

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 03-03

For the Purpose of approving Change Order #4 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 #4 on behalf of the Commission.

WHEREAS, additional design impacts and modifications have created cost impacts to the GMP and the OCC Expansion Project and Design Teams have directed Hoffman Construction Company to complete the necessary construction work to meet code and life safety requirements and provided operational systems; and,

WHEREAS the OCC Director has placed on temporary "hold" status three of the alternates identified in Change Order #2(REVISED) for a total of \$1,042,500 so as not to increase the GMP for the costs of the additional design modification impacts that are required; and,

WHEREAS funds are available within the OCC Operating Fund to transfer \$1,042,500 to the Expansion Construction Fund to finance the additional design modification impacts, and

WHEREAS, resolution and recovery of the costs of the design modification impacts is currently underway between the OCC Expansion Project Team and the design team for the impacts, and those funds will be returned to the OCC Operating Fund; and

WHEREAS, the OCC Expansion Team recommends approval of Change Order #4 for the purpose of incorporating the necessary change of scope work identified above into the GMP Contract #922771 with Hoffman Construction, without an increase to the Guaranteed Maximum Price of \$103,171,481; and

WHEREAS, the OCC Director requested that CIP funds be used to fund the painting of wall covering for the existing building to match the interior walls of public spaces for the Expansion, and

WHEREAS, the OCC Expansion Advisory Committee has been advised of the changes by the Design Team and the recommendation by the OCC Expansion Project Team to temporarily utilize funds put on hold, pending transferring of funds from negotiations with the Design Team, through the use of Change Order #4 to the GMP contract with Hoffman Construction Company for incorporation of the change of scope work to the GMP contract without an increase in the total maximum cost,

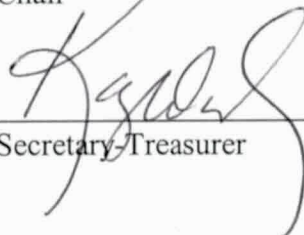
BE IT THEREFORE RESOLVED AS FOLLOWS:

1. That the Metropolitan Exposition-Recreation Commission approves Change Order #4, 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 #4, without increase to the Guaranteed Maximum Price which remains at \$103,171,481, and
2. That the MERC Commission approves the reallocation and transfer of \$1,042,500 from the OCC Operating Fund to the OCC Construction Fund for the purpose of financing the scope of work defined in Change Order #4, until the funds to complete the work are recovered from negotiations with the Design Team, and
3. That the MERC Commission approves the reallocation of 2002-03 CIP funds to fund the painting of wall covering in the existing building, and
4. That the MERC General Manager is authorized to execute GMP Change Order #4 on behalf of the Commission.

Passed by the Commission on January 22, 2003.



Chair



Secretary/Treasurer

Approved As To Form:

Daniel B. Cooper, General Counsel

By: 

Senior Assistant Counsel

Exhibit A: Change Order #4 to MERC Contract #922771 with Hoffman Construction Company of Oregon

Exhibit B: Capital Project Request –Project Detail, OCC – Replace Wallcovering, 1/3/03

MERC STAFF REPORT

Agenda Item: Approval of Change Order #4 to the Guaranteed Maximum Price (GMP) MERC Contract #922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion.

Resolution No. 03-03

Date: January 17, 2003

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, Construction Manager/General Contractor (CM/GC) for the construction of the Oregon Convention Center Expansion. Change Order #1, approved via MERC Commission Resolution #2-13, 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 was first approved via MERC Commission Resolution #02-14, also dated April 24, 2002, authorizing the increase of the GMP by \$3,570,981 to a total maximum price of \$102,070,981. Funded by the OCC CIP account, it incorporated an additional (11) alternates for work in the existing building to be completed as requested by the Director of the Oregon Convention Center. Change Order #2 (REVISED) was subsequently approved via MERC Commission Resolution #02-33 dated 10/23/02, which reallocated the CIP funding for Expansion work to be completed in the existing building.

Change Order #3, approved via MERC Commission Resolution #02-34, dated 10/23/02 increased the GMP \$1,100,500 to a maximum total of \$103,171,481. Change Order #3 identified impacts to the GMP based on issues not defined in construction documents. Funding for Change Order #3 was provided through a reallocation of funds from the Owner's "soft costs" to the GMP.

Issue: The Design Team has directed the CM/GC to make changes to work already constructed and construct additional features for the Expansion. The additional work had to be completed in order to construct the building to meet code and life safety requirements, so that the building functions as intended by design, and to provide the features established by the original design criteria. The Expansion Team and the OCC Expansion Advisory Committee have agreed that that the work must be completed as defined in Change Order #4 since this work was not incorporated into the original GMP.

