



REPORT TO COUNCIL

August 30, 2016

Accept contracts with Hoffman Construction Company and Michael Willis Architects for the design and construction of the Interstate Maintenance Facility Renovation Project as complete and authorize final payments (Report; Contract Nos. 30001654, 30002309 and 30003000)

On May 4, 2011, City Council authorized an exemption from competitive bidding for construction of Interstate Maintenance Facility Renovation Project (Project). Ordinance No. 184566 provided an overall project budget in the amount of \$50,000,000 and an engineer's estimate of \$40,000,000 for construction. A low confidence rating was given to this estimate, given the early stage of design. Per Resolution No. 36430, a post-project evaluation is required upon completion of a public improvement contract exempted from competitive bidding and to assess how successful the project was at meeting the original assertions.

The Project required construction of a replacement to the Maintenance Building and Warehouse, which were built in 1925. The new buildings would be up to 150,000 square feet designed to meet and withstand the seismic risks and operational needs of the Water Bureau. Therefore, it was necessary that construction of the Project proceeded smoothly and with a minimal number of interruptions, delays, and claims. Using a Construction Manager/General Contractor (CM/GC) provided more opportunities during design and construction to address constructability, modify construction means and methods, and work in partnership with the City. This construction approach provided public benefits that included minimizing disruptions to the neighborhood, success in neighborhood relations, and ensured access to adjacent properties was maintained, and provided the most qualified contractor hired at the best value. This is further outlined in the post-project evaluation that is attached to this report as Exhibit A, Post Project Evaluation Factual Findings Exemption From Competitive Bidding.

This report requests Council's acceptance of three contracts as complete and authorize final payment. The contract information associated with the Project has been identified below.

The work on these contracts consists of a Professional, Technical, or Expert (PTE) contract for Michael Willis Architects, Phase 1, Pre-Construction Services PTE contract with Hoffman Construction Company; and CM/GC Construction Services contract with Hoffman Construction Company. The work included replacement of the existing facilities with up to 150,000 square feet of office and warehouse space, demolition of existing structures, contaminated media removal, parking, fencing, grading, restoration, landscaping, mitigation plantings, and other site improvements.

Michael Willis Architects - Design and Construction Support Services, PTE Contract
Ordinance No. 184164 authorized a contract for design and construction support services for the Project. On October 1, 2010 the City entered into a Contract No. 30001654 with Michael Willis Architects. The contract had an original value of \$1,885,034 and was initially assigned a confidence rating of high. An amendment to the contract later adjusted the cost and was approved by Council. Amendment Nos. 2, 5, 6, 7, 8, and 14 added funding for programming, design changes, and time extension costs. Amendment No. 8 received Council approval through Ordinance No. 185640 due to complications with hazardous remediation and phasing work in an occupied facility. Amendment No. 14 received Council approval through Ordinance No. 186903 which included the add-alternate work needed to complete the major scope items. The other amendments to the contract were administrative in nature and were no cost changes. The final cost for services under this contract was \$3,487,310.21.

Hoffman Construction Company - Phase 1, Pre-Construction Services PTE Contract
On September 1, 2011 the City entered into Contract No. 30002309 with Hoffman Construction Company for pre-construction services through a PTE contract. The contract had an original value of \$145,352. Amendment Nos. 1 and 3 added time and funding to complete further design work, constructability reviews, cost estimating and in support of contract services. Amendment No. 3 received Council approval through Ordinance No. 185641 adding services targeting specific items requiring input from the CM/GC contractor bringing the total contract value to \$249,619. Amendment Nos. 1 and 3 were for administrative changes and to account for additional time. The final cost for services under this contract was \$249,619.

Hoffman Construction Company – Phase 2, CM/GC Construction Services Contract
On September 12, 2012 Report to Council No. 1025-2012 was approved by City Council and authorized the Chief Procurement Officer to proceed with awarding a contract to Hoffman Construction Company as CM/GC for construction of the Project with a Guaranteed Maximum Price (GMP) of \$35,000,000. On October 30, 2012, the GMP Contract No. 30003000 with Hoffman Construction Company was executed. Change Order No. 1 incorporated the modified Community Benefits Agreement (CBA), several Construction Change Directives, one Request for Information, and to account for additional time. No additional funding was required. All work on the contract was completed satisfactorily on June 5, 2016. The final cost for the work in the contract is \$35,000,000 which is the original contract amount. This is especially notable given the low confidence rating when the alternative procurement method was originally approved in 2011, which indicates that costs could vary 30% - 50% from the original engineer's estimate which was \$40,000,000 in construction costs. Both value engineering and the Owner's involvement in the CM/GC process enabled the Water Bureau to reduce the construction contract costs as the hazardous remediation and phasing costs increased.

Subcontractor participation for the Interstate Maintenance Facility Renovation Project
The Minority, Women, and Emerging Small Business (MWESB) subcontractor participation for the consultant services, Contract No. 30001654 with Michael Willis Architects was \$905,106 or 25.83% of the total contract dollars.

The Disadvantaged, Minority, and Women Enterprise and Emerging Small Business (DMWESB) subcontractor participation under the CM/GC pre-construction services contract,


Contract No. 30002309 with Hoffman Construction Company was \$7,950 or 3% of the total contract dollars.

The DMWESB subcontractor participation for the CM/GC GMP construction contract with Hoffman Construction Company, Contract No. 30003000 was \$13,244,846 of 37.8% of the total contract dollars.

Prevailing wage was paid on the Project. There were no strikes, lockouts or labor disputes encountered. There were no issues with wage benefits or unskilled labor and the Project did not encounter any problems with efficiency or productivity.

Acceptance of the Post Project Evaluation

The Project is complete and all work has been executed in accordance to the contracts, final reviews associated with the permits are being completed. It is recommended that Council accept the post-project evaluation and accept the contracts with Michael Willis Architects and Hoffman Construction Company as complete, and authorize final payment.



Michael Stuhr, P.E.
Administrator

TO THE COUNCIL:

The Commissioner of Public Works concurs with the above, and;

RECOMMENDS

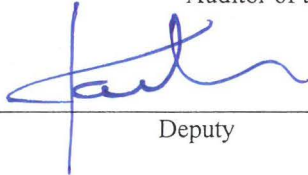
That the Council accept the post-project evaluation and accepts the contracts with Michael Willis Architects and Hoffman Construction Company as complete and authorize final payment.

Respectfully submitted,

Commissioner Nick Fish

Agenda No.
REPORT
Title

Accept contracts with Hoffman Construction Company and Michael Willis Architects for the design and construction of the Interstate Maintenance Facility Renovation Project as complete and authorize final payments (Report; Contract Nos. 30001654, 30002309 and 30003000)

<p>INTRODUCED BY Commissioner/Auditor: Commissioner Nick Fish</p>	<p>CLERK USE: DATE FILED <u>SEP 13 2016</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Water Bureau Head: Michael Stuhr, P.E., Administrator</p> <p>Prepared by: W. Lewandowski/T. Elliott Date Prepared: August 30, 2016</p>	<p>ACTION TAKEN:</p> <p>SEP 22 2016 ACCEPTED</p>
<p>Impact Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code. easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date <u>September 21, 2016</u> 22</p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/> 1 of 3 Start time: 9:45 a.m. 2:00 PM Total amount of time needed: 45 90 minutes (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	—	
4. Novick	✓	
Hales	✓	