

Date: January 23, 2013

To: Board of Directors

From: Neil McFarlane

Subject: **RESOLUTION 13-01-07 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION TO THE CONTRACT WITH HOFFMAN CONSTRUCTION COMPANY OF OREGON FOR RENOVATION OF THE CENTER STREET BUILDING**

1. Issue or Purpose of the Item.

The purpose of this item is to request that the TriMet Board of Directors (“Board”) approve a resolution authorizing the General Manager to execute a modification to the construction contract with Hoffman Construction Company of Oregon (“Hoffman”) for the Center Street Building Renovation.

2. Reason for Board Action.

Board authorization is required because the proposed modification will increase the contract amount beyond the amount originally authorized by the Board.

3. Background.

The Portland-Milwaukie Light Rail Project (“Project”) causes significant changes to two of TriMet’s existing facilities. First, the Operations Command and Control Center (“OCC”), currently housed at TriMet’s Ruby Junction Maintenance Facility in Gresham, requires a significant expansion for the new light rail. Second, TriMet’s leased facility at SE 17th and Holgate was demolished due to rail and street construction. Because there is limited space at Ruby Junction to make further expansion to the OCC, and because replacement leased space near Center Street is not readily available, TriMet is rearranging its facilities. The Center Street building is being renovated and reconfigured as an operations center, with combined OCC, customer information, and incident command together. Administrative employees displaced from Center Street have been moved to a new leased facility at Harrison Square in the south end of downtown. Together, these changes allow the agency to leverage Project funds and make the most effective use of its facilities, and improve efficiency and accessibility with minimal impact to TriMet’s general fund. These changes are collectively known as TriMet’s “Moving Together” program, a component of the Project.

At its June 2012 meeting, the Board approved Resolution 12-06-56, which authorized award of a contract with Hoffman for Construction Manager/General Contractor (“CM/GC”) services for the

Center Street Building Renovation. Under the CM/GC contracting method, a pre-construction services scope of work is awarded as the first phase of the contract during which the CM/GC collaborates in the design phase to improve design decisions and assist TriMet in meeting its budgetary goals for the construction. After the design is complete, the construction scope of services is typically awarded in phases, using a series of contract modifications for distinct scopes of work.

The initial contract award amount was for \$3,400,000 and included pre-construction services as well as an initial construction task for modifications to Center Street parking lots.

The scope of work for the modification proposed in this Resolution includes demolition of offices, walls, carpet, ceilings, electrical and cabling systems, and air conditioning and heating and ventilation systems on the second, third and fourth floors of the Center Street building in preparation for the full renovation. This proposed modification increases the contract amount by \$886,033, to \$4,286,033. The cost for demolition services is significantly less than TriMet's independent cost estimate, and is within TriMet's budget for the Center Street Building Renovation work. TriMet will pay for these services with Project funds. Given the nature of performing remodeling work to an existing facility, ordinary and customary changes may be expected to be incurred that will require additional expenditures under the contract. Accordingly, the attached Resolution includes authority for future change orders up to \$88,603.

Hoffman is currently achieving Disadvantaged Business Enterprise ("DBE") participation of 25 percent for its work, and is on track to continue to do so.

Looking ahead, there are expected to be three additional modifications to this contract, that include construction on floors two, three and four; a modification for the installation of the OCC on the fourth floor; and a final modification for improvements on the first floor. These are expected to be finalized for Board approval upon completion of the design over the next several months.

4. Options.

TriMet could opt to defer this work until the total design is complete and the total contract price is negotiated, but that option is not preferred as it would delay completion of the overall Center Street Building Renovation project.

5. Recommendation.

The General Manager recommends approval of the Resolution.

RESOLUTION 13-01-07

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION TO THE CONTRACT WITH HOFFMAN CONSTRUCTION COMPANY OF OREGON FOR RENOVATION OF THE CENTER STREET BUILDING

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification with Hoffman Construction Company of Oregon for construction activities related to the renovation of the Center Street building (“Modification”); and

WHEREAS, the total amount of the Modification shall exceed the amount originally authorized by the Board; and

WHEREAS, the TriMet Board of Directors (“Board”), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Modification.
3. That the General Manager or his designee is authorized to execute change orders to the Modification in a cumulative amount not to exceed \$88,603.

Dated: January 23, 2013

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Legal Department