The Expansion Team is negotiating with the Design Team to provide a plan for recovery of these additional costs for the design conflicts and work not identified in the contract documents. The Expansion Team has defined to the Design Team the additional work added to the GMP for which MERC is seeking funding reimbursement. However, because this work must be completed now and the settlement for this issue is still pending, a funding transfer is required to fund the impacts being addressed by Change Order 4.

Proposed Solution: The Expansion Team proposes that GMP Change Order #4 be approved to provide a funding transfer until settlement can be negotiated with the Design Team and transferred into the project.

Change Order #4 is a mechanism to provide a transfer of funds from the OCC Operating Fund to the OCC Construction fund to finance the critical life safety work that must be completed for the Project. So as not to increase the GMP, the OCC Director has put on temporary "hold" three alternates: the completion of Concessions (\$600,000), existing interior signage (\$270,000), and existing exterior electronic digital signage replacement along Holladay and MLK north (\$172,500) for a total of \$1,042,500.00. Once settlement is reached with the Design Team the concessions, existing interior signage, and exterior electronic digital signage would proceed utilizing funds available. OCC would coordinate the completion of this work.

This resolution is also seeking to reallocate the FY 2002-03 CIP funds for the OCC. The OCC Director requested that CIP funds be used to fund the painting of wall covering for the existing building to match the interior walls of public spaces for the Expansion. The cost to paint the wall covering is \$100,981. Funding for the AV upgrade within the CIP Fund was reduced to provide funds for the wall covering work.

Fiscal Impact:

Change Order #4 does not increase the GMP with Hoffman Construction. The Project will be completed within the budgets identified under the base contract and Change Orders #1 through #3. Since Change Order #4 is a temporary transference of OCC Operating funds to the OCC Construction Fund, it has no financial impact to the overall Project budget. Change Order #4 is only a mechanism of transferring money subject to a negotiated recovery from the Design Team. The Project budget will remain at \$115.4 million.

Recommendation:

Staff recommends that the Metropolitan Exposition-Recreation Commission:

1. Approve that Change Order #4 to MERC GMP contract 922771 with Hoffman Construction Company of Oregon for the Oregon Convention Center Expansion Project to adjust the work to be completed in the GMP contract, as defined in this Staff Report, with no increase to the GMP which will remain at \$103,171,481, and
2. That the MERC Commission approves the reallocation of \$100,981 within FY 2002-03 CIP funds to fund the painting of wall covering in the existing building, and
3. That the MERC Commission approves the reallocation and transfer of \$1,042,500.00 of OCC Operating funds to the OCC Construction Fund so as to finance the scope of work as defined in this Staff Report until the funds to complete the work are recovered from negotiations with the Design Team and the scope of work is adjusted to meet the funding available, and
4. That the MERC Commission further authorizes the MERC General Manager to execute Change Order #4 to the GMP contract on behalf of the Commission following established signature authority protocol.

Exhibit A: Change Order #4 to MERC contract #922771 with Hoffman Construction Company of Oregon.

Exhibit B: Capital Project Request – Project Detail 1/3/03

CHANGE ORDER
AIA DOCUMENT G701

Distribution To:
OWNER YES
CONTRACTOR YES
ARCH YES

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

To: Hoffman Construction Company of Oregon
(Contractor) 805 SW Broadway
Suite 2100
Portland, OR 97205

CHANGE ORDER NUMBER: 04
INITIATION DATE: January 10, 2003

CONTRACTOR'S PROJECT NO.: 1360000

CONTRACT FOR: Oregon Convention Center
MERC CONTRACT NO.: 922771
CONTRACT DATE: February 25, 2001

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

1) This Change Order incorporates added scope of work items as listed below. Costs captured in this CO cover unforeseen impacts and added scope of work items to the GMP costs per attached CO 4 PROPOSAL and attached updated GMP Exhibit A-4:

- Add GMP Impacts/design modifications FA Supervision CCD 164 & 165 \$727,500.00
- Add GMP Impacts – Add Volunteer scope of work – CCD 110 \$200,000.00
- GMP Impacts – Additional Contingency for Pump and VFD costs \$115,000.00
- SUBTOTAL \$1,042,500.00

- Delete Alternate 13 – Concessions TI Modified Scope CCD 109R <\$600,000.00>
- Delete Alternate 25 – Interior Signage at Existing <\$270,000.00>
- Delete Alternate 27 – Exterior Electronic Signage (existing) <\$172,500.00>
- SUBTOTAL <\$1,042,500.00>

