

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING)
AMENDMENT NO. 3 TO CONTRACT)
NO. 920197 WITH URS GREINER, INC.)
)

RESOLUTION NO. 99-2765
Introduced by Mike Burton,
Executive Officer

WHEREAS, Metro has contracted with URS Greiner, Inc. to design three projects at Metro South Station and one project at the St. Johns Landfill; and

WHEREAS, Agreement has been reached regarding a dispute over additional compensation for this contract; and

WHEREAS, Amendment No. 3 to the contract, attached hereto as "Exhibit A," will resolve the dispute in a manner acceptable to Metro; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Metro Contract Review Board for approval; now therefore,

BE IT RESOLVED, That the Metro Contract Review Board authorizes execution of Amendment No. 3 to Contract No. 920197 with URS Greiner, Inc. attached hereto as "Exhibit A."

ADOPTED by the Metro Contract Review Board this 1st day of April, 1999.



Rod Monroe, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

AMENDMENT NO. 3

This amendment, dated as of the last signature date below, hereby amends the Personal Services Agreement between Metro and URS Greiner, Inc., "Contractor," dated November 27, 1997 (the "original agreement"). In exchange for the promises and other valuable consideration described in the original agreement, subsequent amendments, and this amendment, the parties agree as follows:

1. Contractor shall provide all services necessary to complete the scope of work for Contract No. 920197. The scope of work for general purposes includes:

a. Settlement of a dispute, which is summarized in the Contractor's letter dated September 11, 1998.

b. Completion of the work described in the Contract and its amendments, including services during construction of the three projects at the Metro South Station and the Maintenance Building at the St. Johns Landfill once this project is underway.

2. In exchange for the parties' promises contained herein, and in settlement and compromise of the dispute, Contractor hereby releases and forever discharge Metro and its agents, elected officials, officers, employees, representatives, successors, attorneys and assigns, and each of them of and from any and all claims, rights, demands, actions, suits, obligations, liabilities, causes of action, damages, proceedings, or losses of any kind, nature, or character, whether now known or unknown, which Contractor has had, now has or may hereafter assert against Metro on account of or in any way arising out of any actions, failures to act, events, occurrences or circumstances of any kind that are the subject of or related to the Original Agreement or this Contract Amendment No. 3.

3. Metro agrees to pay Contractor additional compensation for this amendment in an amount not to exceed Twenty Five Thousand Nine Hundred and NO/100 Dollars (\$25,900) beyond the agreed payment for service under the original agreement. No payment beyond this additional sum shall be authorized by Metro without specific written amendment to the original agreement. This amendment increases the maximum contract price to One Hundred and Thirty Thousand Nine Hundred and NO/100 Dollars (\$130,900).

4. All terms of the original agreement and any previous amendments shall remain in full force and effect, except as modified herein.

URS GREINER, INC.

METRO

Signature

Signature

Print Name and Title

Print Name and Title

Date

Date

REGIONAL ENVIRONMENTAL MANAGEMENT COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 99-2765, FOR THE PURPOSE OF
AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197 WITH URS GREINER, INC.

Date: March 24, 1999

Presented by: Councilor Park

Committee Recommendation: At its March 17 meeting, the Committee considered Resolution No 98-2765 and voted unanimously to send the resolution to the Council with a do pass recommendation. Voting in favor: Councilors McLain and Park and Chair Washington.

Committee Issues/Discussion: Bruce Warner, REM Director, presented the staff report. Warner explained that the purpose of the resolution is to authorize payment of an additional \$25,900 to URS Greiner for design work on several capital improvement projects at Metro South. Warner apologized for the need to bring the amendment before the Council. He noted that the original \$80,000 had been previously increased by \$25,000 to reflect additional work on the latex paint building. This increase was administratively approved as permitted under the Metro Contract Code.

However, additional work was requested by the various staff managing the design work and construction projects without obtaining prior administrative approval. As a result, Greiner submitted a claim for an additional \$50,000 in work. Metro has agreed to pay an additional \$25,900. Warner indicated that as a result of the handling of this contract, he has implemented new procedures to insure that additional work under contracts is not authorized without prior administrative or Council approval.

Councilor McLain asked if all work under the contract has been completed. Warner responded that work under the contract was not yet completed, but that the funding level provided through the proposed resolution would fully fund all remaining work.

Chair Washington praised Mr. Warner for his willingness to admit the problems that occurred in the management of the contract and to take appropriate action to insure that it does not occur again.

