VE C-20a from GMP Exhibit A-6: Elimination catwalk in exhibit hall E removed through VE from the GMP scope of work. Replace with Structural supports.

Bid Package 5/6 Bid Pricing \$ _____ Execution Date _____ **VOID**

Alternate 39 - GMP VE C-27 from GMP Exhibit A-6: Deletion of MLK existing lobby carpet upgrades removed through VE from GMP scope of work.

Bid Package 5/6 Bid Pricing \$ _____ Execution Date _____ **See Alt 21**

Alternate 40 - GMP VE S-1 from GMP Exhibit A-6: Deletion of South Lot improvements removed through VE from the GMP scope of work.

Bid Package 1/5/6 Bid Pricing \$ _____ Execution Date _____ **CPN ____**

Alternate 41 - GMP VE G-6a3 from GMP Exhibit A-6: Postponed concrete sealer of level P2 concrete floor (SOG) removed through VE from the GMP scope of work.

Bid Package 4 Bid Pricing \$ _____ Execution Date _____ **VOID**

Alternate 42 - GMP VE C-4a from GMP Exhibit A-6: Southern operable partition in hall E removed through VE from the GMP scope of work.

Bid Package 5/6 Bid Pricing \$152,217 Execution Date 12/12/01 **CPN 70**

Alternate 43 - North Entry Exterior Canopy

Bid Package 3/5/6 Bid Pricing \$150,000 Execution Date 12/12/01 **CPN 70**

COST IMPACTS REPORT

Oregon Convention Center Expansion

CONTRACT PROJECTIONS - Hoffman Job No. 1360000

OCC Cost Impacts Report

UPDATED 10/14/02

<i>Unforeseen Cost Impacts</i>	Inside GMP	Outside of GMP	Comments
MEP Joist Loading Costs	\$ 600,000		CO 3 - Impact funding
Unforeseen - design modification			
Alt 13 - CPN 109 - Concessions TI/Finishes		\$ 700,000	CO 3 to be authorized
GMP Exclusion - Add Scope			TI Funding
CPN 166 - Socapex - added system	\$ 41,053		CO 3 - Impact funding
Added Scope - partial VE			
CPN 285 - Artwork support - not in GMP		\$ 75,500	CO 3 to be authorized
GMP Exclusion - Add Scope			Soft Cost Budget
CPN 224 - Door matrix design confirmation	\$ 420,000		CO 3 - Impact funding
Unforeseen - Sub Bid Impacts			
CPN 225 - EF 41/42 re-design - final \$ TBD		\$ 350,000	CO 3 to be authorized
Unforeseen - design modification		Estimated	Soft Cost Budget
CPN 294 - CCD 122 - Damper Additions	\$ 350,000		CO 3 - Impact funding
Unforeseen - Sub Bid Impacts			
CPN 294 - Smoke Detectors	\$ 250,000		CO 3 - Impact funding
Unforeseen - Sub Bid Impacts			
Alt. 22 - Replace Existing Wallcoverings		\$ 135,000	CO 2R Funding
GMP Exclusion - Add Scope			
Alt. 34 - Potential Energy Study Adds		TBD	TBD
GMP Exclusion - Add Scope			
Commisioning Services		\$ 75,000	TBD
GMP Exclusion - Add Scope			
TOTAL COSTS	\$ 1,661,053	\$ 1,335,500	\$ 2,996,553

COST IMPACTS - PROPOSED FUNDING

Oregon Convention Center Expansion

CONTRACT PROJECTIONS - Hoffman Job No. 1360000

Extra Work Status - CO 3 Alternates

UPDATED 10/14/02

Unforeseen Cost Impacts	Costs	CO 2R	CO 3	Unfunded	Comments
MEP Joist Loading Costs	\$ 600,000	\$ -	Below	\$ 600,000	CO 3 - Impact funding
Unforeseen					
Alt 13 - CPN 109 - Concessions TI/Finishes	TBD	\$ 700,000		\$ -	CO 2 to be authorized
GMP Exclusion	Estimated				TI Funding
CPN 166 - Socapex - potential add	\$ 41,053	\$ -	Below	\$ 41,053	Contingency Draw
Added Scope					
CPN 285 - Artwork support - not in GMP	\$ 75,500	\$ -	\$ 75,500	\$ -	CO 3 to be authorized
GMP Exclusion	Estimated				Karl Budget
CPN 224 - Door matrix design confirmation	\$ 420,000	\$ -	Below	\$ 420,000	GMP Line item impac
Unforeseen					Contingency Funds NA
CPN 225 - EF 41/42 re-design - final \$ TBD	\$ 350,000		\$ 350,000	\$ -	Revised to CO 3
Unforeseen	Estimated		Estimated		Soft Cost Budget
CPN 294 - CCD 122 - Damper Additions	\$ 350,000	\$ -	Below	\$ 350,000	GMP Line item impac
Unforeseen					Contingency Funds NA
CPN 294 - Smoke Detectors	\$ 250,000	\$ -	Below	\$ 250,000	GMP Line item impac
Unforeseen					Contingency Funds NA
Alt. 22 - Replace Existing Wallcoverings	\$ 135,000	\$ 100,981	\$ -	\$ -	CO 2R Funding
Added Scope					
Alt. 34 - Potential Energy Study Adds	TBD	\$ -	\$ -	\$ -	TBD
Added Scope					
Commisioning Services	\$ 75,000	\$ -	\$ 75,000	\$ -	Revised to CO 3
GMP Exclusion - Add Scope					Soft Cost Budget
Construction Impacts costs	Above	\$ -	\$ 600,000	\$ (600,000)	TBD
Settle \$600K add to GMP for impacts to date					
SUBTOTAL	\$ 2,296,553	\$ 800,981	\$ 1,100,500	\$ 1,061,053	**