- TOTAL \$0.00**

- 2) Contingency - \$115,000 in costs is being transferred into Contingency to cover items listed above.
- 3) Alt 27, GMP scope to include new expansion signs only. Alt 13, 25 & 27 (existing signs) excluded.
- 4) CCD 110 (Volunteers), 164 and 165 (FA Supervision) added to GMP scope of work.
- 5) All parties agree to extend Liquidated Damages completion date by 30 days beyond the GMP Contract grace period of May 15, 2003 to June 15, 2003 to adjust for this added scope of work.
- 6) There are 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	\$98,500,000.00
Net change by previously authorized Change Orders	\$4,671,481.00
The Contract Sum/Guaranteed Maximum Cost prior to this Change Order was	\$103,171,481.00
The Contract Sum/Guaranteed Maximum Cost will be <i>increased</i> by this Change Order	\$0.00
The new Contract Sum/Guaranteed Maximum Cost including this Change Order will be	\$103,171,481.00
The Contract Time will be <i>unchanged (per item 5 above)</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 _____
<u>HOFFMAN CONSTRUCTION CO.</u> CONTRACTOR	<u>MERC</u> OWNER	<u>ZGF Architects</u> ARCHITECT

COST RECOVERY - CO 4 PROPOSAL

Oregon Convention Center Expansion

UPDATED 1/10/03

OCC Cost Impacts Report - PROPOSED CO 4

RECOVERY PLAN	Sub-Totals	Totals
November Impacts (separate spread sheet)	Actual	\$927,500
Additional Contingency for VFD & Pump Costs = \$65,000 VFD plus \$50,000 Pumps	VFD & Pump	\$115,000
Additional Contingency for FUTURE UNFORESEEN Assumed Existing Contingency sufficient	Unknown	\$0
Total OVERALL Impact		\$1,042,500

Current GMP Work Placed on Hold		On Hold
Concessions work - \$100K base of orig. \$700K Work Stopped	\$ (600,000)	Alt. 13
Alt 25 Existing Signage - Budget Less GC's Budget less Shops (\$5K) and GC's (\$15K) Work Stopped	\$ (270,000)	Alt. 25
Alt 27 Digital Signage Ext. - Budget Less GC's Delete signs to existing only, new to remain Budget less Shops (\$5K) and GC's (\$15K)	\$ (172,500) Existing Only	Alt. 27
Total Value of Work Placed on Hold		\$ (1,042,500)
Change Order 4 - CPN 419, Proposed		\$0

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

GMP ALLOWANCES and ALTERNATES CLOSEOUT

DATE: January 10, 2003

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

CLOSED - See CPN 174

2. **Telecommunications System – \$600,000 ALLOWANCE**

FINAL CLOSE-OUT AMOUNT - \$756,344

CLOSED - See CPN 71

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

FINAL CLOSE-OUT AMOUNT - \$49.32/sy

CLOSED - See CPN 71

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

FINAL CLOSE-OUT AMOUNT - \$2,000,000

CLOSED - 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

CLOSED - 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 CLOSED – CO 4

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 \$0CC 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
Change Order 4 Executed 01/10/03 CO 4

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

Change Order 4

Executed 01/10/03

CO 4

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 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 CPN 113

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

Capital Project Request - Project Detail

Project Title: OCC - Replace Wallcovering

Fund(s): MERC Pooled Capital

Project Number: New	Dept. Priority:	Year First Proposed: 2002-03	Department: Division: OCC		Project:			Date: 1/3/2003		
Type of Project: <input checked="" type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/> Replacement	Type of Request: <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Revision <input type="checkbox"/> Continuation	Source of Estimate: <input checked="" type="checkbox"/> Preliminary <input type="checkbox"/> Based on Design <input type="checkbox"/> Actual Bid Documents			Start Date: 01-03 Finish Date: 01-03			Prepared By: Jeff Blosser		
Project Estimates										
Capital Cost:		Actual Expend	Budget/Est Fy 2001-02	Prior Years	2002-03	2003-04	2004-05	2005-06	2006-2007	Total
Plans & Studies				-						-
Land & Right-of-Way				-						-
Design & Engineering				-						-
Construction				-						-
Equipment/Furnishings				-						-
Capital Maintenance				-	100,981					-
Project Contingency				-						-
1% for Art				-						-
Other				-						-
Total		\$ -	\$ -	\$ -	\$ 100,981	\$ -	\$ -	\$ -	\$ -	\$ 100,981
Funding Source:										
Fund Balance-Capital Reserve				-	100,981					100,981
Grants/Donations				-						-
G.O. Bonds				-						-
Revenue Bonds				-						-
Other				-						-
Total		\$ -	\$ -	\$ -	\$ 100,981	\$ -	\$ -	\$ -	\$ -	\$ 100,981
Annual Operating Budget Impact										
Annual Revenues:										\$ -
Annual Expenditures:										-
Personal Services Costs										-
Materials & Services Costs										-
Capital Outlay Costs										-
Other Costs										-
Sub-total, Expenditures:				-	-	-	-	-	-	-
Net Operating Contribution (Cost):				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Useful Life (years)					15		First Full Fiscal Year of Operation:			2003
Project Description/Justification:										
This project is part of upgrading the current portion of the Convention Center to more closely match the new construction..										