

COUNCIL CONVENTION CENTER COMMITTEE MINUTES  
January 14, 1988

The meeting convened at 4:00 p.m. in the Convention Center Project Office, Metro, 2000 S. W. First Avenue, Portland, Oregon. Present were Councilors Ragsdale, Knowles, Van Bergen, Waker, Cooper, and Gardner. Also present Tuck Wilson, Ray Phelps, Jack Shiffen of JBL&K Insurance Company, Harriet Sherburne, Dave Wachob, and Kim Duncan.

Agenda Item 1: Approval of Minutes

The minutes of December 10 and December 22, 1987 were approved without objection.

The Chair then skipped to Agenda Item 3.

Agenda Item 3: Wrap-Up Insurance

Ray Phelps spoke to the Committee. He stated that because the Convention Center project bid package was anticipated to be broken up into three discrete phases that the benefits of wrap-up insurance may no longer exist. He suggested that the bid package decisions by ACDC may have accelerated the timing of a decision on wrap-up insurance. He stated that asking contractors to bid with and without a wrap-up contingency may be inappropriate.

Councilor Van Bergen asked if Mr. Phelps was recommending that wrap-up insurance be killed. Mr. Phelps responded yes, if the savings no longer exist.

Tuck Wilson stated that the January 8, 1988 decision of ACDC on bid packages asked that the economic results of splitting the package be assessed. That information was not in yet, and Mr. Wilson declined to make a recommendation to the Committee prior to receipt of the data.

JBL&K representative, Jack Shiffen stated that if a portion of the project is bid without wrap-up, then Metro opens itself to multiple and liability suits.

Chairman Ragsdale asked if the original plan of the Convention Center Committee to bid both ways was still viable. Mr. Shiffen stressed that JBL&K would need to begin shopping for quotes to meet the earlier bid dates projected by Harriet Sherburne of ACDC.

Mr. Phelps urged that wrap-up be resolved prior to letting the first bid. Councilor Waker stated that he was unwilling to change the Committee's policy decision absent any

documentation from JBL&K about the costs of proceeding one way or another.

Mr. Shiffen stated that wrap-up insurance only made sense if the paid package totalled \$50 million or more. By breaking the bids into smaller units, that threshold figure would vanish.

Councilor Van Bergen asked why the Committee was receiving this type of advice. Councilor Ragsdale asked again if the industry could provide quotes on wrap-up now in order to clarify the choices.

Councilor Waker stated that insurance needs would not drive the bid process or the construction schedule. The insurance industry must adjust to the project schedule, he stated.

Councilor Ragsdale asked JBL&K if a \$50,000 contract to assess insurance needs would provide information comparing costs of using wrap-up insurance to the costs of not using wrap-insurance. He stated that the \$50,000 proposed contract for JBL&K needed to produce that data.

JBL&K responded that without the full data on the multiple bid packages, the industry faced ambiguities.

Councilor Ragsdale asked if the data that JBL&K would gather would fall within a 10% confidence level. JBL&K responded it would.

The Chairman then moved on to Agenda Item 3, indicating that he would return to the Wrap-up contract item afterwards.

Ray Phelps recommended to the committee that it proceed with the \$50,000 JBL&K contract. He stated that the insurance representatives needed more time with the committee and wanted to return to the committee at an early date for a major presentation.

Councilor Waker stated that the Committee believed wrap-up was the proper decision, but needed the evidence to support that judgment.

Councilor Van Bergen moved to approve the contract. Mr. Phelps indicated that the insurance company would begin their work immediately despite the fact that Council final approval was two weeks away.

Councilor Ragsdale asked that the contract be amended to include quotes for contractor bids with and without wrap-up insurance.

Mr. Phelps stated that amendments would be included before the Council meeting on January 28, 1988.

The motion passed unanimously.

#### Agenda Item 2 - Contract Schedule

Harriet Sherburne, representing the ACDC committee presented the Committee with the recommendations from ACDC regarding project schedule adjustments. She stated that to maintain budget integrity, certain portions of the project are recommended to be accelerated. ACDC recommends moving both the steel bid and excavation work bid, while allowing additional work to continue on a separate construction bid package.

Councilor Cooper stated that he did not want to see multiple addendum to the bid documents.

Councilor Waker noted that smaller bid packages may encourage more local bidders.

Dave Wachob, Turner Construction stated that the project hoped to encourage the best of the lump sum bidders across the country. Locally, Hoffman Construction had been identified as a potential qualifier.

Tuck Wilson noted that the ACDC recommendation was concurred by Turner Construction and Zimmer Gunzul Frasca Partnership. It was accepted unanimously.

#### Agenda Item 4 - Wind Tunnel Testing.

Councilor Waker moved approval of the contract. Tuck Wilson explained that the City Bureau of Buildings conditioned approval of the towers on a stress test. The architects need to have results within eight weeks, thus explaining the urgency of approving the contract. Original contract estimates were for \$30,000, but the contract before the committee was reduced to \$12,000. Councilor Ragsdale stated that he objected to such rapid action on contracts as a practice.

The Committee approved the contract recommendation and forwarded it to the Council Management Committee.

#### Agenda Item 5 - Work Plan Update

Councilor Ragsdale stated that he wanted the Project's work plan to come before the Council soon.

Agenda Item 6 - Lloyd Property Transfer

Tuck Wilson reported on the progress of negotiations with the city on the property title transfer issue. The Committee received Mr. Wilson's report without comment.

Mr. Wilson stated that a recommendation was before the Executive Officer and the Mayor that Metro receive the property under the terms recommended by the City and that Metro attach a reservation to the receipt that would refer the issue to a third party for final resolution later.

Agenda Item 7 - Area Study

Neil McFarlane announced that Portland Development Commission would present its area study results to the Metro Council of January 28, 1988.

Agenda Item 8 - MERC Meeting

Tuck Wilson reported on the first meeting of the MERC and the final meeting of CTS. The Committee reviewed a draft letter of commendation from the Presiding Officer and Executive Officer to be sent to CTS members. The letter was approved. A copy of the *Oregonian* report on the two meetings was distributed.

The meeting adjourned at 5:30 p.m.

Submitted by,

Kim Duncan