**EXECUTIVE SUMMARY
RESOLUTION NO. 99-2765
AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197
WITH URS GREINER, INC.**

PROPOSED ACTION

- Adopt Resolution No. 99-2765, authorizing execution of an amendment to Contract No. 920197 to increase the total contract amount by \$25,900.

WHY NECESSARY

- To resolve a contract dispute regarding the design of the Latex Paint Processing Building, Truck Wash and Commercial Tipping Floor Expansion at Metro South Transfer Station; and the Maintenance Building at the St. Johns Landfill.

ISSUES/CONCERNS

- In September 1998, the Contractor (URS Greiner) submitted a claim to Metro for approximately \$50,000 for additional work requested by staff, which the Contractor felt was not covered by the contract.
- REM Engineering & Analysis staff reviewed the claim and the project records to determine whether additional payments were due. Staff determined that the Contractor had incurred expenses exceeding the authorized contract amount, that this fact had not been communicated to staff in a timely manner, and that staff had requested some design revisions that were outside of the original Scope of Work. This dispute has resulted in the amendment before you that requires Council approval per the Metro Code.
- Staff was unaware of some of the expenses being incurred by the Contractor due to poor communication between the Contractor and REM's project manager. With four projects being worked on at once, expenses were not tracked closely enough by either Metro or the contractor, which led to the contract being overrun.
- Staff negotiations with URS focused on what work was covered in the original contract and what work had been added. Staff has determined that the Contractor's redesign of the Maintenance Building at staff's request was additional work. In order to lower construction costs, staff requested that the Contractor reduce the building's size by 25%.
- Staff also agree that the Contractor incurred additional costs in the preparation of specifications for construction documents. The RFP originally required that all four construction projects be bid in one set of construction documents. However, in order to increase participation by ESB, MBE and WBE contractors, staff subsequently bid the projects separately. This change in bidding requirements required URS Greiner to prepare additional construction documents.
- Amendment No. 3 compensates the Contractor for this additional work, as well as for any additional construction management services required to complete construction of the projects.

BUDGET/FINANCIAL IMPACTS

- Construction costs for these projects will total approximately \$1.9 million. While design costs typically amount to 10-12% of total construction costs, under the proposed amendment, design costs would total only 7% of total construction costs.
- Adequate funds are available from REM's General Account and the St. Johns Landfill Closure Account for this amendment.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 99-2765 FOR THE PURPOSE
OF AUTHORIZING AMENDMENT NO. 3 TO CONTRACT NO. 920197
WITH URS GREINER, INC.

Date: February 23, 1999

Presented by: Bruce Warner

PROPOSED ACTION

Adopt Resolution No. 99-2765 authorizing execution of an amendment to Contract No. 920197 to increase the total contract amount by \$25,900.

FACTUAL BACKGROUND AND ANALYSIS

In September 1997, the Council authorized release of RFP #97R-20-REM for the design of a latex paint processing building, truck wash and an expansion of the commercial side of the Main Transfer Building at the Metro South Transfer Station; and the design of a maintenance building at the St. Johns Landfill (construction management services for these projects were also included). As a result of the Request for Proposals, a design contract was executed with URS Greiner, Inc. for \$80,000 in November 1997. This contract amount was increased by \$25,000 (Amendment No. 1) for redesign of the Latex Building, in order to lower the cost of construction and operation. Amendment No. 2 extended the length of this contract.

In September 1998, the Contractor submitted a claim to Metro for approximately \$50,000 for "additional work" not included in the original contract. During negotiations Metro Engineering & Analysis staff focused on what was covered in the original contract, and what constituted additional work. The claim requested additional compensation on four items. The settlement recognizes two of those items. The parties have agreed to settle the claim for the amount of \$25,900 as contained in the proposed Amendment No. 3.

This settlement recognizes that additional design work was required for the Maintenance Building Project at the request of Metro in order to reduce construction costs. This request required the Contractor to reduce the building's square footage by 25%.

Additional costs were incurred by the Contractor in the preparation of specifications for construction documents. The RFP originally required that all four construction projects be bid in one set of construction documents. However, in order to increase participation by ESB, MBE and WBE contractors, staff subsequently bid the projects separately. This change in bidding requirements required URS Greiner to prepare additional construction documents. Amendment No. 3 compensates the Contractor for this additional work, as well as for any additional construction management services required to complete construction of the projects.

BUDGET IMPACT

Adequate funds exist within REM's General Account and the St. Johns Landfill Closure Account for Amendment No.3.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 99-2765.