Offset Cost Impacts to GMP through Concrete savings, YTB, etc.

CHANGE ORDER 2 RECONCILIATION

Oregon Convention Center Expansion

Extra Work Status - CO 2 Alternates

UPDATED 10/14/02

Change Item Description	CO Amount	GC Allocation	Budget	Bids Plus YTB	Delta	Action	Revised Budget	GC Allocation	Revised CO
Alt. 4 - Exterior monument Signage	\$ 50,000	\$ -	\$ 50,000	\$ 339,524	\$ (289,524)	Proceed	\$ 350,000	\$ 15,000	\$ 365,000
Alt. 15 - Upgrade Existing AV	\$ 600,000	\$ (25,000)	\$ 575,000	\$ 1,600,000	\$ (1,025,000)	Hold all Work	\$ -	\$ -	\$ -
Alt. 20 - Remodel Existing Ops	\$ 600,000	\$ (25,000)	\$ 575,000	\$ 900,000	\$ (325,000)	Hold all Work	\$ -	\$ -	\$ -
Alt. 21/39 - Carpet Upgrade existing	\$ 1,010,981	\$ (25,000)	\$ 985,981	\$ 1,057,079	\$ (71,098)	Proceed	\$ 1,100,000	\$ 50,000	\$ 1,150,000
Alt. 22 - Existing wallcovering	\$ -	\$ -	\$ -	\$ 110,000	\$ (110,000)	Add to Scope	\$ 90,981	\$ 10,000	\$ 100,981
Alt 25 - Replace existing signage	\$ 200,000	\$ (10,000)	\$ 190,000	\$ 250,470	\$ (60,470)	Proceed	\$ 275,000	\$ 15,000	\$ 290,000
Alt 26 - Interior Digital Signage	\$ 150,000	\$ (10,000)	\$ 140,000	\$ 148,160	\$ (8,160)	Hold all Work	\$ -	\$ -	\$ -
Alt 27 - Exterior Digital Signage	\$ 310,000	\$ (10,000)	\$ 300,000	\$ 349,556	\$ (49,556)	Proceed	\$ 350,000	\$ 15,000	\$ 365,000
Alt. 28/28.1 - Existing Kit Remodel	\$ 175,000	\$ (25,000)	\$ 150,000	\$ 450,000	\$ (300,000)	VE to Budget	\$ 300,000	\$ 25,000	\$ 325,000
Alt. 29 - FA annunciation in existing	\$ 400,000	\$ (25,000)	\$ 375,000	\$ 354,200	\$ 20,800	Proceed	\$ 250,000	\$ 25,000	\$ 275,000
Commissioning Services	\$ 75,000	\$ -	\$ 75,000	\$ 75,000	\$ -	Proceed	To CO 3	\$ -	\$ -
CPN 225 - EF 41/42 re-design -	\$ -	\$ -	\$ -	To CO 3	To CO 3	Proceed	To CO 3	In GMP	\$ -
Alt 13 - CPN 109 - Concessions TI	\$ -	\$ -	\$ -	\$ -	\$ -	Add to CO 2	\$ 700,000	\$ -	\$ 700,000
TOTAL COSTS	\$3,570,981	\$155,000	\$3,415,981	\$ 5,633,990	\$ (2,218,009)		\$ 3,415,981	\$155,000	\$3,570,981
								Delta	\$ -

STAFF REPORT

ISSUE: Confirmation of Design-Build services to be utilized to resolve conflict with the contract documents for the structural roof support of the mechanical/electrical/plumbing systems at the Ballroom mechanical area for the Oregon Convention Center Expansion.

Date: May 10, 2002

Presented by: Karl Schulz

Background/Analysis:

The design of the OCC Expansion Project was done in multiple phases with multiple bid packages in order to meet the construction schedule that had to be altered because of Measure 93 delays. The solution to make up the lost time caused by Measure 93 was to provide multiple bid packages. Bid packages were bid for the Project as design was completed on the various phases so that construction could begin before all the design work was resolved. The risk of this solution is that documents completed earlier do not necessarily coordinate with the final design completed for the Project.

