

EXHIBIT A
Interstate Renovation Project

POST PROJECT EVALUATION
FACTUAL FINDINGS EXEMPTION FROM COMPETITIVE BIDDING

The Interstate Maintenance Facility Renovation Project (hereinafter referred to as the “Project”) implements direction given in the City of Portland Water Bureau (PWB) Interstate Facilities Master Plan Report. The Master Plan was the result of a 5 year study completed in 2006. The primary objectives of this planning effort were to determine the viability of the continued use of the existing structures establish a Master Plan that develops an approach to effectively use the site, and prioritize and identify needed improvements. This Project provides the opportunity to modernize an aging facility to provide a safe and efficient environment from which to provide essential City services.

The PWB Central Maintenance Facility (the “Facility”), commonly referred to as the Interstate Yard, occupies 11 acres on North Interstate Avenue in general proximity to the Rose Quarter and Willamette River. With a staff of 300, the Operations, Maintenance, and Construction Groups provide most of the services required to maintain and repair, and renew the City’s potable water delivery system. The Facility is comprised of several single and multiple use structures of varying size and age. The oldest buildings were constructed in the mid - 1920s, and the newest in 1991. The main structure on the site is referred to as the Maintenance Building. It houses most of the office space as well as the PWB warehouse and stores. After review it was determined that this 1925 vintage building is not designed or constructed to meet the current and future needs of the PWB. This building will be demolished.

ORS 279C.355 requires an evaluation report upon completion of a project exempt from competitive bidding. The report must include information on the Guaranteed Maximum Price (GMP) if used; actual and estimated project costs; numbers of change orders; an analysis of the success and failures of the design, engineering and construction; and an objective assessment of the use of the alternative contracting process as compared to the findings required by ORS 279C.355. The following is the report required by ORS 279C.355 and how the use of an alternative method was in the City’s best interest.

Objective assessment of exemption from competitive bidding under Oregon Statute.

The paragraphs in italics below are from the Alternative Procurement Findings approved by City Council on May 4, 2011 (Ordinance No. 184566). These statements were used to justify for the construction of the Project using an alternative procurement process. The Project Manager’s response states how the Project achieved or not the expectations set forward in the initial Findings.

Oregon law requires all public improvement projects to be procured by a competitive low bid method, unless an exemption is granted by the State of Oregon or the Local Contract Review Board for public agencies other than the state. In order to obtain an exemption, ORS 279C.330

requires the Portland City Council, acting as the Local Contract Review Board, to approve two findings submitted by the City staff:

- 1. That it is unlikely that the exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for the public improvement, and;*
- 2. The awarding of the public improvement contract under the exemption will result in substantial cost savings for the City of Portland ("Owner").*

Additionally, the Findings noted the following regarding Competitive Bidding:

ORS 279C.335 (2) requires that an agency make certain findings as part of exempting public contracts or classes of public contracts from competitive bidding. ORS 279C.335 (2) (a) requires an agency to find that: It is unlikely that such an exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition from public improvement contracts. This conclusion is supported by the following:

PWB will issue a Request for Proposals (RFP) for a Construction Manager/General Contractor (CM/GC) for this project in accordance with procedures that will attract competition for this contract from qualified contractors in the construction community. The RFP will be advertised in the Daily Journal of Commerce, and will be posted on the City of Portland's BuySpeed website. Potential Contractors will submit proposals. A Selection Committee consisting of personnel from Water Bureau, and others from the community, including an Alliance of Minority Chamber provided evaluator(s), will evaluate the proposals and will select a contractor based on evaluation of the proposals and subsequent interviews, if necessary. The selection process will be completed under the supervision of Procurement Services. The evaluation process will be based on predefined criteria such as demonstrable technical qualifications, the proposed fixed fee for the CM/GC during construction, diversity in employment and sustainability, project team, project understanding, and safety. Subcontracted portions of the work will be contracted by the Contractor through a competitive bidding process. The CM/GC contracting process will not limit competition or encourage favoritism in the selection process when compared to the standard Design Bid Build (DBB) process.

The selected contractor's level of experience and knowledge must be high. This is a unique, complicated, and important project for the PWB. Selection of a contractor based on technical qualification is critical to obtaining a contractor that can effectively coordinate all the pieces of the project. Significant risks are associated with this project. A competent contractor on this project will minimize risks, reduce change orders, and maintain the critical path of the project. The experience of this contractor enable the schedule to stay on track and assure that the Project will operate correctly to meet the requirements of the Land Use Review and the EPA approved schedule. The CM/GC process is critical in allowing the contractor to be intensely involved in the design, value engineering, schedule, risk-reduction, and overall successful completion of this project. The CM/GC method maintains competition among qualified proposers.

Project Manager's response: The CM/GC team was selected using the RFP process. Three (3) proposals were received. A selection committee composed of City staff and outside members in

accordance with City requirements reviewed the proposals. The selection committee used a “best value” process to select the CM/GC contractor based on a combination of technical merit and price. The Hoffman Construction Company (HCC) team was selected as the successful contractor. HCC brought an efficient and technically competent team to the Project. HCC was awarded the contract to perform Pre-Construction Services. During the pre-construction services a guaranteed maximum price (GMP) construction was negotiated with HCC. The Project was completed without claims and well under the GMP contract amount.

As used in ORS 279C.335, 279C.345 and 279C.350, “findings” means the justification for a contracting agency conclusion that includes, but is not limited to, information regarding:

- (1) Operational, budget, and financial data;*
- (2) Public benefits;*
- (3) Value engineering;*
- (4) Specialized expertise required;*
- (5) Public safety;*
- (6) Market conditions;*
- (7) Technical complexity; and*
- (8) Funding sources. [2003 c.794 §102]*

(1) Operational, budget, and financial data;

A - Pre-Construction Services Contract and Amendment Costs

The original amount for the Phase I Pre-Construction Services contract was \$145,352. This first phase of the work occurred prior to finalization of “Issue for Construction” Contract Documents. Briefly, the Pre-Construction Services Contract included, but was not limited to, participating in design meetings, value engineering, estimating and cost control, schedule development, permitting assistance, plan, and specification reviews, and constructability reviews. Additionally the Contractor helped develop the construction scope for work, construction schedules, and the GMP. The contract was amended to include erosion control, temporary fencing, tree removal and installation of gravel work surfaces to comply with permit requirements. The final Pre-Construction Services Contract cost was \$249,619. The work associated with this contract was complete on December 31, 2013.

