

**Date:** September 25, 2013

**To:** Board of Directors

**From:** Neil McFarlane

**Subject:** **RESOLUTION 13-09-57 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**

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### **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 17<sup>th</sup> 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 has failing structural elements and inefficient systems which will be 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. The overall scope of work was split into five distinct phases in accordance with the Project’s scheduling needs. Three of these phases have been authorized by the Board to date. The contract phasing is shown in the table below.

<b>Phase</b>	<b>Scope</b>	<b>Budget</b>	<b>Resolution</b>	<b>Board Authority</b>	<b>Total Contracted Amount</b>
1	Pre-Construction Services; Temporary Parking Lots	\$873,056	12/6/1956	\$3,400,000*	\$873,056*
2	Demolition Work	\$884,938	13-01-07	\$886,033	\$884,938
3	Floors 2-4; Permanent Parking Lots	\$14,942,966	13-03-21	\$12,413,952	\$14,813,358
<b>Subtotal</b>		<b>\$16,700,960</b>		<b>\$16,699,985</b>	<b>\$16,571,352</b>
4	Operations Command and Control Center & 1 <sup>st</sup> floor demo & lobby work	\$3,400,000	13-09-57	<i>\$3,400,000 (requested)</i>	
5	First Floor	\$1,822,012			
	<b>Total</b>	<b>\$21,922,972</b>		<b>\$20,099,985</b>	

\*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.

TriMet has now completed the design for the fourth phase of the work which is the expanded Operations Command Center and associated improvements. These improvements include an enhanced and expanded rail system overview, theatre viewing for expanded work stations, and control consoles constructed to provide efficient and integrated management of both bus and rail systems. This phase of the work will also include the demolition of the first floor interior improvements to make way for future improvements in the bus report area and work associated with the front entrance to the building.

This Resolution authorizes Modification No. 4 to the contract for completion of this fourth phase and increases the authorized contract amount by \$3,400,000 to a new total contract amount of \$20,099,958. The cost of the work under Modification No. 4 is ten percent less than TriMet’s independent cost estimate, and is within TriMet's budget for this portion of the Project.

This Resolution also includes a 10 percent change order allowance for the work under this fourth Modification in the amount of \$340,000.

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

The Hoffman contract is the largest part of the overall Moving Together program, which is funded primarily from Project funds, supplemented with general funds for Center Street building end of life replacements, first floor renovations, and a share of the replacement of the former Facilities Maintenance building on 17<sup>th</sup> Avenue.

Looking ahead, one additional modification is expected to this contract for additional improvements to the first floor. That modification is scheduled for Board consideration upon completion of the design this winter.

#### **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 13-09-57**

**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 \$340,000, and the General Manager or his designee is authorized to execute Change Orders up to that authorized amount.

Dated: September 25, 2013

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Presiding Officer

Attest:

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Recording Secretary

Approved as to Legal Sufficiency:

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Legal Department