The structural steel system for the roof area of the Ballroom mechanical was completed before all the mechanical and electrical design. Assumptions were made regarding the mechanical and electrical structural needs by the structural design team. As it turns out, the assumptions were not necessarily in line with the final mechanical and electrical loads for that space.

This conflict between the documents was not discovered until coordination process began with the mechanical and electrical construction. Once the actual mechanical and electrical loads were determined, verification of the structural support was initiated. At that time it was determined that the gravity loads for the mechanical Ballroom roof would not adequately hold the designed mechanical and electrical systems.

Once it was determined that there was an issue to resolve, the Design Team was immediately notified to determine what methodologies could be utilized to find a solution to this problem. The Design Team reviewed the issues and determined that the roof was not adequate to support the loads. They felt additional design would be needed in order to coordinate the mechanical and electrical systems with the structural support of the roof.

Options

The Design Team was given the option to completely re-design the roof even though it was already under construction. However, it was determined that this would take the Design Team an extended period of time; estimates of 1 to 2 months of design time was needed.

Since the Project is already under construction and the Project schedule dictates that the mechanical and electrical systems be constructed at the designated date, the proposed design time required by the Design Team would not allow the mechanical and electrical work to be installed to meet the schedule. Alternative solutions had to be found.

Solutions considered included delaying the Project, hiring a different design team to provide mechanical and electrical systems, rebuild the Ballroom roof structure, and variations on those possibilities. After reviewing these options with the entire Project Team, including design and construction representatives, a Design-Build solution was proposed as a solution that would meet schedule issues and resolve the design of the structural loads.

The advantage of the Design-Build solution is that McKinstry, as the responsible party for completing the coordination drawings for the mechanical systems, could complete the re-design simultaneously with the design shop drawing work required by their current contract. This will allow the design aspect to be done in parallel with the shop drawing process and will meet the schedule for completion of shop drawings and fabrication

materials for the Project. By contracting with McKinstry to provide Design-Build services, the Design Team would provide its advisory capacity and verification of systems, but not delay the Project by trying to re-design the entire mechanical and electrical systems for the Ballroom.

All other options discussed would have delayed the completion of the Project. Because the Design Team could not meet the schedule of the construction at this late time of the Project and other solutions proposed would have schedule impacts, any of these options were not considered acceptable.

An overview of the issue was discussed at the April 25, 2002 meeting of the OCC Expansion Advisory Committee. The Committee, pending a detailed report, preliminarily concurred with the Design-Build solution and agreed that the Project Team could proceed as presented.

Solution:

Based on the information provided and the critical nature of the schedule, the Project Team has recommended and authorized the completion of Design-Build services by McKinstry for the mechanical and electrical systems for the Ballroom mechanical area. McKinstry has provided the engineering staff to re-design the systems. The Design Team has been directed to support and attend all coordination meetings to make sure that the work is completed and will provide the best solution for the Project.

Fiscal Issues:

Costs for the Design-Build services will have a financial impact to the Project, but any delay would also have financial impacts. The Project Team felt that it was more economical and efficient to pay for Design-Build services than the risk to delay the completion of the Project. If the Design Team had completed this re-design work, it is estimated it would have been approximately 60 days before fabrication work could begin on mechanical and structural solutions. At an estimated \$7,500 per day for project extensions costs, this delay would have cost the Project approximately \$450,000. Cost for re-building of the roof structure to accommodate the loads was estimated at nearly \$800,000 by the Design Team. This equates to a total fiscal impact of approximately \$1.2 million dollars. Actual costs are still being negotiated for the Design-Build work with McKinstry since it has to be completed on a time-and-materials basis, however, the cost is estimated at less than \$500,000 to complete design and construction revisions. This is substantially less than the schedule risk if the Design Team was to complete this work.

Cost for the added design services will be resolved with McKinstry and will be funded by the GMP outside of the contingency. The Project Team has proposed using the GMP concrete savings to offset the anticipated costs. This proposal has been reviewed and approved by the OCC Advisory Committee at its April 25, 2002 meeting. The Project Team is monitoring the completion of the Design-Build services, and will continue to monitor the hours to verify that the services provided meet the results required.

Recommendation:

It is requested that the OCC Expansion Advisory Committee consider the available options for resolving the structural support for mechanical and electrical systems for the Ballroom area issue, and to confirm that the decision made by the Project Team to proceed with Design-Build services was in the best interest of the Project to facilitate resolution of this issue. This decision should be based on the criteria that any alternative solution would have had Project schedule impacts. Of primary consideration is the comparison of additional costs to the Project which may have been incurred due to schedule delays versus the cost to provide Design-Build services to keep the Project on schedule. It is requested that the Advisory Committee support the decision that the Design-Build alternative was the most reasonable and cost-effective solution based on the criteria at the time.