B - Guaranteed Maximum Price (GMP) Contract Costs and Change Orders

The original amount for the GMP Contract amount was \$35,000,000. There is one (1) no cost change orders issued for the Construction Contract. Change Order No. 1 provided for administrative clean-up of Exhibits, Construction Change Directives (CCDs), Requests for

Information (RFIs), and Modified Community Benefits Agreement (CBA). The contract completion date was also extended due to delays in hazardous and contaminated media clean-up and regulatory permit approvals. The change order was covered under a combination of contingency funds and Owner Savings within the project GMP. The final contract price, including all reimbursable cost of Work and the CM/GC Fee, is \$35,000,000.00 under the original GMP contract amount). The Project is now complete and all work necessary to close the Project has been executed in accordance with the contract.

C – Overall Project Costs

The initial estimate for the Project was \$50,000,000, including planning, design, construction, and internal management costs. The final Project cost is estimated to be approximately \$49,300,000, after final contract payments and internal costs associated with Project closeout, resulting in a savings of approximately \$700,000 from the initial estimate.

(2) Public benefits

PWB must meet its commitment to the City of Portland to provide quality potable water to its 900,000 retail and wholesale customers and maintain the system during construction. All PWB maintenance, construction and operation activities based at the Interstate Facility must continue to function while the Facility is renovated. Therefore, it is necessary that construction of the project proceed smoothly and with a minimum of interruptions, delays, and claims.

It is likely that there will be a lower chance of disruption to the schedule, cost overruns, and delays by using the CM/GC approach. Electing to adopt reasonable measures such as alternative contracting to meet its commitments falls well within the PWB's fundamental mission of maintaining the livability of the City.

Utilizing the CM/GC contracting method will allow the City to minimize the risk of awarding the contract to an under qualified contractor and subcontractors.

Finally, CM/GC contracting will allow construction of the current facility plan at the lowest life-cycle cost of any other technically feasible alternative identified to date, including a DBB process. A CM/GC approach will thus allow the public to receive the benefits of both timeliness and lowest cost.

Using a CM/GC contract provides more opportunities during design and construction to address constructability, modify construction means and methods, and work in partnership with the city. This construction approach helps provide the following public benefits:

- *Minimizes disruptions to the neighborhood.*
- *Success in neighborhood relations.*
- *Ensuring access to adjacent properties is maintained.*
- *Minimize odor, noise, vibration impacts, and utility disruptions.*

- *Provides most qualified contractor to be hired at the best value.*

The competitive RFP method of CM/GC procurement maximizes public benefit by ensuring the selection of a contractor who is well qualified to effectively minimize the public impacts caused by the work. In contrast, the DBB process, which does not permit contractor to become involved in the project until after the design is complete, would be less likely to achieve these goals.

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- *Provides most qualified contractor to be hired at the best value*

Project Manager's response: The alternative procurement method resulted in the selection of HCC as the qualified CM/GC contractor. HCC had the specialized experience and equipment necessary to complete a complicated Project of this nature and was involved at the 60% design phase through the end of design which allowed the Project team to design structures that would limit impacts and disruption to the operations of the City's Interstate Facilities for the Water Bureau. The CM/GC process allowed the Project team to achieve maximum flexibility for the sequencing of construction, constructability reviews, construction staging, and assured environmental compliance was maintained. In addition, being a local contractor, HCC had an interest in maintaining a positive relationship with the community. They also had existing knowledge of local costs and the expertise and experience with local subcontractors. The Project public benefit by piloting a community benefits program to increase participation of Disadvantaged, Minority, and Women Enterprise and Emerging Small Business (DMWESB) contract workers on the Project and by concentrating on local hiring where possible.

(3) Value Engineering

The CM/GC contracting process will give the contractor an opportunity to partner with PWB project team, the designer, and operations in performing value engineering (VE) and constructability reviews during design. Value engineering is a process in which project stakeholders compare the total project cost to project performance and evaluate the benefit-to-cost ratio. With a CM/GC procurement method, constructability is continuously evaluated and final costs are usually determined prior to completion of the final design. The early and realistic determination of costs allows PWB to adjust design and construction methods based on real costs. In contrast, contractor input into the project while it is being designed is not possible using the conventional DBB construction process.

Early involvement of the CM/GC contractor likely will reduce overall project costs and more efficiently attain the project objectives. The CM/GC contractor can see conditions while design is ongoing and provide input. The CM/GC's construction experience and knowledge will help identify and resolve issues prior to construction and will aid in early identification of effective measures to minimize disruption. This partnering will likely reduce the need for change orders, claims, and delays, resulting in significant cost savings and delivery of quality facilities on time.

Early CM/GC procurement best leverages VE ideas from a contractor, as they can be implemented during the design phase, in comparison with the DBB method in which such VE ideas often require additional costs associated with re-design.

Hiring a contractor through the CM/GC procurement method allows hiring the construction contractor during design and participating in the design and development of the project making it a more cost effective project. In contrast, the DBB process does not permit contractor involvement during the design phase of the project and limits value engineering possibilities.

Project Manager's response: Because the contractor was involved early in the design, the Project benefited from early and ongoing VE, constructability reviews, and schedule refinement. This integration resulted in significant cost savings to the Project with no significant change orders.

The Project's Engineer's Estimate was \$40,000,000 during the design phase. Some scope elements became add-alternates that could be constructed provided there were sufficient savings to construct the work. The final construction contract was negotiated with a GMP of \$35,000,000. This was determined to be a more conservative approach needed due to the hazardous and contaminated media that had been found onsite and would require remediation. With input from the CM/GC work elements were economized, schedule efficiencies were obtained, and sufficient savings were realized to perform the add-alternate scope items. These were examples of where the CM/GC input provided a unique opportunity to value to the City of Portland.

(4) Specialized Expertise Required.

The new and renovated facilities at Interstate will meet heightened design criteria applicable to facilities designated as lifeline facilities. These more stringent requirements mean that the

Facility can continue to function even after a major event such as an earthquake or other catastrophe. So both the design and construction of these enhanced facilities require a higher level of expertise than is required for a standard building. The construction of the Interstate facility will require a highly organized contractor in order to meet the tight project schedule and technical site constraints. The CM/GC process allows PWB to contract with a contractor that demonstrates the desired specialized expertise. Utilizing a CM/GC will allow the contractor to provide valuable input during the design process. Constructability issues can be addressed preceding the actual construction activities.

