

Date: December 11, 2013

To: Board of Directors

From: Neil McFarlane

Subject: **RESOLUTION 13-12-75 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”) authorize 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 increases the contract amount beyond the amount previously authorized by the Board.

3. Background.

The Portland-Milwaukie Light Rail Project (“Project”) causes significant changes to two existing TriMet 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 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.

The resultant renovations to the Center Street building, which was constructed in 1978, are extensive. The building had failing structural elements and inefficient systems, which are being upgraded to house the OCC and Operations Division staff. Performing the renovations

now allows TriMet to leverage PMLR Project funds for the renovation work. Otherwise, the needed renovations would be delayed and become a future liability for TriMet's General Fund.

To implement the improvements to the Center Street building, TriMet selected the Construction Manager/General Contractor ("CM/GC") delivery method. In June 2012, Hoffman Construction Co. of Oregon was selected as the CMGC contractor. The Hoffman contract is funded from Project funds for the work on floors 2 thru 4. Concurrent with the Project work, additional renovation work, such as building end of life replacements and renovations to the first floor entrance and report areas are also being performed.

The overall scope of work was split into five distinct phases in accordance with the Project's scheduling needs. Four of the five phases have been designed, priced, and authorized by the TriMet Board, and are currently under construction.

The fifth and final phase involves renovation of the first floor and interior improvements throughout the bus report area. These improvements will modernize and enliven the reporting environment for all Center Street operators, and will enhance daily interactions between operators and station agents. The renovated space features improved entrances both in front and in the rear adjacent to the new rear parking lot. New flat screen monitors will be added throughout the report area to communicate important messages to operators. Finally, more open and bright seating and meeting spaces are provided to improve the openness of the reporting area. A rendering of the renovated bus report area is shown in Attachment A.

These first floor improvements are entirely funded from TriMet's General Fund. TriMet believes the investment is timely since the grant-funded work is already on-going, and these investments will add years to the life of the first floor while also enhancing employee communications and making improved connections between daily activity and TriMet's core business objectives.

The budget for the first floor renovations has been increased to fund several significant scope elements not anticipated in the original budget. These added items include complete rebuilding of the station agent and lunchroom areas, revised layout for east door, lobby security/lost& found upgrade, and additional end-of-life scope such as elevator improvements. Together, these items added \$1,056,930 to the budget for the first floor. The additional budget for these items was transferred from other General Fund portions of the moving together program that are under budget. The overall Moving Together program remains within its budget, and General Fund portion of Moving Together is well under budget, allowing an anticipated return of a portion of the General Fund budget to other agency requirements.

Financial details of the contract phases are shown in the table below.

Phase	Scope	Budget	Resolution	Board Authority	Total Contracted Amount
1	Pre-Con Services; Temporary Lots	\$873,056	12-06-56	\$3,400,000	\$873,056 *
2	Demolition Work	\$884,938	13-01-07	\$886,033	\$886,035
3	Floors 2-4; Permanent Lots	\$14,942,966	13-03-21	\$12,413,952	\$14,813,858
4	OCC & 1 st floor demo & lobby work	\$3,400,000	13-09-57	\$3,400,000	\$3,399,590
Subtotal		\$20,100,960		\$20,099,985	\$19,972,539
5	First Floor	\$2,917,342**	13-12-75	\$2,917,342	\$2,917,342
	Total	\$23,018,302		\$23,017,327	\$22,889,881

*Phase 1 authority included capacity to award some of the permanent parking lots, in case their construction could be expedited. Instead, this work was eventually contracted as part of Phase 3.

**Budget increased by \$1,056,930 from savings in other Moving Together areas.

This Resolution authorizes Modification No. 5 to the contract and increases the authorized contract amount by \$2,917,342 to a new total contract amount of \$23,017,327. The cost of the work under this fifth Modification is within one percent of TriMet's independent cost estimate, and is within TriMet's budget for this portion of the Project.

This Resolution also authorizes a 10 percent change order allowance for the work under this Modification in the amount of \$291,734.

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

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 due to schedule and cost considerations.

5. Recommendation.

The General Manager recommends approval of the Resolution.



Resolution 13-12-75
Board Memo Attachment A
Contract for Renovation of Center Street Building

RESOLUTION 13-12-75

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 modification to the contract 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 contract amount previously authorized by the TriMet Board of Directors (“Board”); and

WHEREAS, the 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 a Change Order allowance is authorized for the Modification in an amount not to exceed \$291,734, and the General Manager or his designee is authorized to execute Change Orders up to that authorized amount.

Dated: December 11, 2013

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Legal Department