Expertise in construction methodology, sequencing, scheduling and cost estimating is essential to make sure the City realizes an optimum design that remains practical and within budget. The CM/GC contracting process will provide the best opportunity to select the most knowledgeable contractor with the necessary expertise for this project. An alternative contracting method, such as CM/GC provide a realistic way to make sure that expertise is available during the project design phase. In contrast, the DBB method does not permit the City to use the contractor's expertise to help design the project, since the contractor is selected after the design is complete. Although the DBB process, through the use of contractor prequalification permits the City to make sure that minimally qualified contractors bid on the project, it does not permit the City to select the most qualified contractor to perform this work. Using specialized expertise on this project in the most beneficial way requires a CM/GC contracting process to maximize the project success and to minimize PWB operations and unanticipated costs.

Procurement using CM/GC method allows the City to evaluate the qualifications of the contractors seeking contract award, including an evaluation of their expertise. In contrast, the DBB process sets a minimum threshold for qualifications and does not permit the City to evaluate contractors based on their expertise. As a result, the CM/GC process is more likely to find the best contractor for the job than the DBB process.

Project Manager's response: The CM/GC selection method provided the best opportunity to select not just a qualified contractor, but the most knowledgeable contractor available with the necessary expertise and equipment for this Project. It was determined that the Interstate Facility would be fully occupied during construction, which made the work extremely complex to phase and schedule. By using the CM/GC procurement method, the City was able to solicit the civil construction community and have them provide input on the best match to the Project parameters and their skill sets. The City received three (3) proposals all of which were viable. Conventional DBB methods would have required the Water Bureau to select the lowest bidder who may not have had the technical expertise to complete such a complicated Project.

HCC provided expertise in reservoir and concrete construction as well as contractor quality control. Without early input from HCC it would have been challenging to ensure the design parameters of the Project were met while staying on schedule and under budget.

(5) Public Safety.

The CM/GC process enables the selected contractor to provide input during the design process including establishing a safety plan and a coordinated construction phasing plan. This process

is more likely than the DBB process to result in early implementation of health and safety measures to protect the public water source, the 300 PWB staff who work out of this site, construction workers, and the public throughout the project. These health and safety measures will ensure that the water system continues to provide excellent water quality, reliability, and system security.

As a public project, it is important to build the project with safety foremost in the contractor's approach to ensure safe working conditions for the contractor, PWB staff, and the public that could be affected by the project.

CM/GC procurement method allows actual safety performance on similar projects to be considered as a selection criteria. It also permits the City to work closely with the contractor during the design phase of the project to ensure that the design permits appropriate safety measures, that the contractor understands the City's safety concerns and that the contractor will take appropriate steps to address them. In contrast, the DBB process does not permit the City to discuss safety issues with a contractor until after the design is completed and does not permit the close interaction with the contractor to make sure that the City's safety concerns are well understood.

Project Manager's response: By using the CM/GC procurement method, HCC was able to assist the Project team in assuring that the design and construction methods would not impact the neighborhood, staff or the environment. The Contractor was able assist in developing a phasing plan during the design phase that assured safety of the contractor's staff, PWB staff and the general public. The Interstate Facility was fully occupied throughout construction. Hundreds of employees operating Water Bureau construction equipment worked alongside phased construction operations by the contractor. Hazardous and contaminated media found onsite below the former Foundry and Westinghouse facilities would have to be safely remediated. The work had to be approached carefully to avoid risk to all parties. Allowing HCC to be involved early in the process allowed the Project team to build trust and strong working relationships that made this Project a success. HCC was required to submit a contaminated media management plan and health and safety plan to insure hazardous and contaminated media was handled and disposed of properly, as well as insuring the safety of Water Bureau operators/staff, construction workers, neighbors and the general public.

(6) Market Conditions

A CM/GC contracting process would reach the same or greater market of construction contractors as the DBB process. The Request for Proposals for specialized skills, size of the project and major components of work necessary for the project could reach the state and national marketplace. Competitive contracting to this market will be obtained during the solicitation for qualifications and proposals. Hiring a CM/GC helps ensure that the project design and construction sequencing will employ all market innovations in means and methods. A CM/GC would be selected using the City's alternative procurement process that evaluates qualifications and proposals to ensure the best combination of technical expertise at a cost-effective price. See Paragraph I, Competitive Bidding, for more discussion of the process.

CM/GC contracting has the added benefit of allowing the selected contractor to solicit competitive bids for various aspects of work (equipment, labor, etc.) as the work is ready to go out to bid and coordinate construction activities among all resources to minimize construction risks and delays. The CM/GC will be able to prepare material and equipment submittals early and issue purchase orders to suppliers and vendors during design for timely delivery. This would also provide increased opportunity to identify and reach out to qualified minority, women, and emerging small businesses that may otherwise not have an opportunity to participate in the project. The selected CM/GC will work with Procurement Services to develop and implement an M/W/ESB subcontractor and supplier plan, which can include innovative means to provide subcontracting opportunities. Overall, the CM/GC process provides the best assurance that the most-qualified and most cost-effective subcontractors, suppliers, and vendors would be available to meet the demanding schedule at minimum cost.

Current market conditions are very attractive because of the current economic conditions. Early procurement allows the City to take advantage of this environment.

CM/GC procurement method uses a competitive selection process with qualifications being one of the criteria. This selection does not significantly change the pool of contractors qualified to bid on the project. CM/GC procurement can start earlier taking advantage of the current economic market. In contrast, the DBB process does not permit the contractor to get an early start on the project.

Project Manager's response: The CM/GC process allowed the Water Bureau to coordinate and attract potential qualified contractors early on in the design process. Involving HCC early on allowed the Interstate Facility design and construction to be developed and proceed in a way that reduced time and costs to the Project.

The CM/GC method allowed HCC to solicit subcontractors for design recommendations and pricing during design. This was an especially useful strategy when working with the hazardous and contaminated media remediation, foundation piling, and structural requirements for the Project. HCC's expertise in construction methodology enabled them to evaluate the design and procure long lead item materials such as the large quantities of structural reinforcing early on which kept material costs down.

Additionally, HCC's specific expertise in phased construction coupled with their reputation of being one of the largest contractors in the state allowed the Project team the flexibility to coordinate with local sub-contractors in advance. This was especially useful because of the following: It ensured the requirements for the hazardous and contaminated media remediation, engineered foundation and structural requirements were clearly communicated and planned for in advance; allowed the suppliers and sub-contractors to procure materials in advance at lower cost; and, because the Project needs were known, an adequate supply of materials was planned for and readily available for the Project even during the peak construction season in the Portland area, thus eliminating any potential delays.

During construction, HCC advertised formal bid packages. By the end of the Project, HCC had contracted with 78 first-tier subcontractors, including Hoffman Structures, Inc. the HCC subsidiary who self-performed the reservoir concrete work, who in turn had 42 second-tier and

third-tier subcontractors. Approximately 84.81% of the contract payments were paid to competitive subcontracts, with the rest paid for self-performed work and overhead expenses.

(7) Technical Complexity.

This is a technically complex project because of the physical limitations that exist within the project site. The CM/GC process allows the City to acquire a highly qualified contractor, as opposed to a minimally qualified contractor that the DBB process might produce. As a result, it is more likely that the CM/GC can resolve the technical complexities of the project more efficiently, in part because of its qualifications and in part because it will have additional time to think about how such problems can be handled during the design and construction process.

The Interstate Maintenance Facility will be a physically constrained construction site. Much of this is due to the fact that the day to day operations of the PWB will continue to function over the life of the project. The CM/GC method will allow the contractor to proactively be involved in design to develop construction approaches and methods to minimize impacts in and around Interstate. Such involvement in the design stage would not be possible using the traditional DBB contracting method

The planned approach for this project is to build the new structure(s), move employees into this new building, and then demolish the Maintenance Building. The newer building fronting Interstate Avenue is referred to as the Operations Building. This structure will remain for the most part as is. In addition to maintaining operations during construction, the project requires establishment of a construction phasing plan, construction mitigation plan, construction management plan, erosion and storm water control plan, traffic control plan, health and safety plan; and a shoring plan. Some of these plans will require close coordination with the public, City Bureaus and permitting agencies. This can be a time consuming process. The CM/GC process allows the contractor additional time for this planning and permitting process, thus making it more likely that the project can be completed without delays.

The CM/GC would be responsible for hiring and coordinating the various subcontractors to complete the work. The CM/GC would coordinate the phasing, safety, and installation methods. This technical complexity requires that the construction contractor understand and be able to manage all aspects of work. A qualified and informed contractor is imperative to managing these elements. The CM/GC contracting process permits selection of the most qualified contractor to function as a partner in the design and construction process, rather than requiring the City to accept the contractor that submits the lowest bid.

The conventional DBB process, based strictly on the initial price, does not guarantee hiring the contractor best able to handle the technical complexity of this process. Hiring a DBB contractor based strictly on submittal of the lowest bid may well cause the City additional short- and long-term costs and risks.

CM/GC procurement method allows hiring a contractor with technical expertise to participate in the design and construction to identify and resolve technical issues effectively. The same reasons that support the finding regarding specialized expertise are applicable here and are incorporated by reference.

Project Manager's response: Replacing structures on an owner-occupied construction site is challenging. It requires a high degree of coordination, competence, attention to detail and quality control to ensure a properly constructed, functioning and maintainable facility. The CM/GC process provided the Water Bureau with the opportunity to select some of the most highly skilled sub-contractors in the industry. The Water Bureau was able to assess all elements of the CM/GC team and make a selection that provided good coverage of all the key elements of the Project.

HCC's experience with phasing, scheduling, and construction methodology allowed them to "look ahead" and identify potential issues and provide recommendations on how some portions of the design needed to be modified while still maintaining design parameters before construction began on various structural and site elements. This proactive approach alleviated multiple issues and potential conflicts that would have significantly delayed and increased costs to the Project, had the issues not been addressed beforehand.

The integrated nature of the CM/GC team facilitated early and constant feedback between the designers, the Owner and the contractors. The Water Bureau was an integral member of the team, being present during all aspects of the Project. This high level of coordination was critical in making this Project a success. Using a DBB process would not have led to the same successful outcome.

By utilizing the CM/GC procurement method, the contractor was able to submit key construction plans such as the phasing plan, health and safety plan, contaminated media management plan, waste management plan, construction management plan, erosion control plan, and traffic control plan early. This allowed for the early submission of permit applications, which expedited the construction schedule, and allowed input into the proposed means and methods of the contractor to be accurately conveyed.

(8) Funding Sources

Funding for a portion of this project has been requested in the proposed FY 2010-11 Budget and additional funding will be requested in the FY 2011-12, FY 2012-13, FY 2013-14 and FY 2014-15 using City of Portland Water Funds. There are no other funding sources for this project. The overall project budget is \$50 million and includes costs for PRE-CONSTRUCTION services, construction, and contingency. The contingency is a percentage of project costs above the stated amount that the project may exceed. As the project design progresses from early to later design stages, the confidence rating goes up (improves) and the contingency percentage may go down. This means that, as the design progresses, the estimation of how much the project will cost may vary from the budgeted amount, and in theory, may be reduced.

Project is funded using City of Portland Water Funds. Project is funded in the current fiscal budget and is expected to be included in the Fiscal year budgets through 2015. While funding does not change based on use of the CM/GC process, the project budget is likely to be more stable as a result of that process and it is less likely that there will be project overruns. The DBB process does not provide that same assurance.

Project Manager's response: The Project Budget is \$50,000,000, the estimated final cost of the project is estimated at \$49,300,000. The project budgeting was extended through FY 2016-17, due to initial delays in the start of construction. The negotiated Contract Amount with HCC was \$35,000,000. The final cost of the Contract Amount with HCC is \$35,000,000. There are no claims or change orders that required an increase to the Contract Amount. All the changes were covered under the agreed upon Contract Amount. The final construction costs being equivalent to the GMP helps demonstrate the advantages of using the CM/GC alternative contracting method for a complicated one-of-a-kind Project.

The CM/GC procurement method worked well for this Project. The Project was delivered for the contract GMP, did not create any disruptions to the operations of City of Portland Water Bureau, and has provided a safer, cleaner, greener, and modern work environment for over 300 City staff.

This methodology was appropriate for this Project and should continue to be viewed as a viable contracting option on selected projects.



Nick Fish, Commissioner
Michael Stuhr, P.E., Administrator

1120 SW 5th Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandoregon.gov/water

**REPORT TO THE CHIEF PROCUREMENT OFFICER
FINAL PAYMENT AUTHORIZATION**

TO THE CHIEF PROCUREMENT OFFICER:

Transmitted herewith are the signed & completed documents required to close the Interstate Maintenance Facility Renovation Project, Project No. W01400, RFP No. 112815, Contract No. 30003000, and the Contractor is Hoffman Construction Company

- Certificate of Completion
- Final Progress Payment Certificate (including breakdown of contract amounts due & already paid)
- Acknowledgement, Release & Certification (original, signed by Contractor)
- Oregon Department of Revenue Nonresident Bidder Form (copy, completed by Nonresident Contractor)
Applies to nonresident contractors only
- Optional Bureau specific reports (i.e. Pipe Completion, Final Project Report, Facility/Equipment Acceptance)

Hoffman Construction Company is the prime contractor. The contract was signed on November 3, 2012 and completed on June 15, 2016.

- All required certified payrolls have been submitted to the Auditor's Office
- Maintenance / Warranty Bond has been submitted to the Auditor's Office
- The BOLI Forms/Fees (WH-39; WH-40, if required) have been submitted to BOLI

The final construction is the original contract amount of \$35,000,000.

Liquidated damages in the amount of N/A have been assessed.

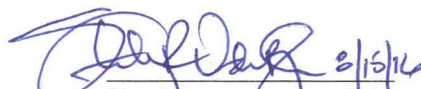
This project was not an emergency project as defined in ORS 279A.010 (f), ORS 279B.080 and PCC 5.34.110.

Therefore it is my recommendation that; the improvements are accepted by the Chief Procurement Officer, including all change orders, all remaining retainage be released, and the Final Progress Payment Certificate be authorized for payment.


Approved:


Signature Date

Walter H. Lewandowski
Senior Engineer


Signature Date

Stanley R. VandeBergh
Principal Engineer


Signature Date

Teresa K. Elliott
Chief Engineer

TO THE AUDITOR:

I have reviewed and approved the final payment report for the above referenced project.

COP License #: _____

Chief Procurement Officer

Date

EEO Expires: _____



Nick Fish, Commissioner
Michael Stuhr, P.E., Administrator

1120 SW 5th Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandoregon.gov/water



August 4, 2016

Hoffman Construction Company
Attn: Gerry Hein
805 SW Broadway, Suite 2100
Portland, Oregon 97205

Subject: Final Progress Payment
Project: Interstate Renovation Project
Contractor: Hoffman Construction Company
Contract No.: 30003000
Cost Object (Project No.): W01400
Pay Period Ending: June 30, 2016

Dear Mr. Hein

The Final Progress Payment for work performed by your firm for the Interstate Renovation Project is being processed and will be forwarded to you in the very near future.

This is the Final Payment for the Project. The city has accepted a bond in lieu of retainage on this project; therefore no retainage has been withheld from this Progress Payment.

Sincerely,

Stanley R. VandeBergh, P.E.
Principal Engineer

TG: tg
Enclosure



Nick Fish, Commissioner
Michael Stuhr, P.E., Administrator



1120 SW 5th Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandoregon.gov/water

CERTIFICATION FOR PAYMENT FOR ESTIMATED WORK

Contractor:	Hoffman Construction Company	
Address:	805 SW Broadway	Phone: (503) 449-2018
City, State, Zip:	Portland, OR 97205	Fax:
Project Manager:	Mike Shultz	Water Bureau Project Manager: Walter Lewandowski
Project:	Interstate Renovation Project	Progress Payment #: 00077
Contractor:	Hoffman Construction Company	Pay Period Ending Date: 06/30/2016
Contract #:	30003000	Notice To Proceed Date: 11/26/2012
SAP Project #:	W01400	No. Days in Contract: 1,178
Original Contract Amount:	\$35,000,000.00	
Change Orders Authorized:	\$0.00	No. Days Added by Change Order: 78
Total Authorized:	\$35,000,000.00	Completion Date: 5/6/16
Invoice Date:	08/03/2016	Days Remaining: (55)


Estimated Work Completed To Date	\$35,000,000.00
Retainage Held Through April 30, 2012 (See Note Below)	\$0.00

PAYMENT DUE **\$100.00** <--- Pay this amount

WBS Element	Current Charges	Previous Total	Cumulative
W01400.1.10CC	\$0.00	\$131,228.00	\$131,228.00
W01400.1.11.CC	\$0.00	\$185,097.00	\$185,097.00
W01400.1.1CC	\$0.00	\$8,070,500.63	\$8,070,500.00
W01400.1.2.CE	\$0.00	\$1,006,065.42	\$1,006,065.00
W01400.1.3CC	\$0.00	\$297,430.03	\$297,430.00
W01400.1.5.CC	\$0.00	\$1,009,034.20	\$1,009,034.00
W01400.1.7.CE	\$0.00	\$175,893.35	\$175,893.00
W01400.1.8.CE	\$0.00	\$47,170.98	\$47,170.00
W01400.1.9.CC	\$0.00	\$4,603,302.82	\$4,603,302.00
W01400.1.CE	\$0.00	\$17,270.00	\$17,270.00
W01400.3.11CC	\$0.00	\$969,075.15	\$969,075.00

Note: Retainage bond accepted in lieu of cash retainage.

Weekly wage certifications for the previous month and the monthly Purchasing reports have been received in accordance with Contract requirements. Payment is approved for processing.


 Approved for Processing: Walter Lewandowski Date: 08/04/2016



Nick Fish, Commissioner
 Michael Stuhr, P.E., Administrator



1120 SW 5th Avenue, Room 600
 Portland, Oregon 97204-1926
 Information: 503-823-7404
 www.portlandoregon.gov/water

W01400.3.1CC	\$0.00	\$10,903,448.44	\$10,903,447.00
W01400.3.3CC	\$0.00	\$3,548,069.41	\$3,548,068.00
W01400.3.5CC	\$0.00	\$337,653.00	\$337,653.00
W01400.3.6CE	\$0.00	\$182,639.15	\$182,639.00
W01400.3.8CC	\$0.00	\$168,106.00	\$168,106.00
W01400.3.9CC	\$100.00	\$3,023,062.42	\$3,023,161.00
W01400.3TC	\$0.00	\$324,854.00	\$324,854.00

Note: Retainage bond accepted in lieu of cash retainage.

Weekly wage certifications for the previous month and the monthly Purchasing reports have been received in accordance with Contract requirements. Payment is approved for processing.

08/04/2016

Approved for Processing:

Walter Lewandowski

Date

APPLICATION FOR PAYMENT

Project: Interstate Renovation Project
 Contractor: Hoffman Construction Company
 Contract Number: 30003000
 SAP Project Number: W01400
 Original Contract Amount: \$35,000,000.00
 Authorized Change Orders: \$0.00
 Payments Authorized: \$35,000,000.00
 Invoice Date: 8/3/2016

Progress Payment#: 00077
 Pay Period Ending Date: 6/30/2016
 Notice To Proceed Date: 11/26/2012
 Number of Days in Contract: 1178
 Number of Days Added by Change Orders: 78
 Completion Date: 5/6/2016
 Days Remaining: -55

A	B	C	D	E	F	G	H	I	J	K	L	M
LINE ITEM NO	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	SCHEDULED VALUE	FROM PREVIOUS APPLICATIONS	WORK COMPLETED THIS PERIOD	STORED MATERIALS	WORK COMPLETED AND STORED MATERIALS TO DATE	% COMPLETE	BALANCE TO FINISH	WBS ELEMENT
001	Landscape Phase 1				\$131,228.00	\$131,228.00	\$0.00	\$0.00	\$131,228.00	100.00	\$0.00	W01400.1.10CC
002	SSW Building - General				\$5,424,236.10	\$5,424,236.10	\$0.00	\$0.00	\$5,424,236.10	100.00	\$0.00	W01400.1.1CC
003	SSW Building - HVAC/Mechanical				\$392,331.00	\$392,331.00	\$0.00	\$0.00	\$392,331.00	100.00	\$0.00	W01400.1.1CC
004	SSW Building - Plumbing				\$321,841.53	\$321,841.53	\$0.00	\$0.00	\$321,841.53	100.00	\$0.00	W01400.1.1CC
005	SSW Building - Fire Suppression				\$136,705.00	\$136,705.00	\$0.00	\$0.00	\$136,705.00	100.00	\$0.00	W01400.1.1CC
006	SSW Building - Electrical				\$1,565,213.00	\$1,565,213.00	\$0.00	\$0.00	\$1,565,213.00	100.00	\$0.00	W01400.1.1CC
007	Demo - Foundary				\$17,750.00	\$17,750.00	\$0.00	\$0.00	\$17,750.00	100.00	\$0.00	W01400.1.1CC
008	SSW Building - Safety & Security				\$212,424.00	\$212,424.00	\$0.00	\$0.00	\$212,424.00	100.00	\$0.00	W01400.1.1CC
009	SSW Building - Generator				\$185,097.00	\$185,097.00	\$0.00	\$0.00	\$185,097.00	100.00	\$0.00	W01400.1.11.CC
010	Hazmat - Old Westinghouse				\$1,006,065.42	\$1,006,065.42	\$0.00	\$0.00	\$1,006,065.42	100.00	\$0.00	W01400.1.2.CE
011	Hazmat - Foundary				\$297,430.03	\$297,430.03	\$0.00	\$0.00	\$297,430.03	100.00	\$0.00	W01400.1.3CC
012	Hazmat - Interstate				\$175,893.35	\$175,893.35	\$0.00	\$0.00	\$175,893.35	100.00	\$0.00	W01400.1.7.CE
013	Hazmat - RR Spur				\$47,170.98	\$47,170.98	\$0.00	\$0.00	\$47,170.98	100.00	\$0.00	W01400.1.8.CE
014	Site Work (Phase 1)				\$1,009,034.20	\$1,009,034.20	\$0.00	\$0.00	\$1,009,034.20	100.00	\$0.00	W01400.1.5.CC
015	General Conditions				\$4,171,437.74	\$4,171,437.74	\$0.00	\$0.00	\$4,171,437.74	100.00	\$0.00	W01400.1.9.CC
016	Contractor's Contingency				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00	\$0.00	W01400.1.9.CC
017	CBA Administration				\$186,383.08	\$186,383.08	\$0.00	\$0.00	\$186,383.08	100.00	\$0.00	W01400.1.9.CC
018	CBA Fee				\$245,482.00	\$245,482.00	\$0.00	\$0.00	\$245,482.00	100.00	\$0.00	W01400.1.9.CC
019	Owner Controlled Allowances				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00	\$0.00	W01400.1.9.CC
020	Demo - Green Shed				\$17,270.00	\$17,270.00	\$0.00	\$0.00	\$17,270.00	100.00	\$0.00	W01400.1.CE
021	Demo - Carpentry Shop				\$35,182.00	\$35,182.00	\$0.00	\$0.00	\$35,182.00	100.00	\$0.00	W01400.3.1CC
022	Maintenance Building				\$6,929,469.79	\$6,827,845.79	\$0.00	\$0.00	\$6,827,845.79	98.53	\$101,624.00	W01400.3.1CC

APPLICATION FOR PAYMENT

Project: Interstate Renovation Project
 Contractor: Hoffman Construction Company
 Contract Number: 30003000
 SAP Project Number: W01400
 Original Contract Amount: \$35,000,000.00
 Authorized Change Orders: \$0.00
 Payments Authorized: \$35,000,000.00
 Invoice Date: 8/3/2016

Progress Payment#: 00077
 Pay Period Ending Date: 6/30/2016
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A	B	C	D	E	F	G	H	I	J	K	L	M
LINE ITEM NO	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	SCHEDULED VALUE	FROM PREVIOUS APPLICATIONS	WORK COMPLETED THIS PERIOD	STORED MATERIALS	WORK COMPLETED AND STORED MATERIALS TO DATE	% COMPLETE	BALANCE TO FINISH	WBS ELEMENT
023	MNT - Fire Supression				\$95,830.00	\$94,403.00	\$0.00	\$0.00	\$94,403.00	98.51	\$1,427.00	W01400.3.1CC
024	MNT - HVAC				\$1,379,063.00	\$1,379,063.00	\$0.00	\$0.00	\$1,379,063.00	100.00	\$0.00	W01400.3.1CC
025	MNT - Plumbing				\$398,800.00	\$379,853.00	\$0.00	\$0.00	\$379,853.00	95.25	\$18,947.00	W01400.3.1CC
026	MNT - Electrical				\$1,613,881.00	\$1,555,477.00	\$0.00	\$0.00	\$1,555,477.00	96.38	\$58,404.00	W01400.3.1CC
027	MNT - Security				\$234,269.00	\$234,269.00	\$0.00	\$0.00	\$234,269.00	100.00	\$0.00	W01400.3.1CC
027.1	Connecting Bridge				\$400,000.00	\$397,355.65	\$0.00	\$0.00	\$397,355.65	99.34	\$2,644.35	W01400.3.1CC
028	Sitework - (Phase 2)				\$2,093,576.71	\$2,073,139.73	\$0.00	\$0.00	\$2,073,139.73	99.02	\$20,436.98	W01400.3.3CC
028.1	Upper Lot				\$1,125,000.00	\$1,197,895.68	\$0.00	\$0.00	\$1,197,895.68	106.48	(\$72,895.68)	W01400.3.3CC
029	Landscape - Phase 2				\$337,653.00	\$337,653.00	\$0.00	\$0.00	\$337,653.00	100.00	\$0.00	W01400.3.5CC
030	Demo - Old Maintenance Building				\$387,269.00	\$277,034.00	\$0.00	\$0.00	\$277,034.00	71.54	\$110,235.00	W01400.3.3CC
031	Phase 2 Hazmat Removal at MNT				\$200,000.00	\$182,639.15	\$0.00	\$0.00	\$182,639.15	91.32	\$17,360.85	W01400.3.6CE
032	General Conditions - Phase 2				\$2,528,427.27	\$2,894,641.46	\$100.00	\$0.00	\$2,894,741.46	114.49	(\$366,314.19)	W01400.3.9CC
033	Contractor' Contingency - Phase 2				\$6,661.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00	\$6,661.00	W01400.3.9CC
034	Contractor Share of Savings				\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00	\$250,000.00	W01400.3.9CC
035	CBA Administration - Phase 2				\$46,614.80	\$43,902.96	\$0.00	\$0.00	\$43,902.96	94.18	\$2,711.84	W01400.3.9CC
036	CBA Fee - Phase 2				\$104,518.00	\$84,518.00	\$0.00	\$0.00	\$84,518.00	80.86	\$20,000.00	W01400.3.9CC
037	Owner Controlled Allowance - Phase 2				\$69,152.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00	\$69,152.00	W01400.3.9CC
038	Vehicle Storage Building				\$816,474.00	\$969,075.15	\$0.00	\$0.00	\$969,075.15	118.69	(\$152,601.15)	W01400.3.11CC
039	Site Stair				\$140,167.00	\$168,106.00	\$0.00	\$0.00	\$168,106.00	119.93	(\$27,939.00)	W01400.3.8CC
040	Kerby Lot				\$265,000.00	\$324,854.00	\$0.00	\$0.00	\$324,854.00	122.59	(\$59,854.00)	W01400.3TC
Totals					\$35,000,000.00	\$34,999,900.00	\$100.00	\$0.00	\$35,000,000.00	100.00	\$0.00	



Nick Fish, Commissioner
Michael Stuhr, P.E., Administrator



1120 SW 5th Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandoregon.gov/water

PROJECT MANAGER & INSPECTOR'S CERTIFICATE OF COMPLETION FOR:

Interstate Renovation Project,
Contract No. 30003000, Project No. W01400

The various kinds of work in the above improvement project have been inspected as to quality, classification and allowances of work performed and found to be completed in compliance with the plans, specifications and requirements under the above numbered Contract. The work in the above improvement has been attested as to meet the plans and specifications established by the Council.

Kate Barrett 8/4/2016
Kate Barrett, Senior Inspector / Date

Walter Lewandowski 8/3/16
Walter Lewandowski P.E., Sr. Engineer/ Date

The City of Portland will make reasonable accommodation for people with disabilities. Please notify us no later than five (5) business days prior to the event by phone 503-823-7404, by the City's TTY at 503-823-6868, or by the Oregon Relay Service at 1-800-735-2900.

ACKNOWLEDGEMENT, RELEASE AND CERTIFICATION

1. Acknowledgement:

Contractor acknowledges that it has been paid the amount of \$34,999,900.00 on Contract No. 30003000. Final payment remains to be made by the City of Portland.

2. Release:

Except for the amount of the final payment that remains to be paid, Contractor releases the City of Portland, its officers, agents and employees from any and all other claims for additional compensation that it does or might have as a result of its performance of work on this contract

3. Certification

Contractor certifies that:

- a) All work required by this Contract is complete;
- b) All amounts due for labor, materials and all other obligations under this Contract were paid by the Contractor except for any payments due after Final Payment by Owner is paid;
- c) All actions for injuries or damages arising out of its operations and work were fully and finally settled, or are fully covered by insurance protecting the Contractor, the City of Portland, its officers, agents and employees, and any additional insureds required by the contract; and
- d) Any claim brought against the Contractor by an employee, subcontractor, or supplier has been fully and finally settled, or if not resolved, is fully covered and payable by the Contractor's performance and payment bond, or, if no bond was required, by the Contractor itself, in the event that such claim is correct.

Mario E. Nudo

Signature
Hoffman Construction Company

CFO

Title

State of Oregon)
)ss:
County of Multnomah)

This instrument was acknowledged before me on Thursday
(date), August 4, 2016 by Mario E. Nudo (name) as
CFO (title) of
Hoffman Construction Co. of Oregon (company).

(State)

Jane E Hargrave
NOTARY PUBLIC FOR Multnomah Cty, OR

My Commission Expires: 3/06/2020



MAINTENANCE/WARRANTY BOND

Bond No. 81969949

KNOW ALL MEN BY THESE PRESENTS that we, Hoffman Construction Company of Oregon, as Principal, and Federal Insurance Company, a corporation organized and existing under the laws of the State of Indiana, and duly authorized to transact a surety business in the State of Oregon, as surety, are held and firmly bound unto the CITY OF PORTLAND, a municipal corporation of the State of Oregon, in the penal sum of One Million Two Hundred Thirty-Four Thousand Nine Hundred Eighty-Five and 46/100 Dollars (\$1,234,985.46), lawful money of the United States of America, for the payment whereof well and truly to be made, we and each of us, jointly and severally, bind ourselves, our and each of our heirs, executors, administrators successors and assign, firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH:

THAT WHEREAS the Principal did enter into Contract with the City of Portland for Interstate Renovation Project, Contract No. 30003000, Phase 2 - MNT Building, that was completed on April 24, 2015, which requires a two-year Maintenance and Warranty as described in Section 107.14 of the City of Portland Standard Construction Specifications, and which Contract hereby is made a part hereof as if fully copies herein;

NOW THEREFORE, if the Principal herein shall faithfully and truly observe the terms, provisions, conditions, stipulations, directions, and requirements of said contract and shall in all respects, whether the same be enumerated herein or not, faithfully comply with the same and shall assume the defense of indemnify and save harmless the City of Portland, its officers, agents, and employees from all claims, liabilities, loss, damage or injury which may have been suffered or claimed to have been suffered to persons or property directly or indirectly resulting from or arising out of the operations or conduct of said Principal or any subcontractor in the performance of the work under said contract and shall indemnify and make whole the City for any injury or damage to any street, highway, avenue, or road or any part thereof, resulting from the operations or conduct of said Principal or any subcontractor in connection with performance or conduct of the work under said contract, and shall in all respects faithfully keep and observe all of said terms, provision, conditions, stipulations, directions, and requirements, then this obligation is void, otherwise, it shall remain in full force and effect.

WITNESS our hand and seals this 29th day of June, 2016

Contractor (Principal)

Mario L. Nudo

BY: Mario L. Nudo

TITLE: Treasurer

Surety

By: *Ian J. Campbell*

Ian J. Campbell, **Attorney-In-Fact**

APPROVED

Karen Taylor
City Attorney



**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Brett R. Bauer, Michael R. Bennison, Ian J. Campbell, Stacy A. Flynn, Debra Y. Frabel and Gary P. McCann of Portland, Oregon

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 11th day of September, 2015.

Dawn M. Chloros, Assistant Secretary

David B. Norris, Jr., Vice President



STATE OF NEW JERSEY

ss.

County of Somerset

On this 11th day of September, 2015 before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



**KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316885
Commission Expires July 16, 2019**

Notary Public

CERTIFICATION

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"Except as otherwise provided in these By-Laws or by law or as otherwise directed by the Board of Directors, the President or any Vice President shall be authorized to execute and deliver, in the name and on behalf of the Corporation, all agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation's own account or in a fiduciary or other capacity, and the seal of the Corporation, if appropriate, shall be affixed thereto by any of such officers or the Secretary or an Assistant Secretary. The Board of Directors, the President or any Vice President designated by the Board of Directors may authorize any other officer, employee or agent to execute and deliver, in the name and on behalf of the Corporation, agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation's own account or in a fiduciary or other capacity, and, if appropriate, to affix the seal of the Corporation thereto. The grant of such authority by the Board or any such officer may be general or confined to specific instances."

I, Dawn M. Chloros, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in the U.S. Virgin Islands, and Federal is licensed in Guam, Puerto Rico, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this June 29, 2016



Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS

LISTED ABOVE. OR BY Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com

MAINTENANCE/WARRANTY BOND

Bond No. 82324112


KNOW ALL MEN BY THESE PRESENTS that we, Hoffman Construction Company of Oregon, as Principal, and Federal Insurance Company, a corporation organized and existing under the laws of the State of Indiana, and duly authorized to transact a surety business in the State of Oregon, as surety, are held and firmly bound unto the CITY OF PORTLAND, a municipal corporation of the State of Oregon, in the penal sum of Five Hundred Sixty-Five Thousand Two Hundred Forty-Two and No/100 Dollars (\$565,242.00), lawful money of the United States of America, for the payment whereof well and truly to be made, we and each of us, jointly and severally, bind ourselves, our and each of our heirs, executors, administrators successors and assign, firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH:

THAT WHEREAS the Principal did on Hoffman Construction Company, enter into Contract with the City of Portland for Interstate Renovation Project, Contract No. 30003000, Phase 2 – Add Alternate and Site Work, that was completed on May 6, 2016, which requires a two-year Maintenance and Warranty as described in Section 107.14 of the City of Portland Standard Construction Specifications, and which Contract hereby is made a part hereof as if fully copies herein;

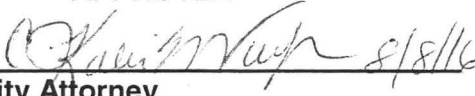
NOW THEREFORE, if the Principal herein shall faithfully and truly observe the terms, provisions, conditions, stipulations, directions, and requirements of said contract and shall in all respects, whether the same be enumerated herein or not, faithfully comply with the same and shall assume the defense of indemnify and save harmless the City of Portland, its officers, agents, and employees from all claims, liabilities, loss, damage or injury which may have been suffered or claimed to have been suffered to persons or property directly or indirectly resulting from or arising out of the operations or conduct of said Principal or any subcontractor in the performance of the work under said contract and shall indemnify and make whole the City for any injury or damage to any street, highway, avenue, or road or any part thereof, resulting from the operations or conduct of said Principal or any subcontractor in connection with performance or conduct of the work under said contract, and shall in all respects faithfully keep and observe all of said terms, provision, conditions, stipulations, directions, and requirements, then this obligation is void, otherwise, it shall remain in full force and effect.

WITNESS our hand and seals this 29th day of June, 2016

Contractor (Principal)

BY: Mario L. Nudo

TITLE: Treasurer

Surety
By: 
Ian J. Campbell, **Attorney-In-Fact**

APPROVED
 8/8/16
City Attorney



**Chubb
Surety**

**POWER
OF
ATTORNEY**

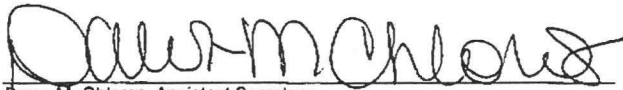
**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

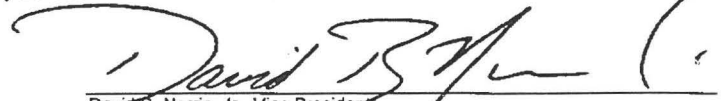
Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint **Brett R. Bauer, Michael R. Bennison, Ian J. Campbell, Stacy A. Flynn, Debra Y. Frabel and Gary P. McCann** of Portland, Oregon

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this **11th** day of **September, 2015**.



Dawn M. Chloros, Assistant Secretary



David B. Norris, Jr., Vice President



STATE OF NEW JERSEY

ss.

County of Somerset

On this **11th** day of **September, 2015** before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



**KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2019**


Notary Public

CERTIFICATION

Extract from the By-Laws of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY**:

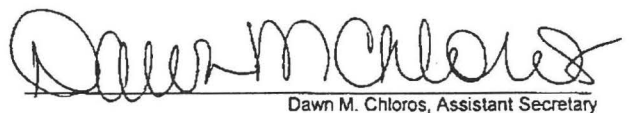
"Except as otherwise provided in these By-Laws or by law or as otherwise directed by the Board of Directors, the President or any Vice President shall be authorized to execute and deliver, in the name and on behalf of the Corporation, all agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation's own account or in a fiduciary or other capacity, and the seal of the Corporation, if appropriate, shall be affixed thereto by any of such officers or the Secretary or an Assistant Secretary. The Board of Directors, the President or any Vice President designated by the Board of Directors may authorize any other officer, employee or agent to execute and deliver, in the name and on behalf of the Corporation, agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation's own account or in a fiduciary or other capacity, and, if appropriate, to affix the seal of the Corporation thereto. The grant of such authority by the Board or any such officer may be general or confined to specific instances."

I, Dawn M. Chloros, Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in the U.S. Virgin Islands, and Federal is licensed in Guam, Puerto Rico, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **June 29th, 2016**




Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE. OR BY Telephone (908) 903- 3493 Fax (908) 903- 3656 e-mail: surety@chubb.com