

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2018-097**

Approving Amendment of Owner's Representative Services Contract with Shiels Oblatz Johnsen, Inc., for Construction of the Gladys McCoy Health Department Headquarters Facility.

**The Multnomah County Board of Commissioners Finds:**

- a. On June 10, 2015, the County and Shiels Oblatz Johnsen, Inc. (SOJ), executed County Services Contract #44-1861, authorizing SOJ's provision of Owner's Representative services related to construction of the Gladys McCoy Health Department Headquarters Facility (HDHQ or the Project), with an effective date of June 1, 2015, and a contract term extending through May 30, 2025 (the Contract). Because the Contract authorizes construction related services but not public improvements (which are governed by PCRB 49-0140[1]), an amendment increasing the Contract price more than twenty percent (20%) of the original Contract price is subject to PCRB 47-0800(1)(d), which requires Board approval.
- b. The Contract provides, in Article 3 of EXHIBIT 1: STATEMENT OF WORK, COMPENSATION, PAYMENT, AND RENEWAL TERMS as follows:

"The maximum payment under this Contract for Tasks 1 through 3 [Project management, Project design and pre-construction oversight, and construction management], including expenses, is \$1,128,445.00 (the "Maximum Compensation"). If County engages Contractor to complete [optional] Task 4 (Long term asset warranty oversight), the additional not-to-exceed fee is \$78,600.00."
- c. The Contract provides, in Article 4.C of EXHIBIT 1 that the Maximum Compensation is based on the Preliminary Timetable for Tasks 1, 2, & 3 in SOJ's Proposal dated March 18, 2015 and the Scope of Work outlined in the Contract, with a projected twenty seven (27) month duration from the date of Contract execution to completion of the Project.
- d. Article 4.C of EXHIBIT 1 states further that, in the event the Project duration exceeds twenty seven (27) months and/or if the County adds additional tasks to the Scope of Work, the County and SOJ shall, in good faith, negotiate an adjustment in the Maximum Compensation. The 27-month estimated Timetable expired at the end of August 2017.
- e. On March 30, 2017, the County and SOJ executed Amendment #1 to the Contract, authorizing an adjustment in SOJ's hourly rates for professional services effective February 1, 2017, in line with the percentage increase of the Consumer Price Index (CPI Adjustment). On August 8, 2017, the County approved and executed Amendment #2 to the Contract, authorizing an increase in the Maximum Compensation from \$1,128,445.00 to \$1,163,445.00 effective July 17, 2017, for performance of an additional \$35,000 Scope of Work related to obtaining a partial refund of City of Portland Traffic System Development Charges.
- f. On November 20, 2017, the County and SOJ executed Amendment #3 to the Contract, authorizing another CPI Adjustment in SOJ's hourly rates for professional services effective October 1, 2017, and an increase in the Maximum Compensation from \$1,163,445.00 to \$1,340,945.00, also effective October 1, 2017.
- g. If the Board approves this Amendment #4, the Maximum Compensation under the Contract for Tasks 1 – 3, including expenses, will increase from \$1,340,945.00 to \$1,865,945.00. This amendment has

been anticipated and was accounted for in the overall Project budget approved by Board Resolution # 2017-051 on June 15, 2017.

- h. The budget for the HDHQ project is \$94.1M. Pursuant to ORS 457.470(10)(e), Prosper Portland (formerly, the Portland Development Commission) is obligated to provide direct economic benefits to the County from the River District Urban Renewal Area (URA) equal to 10.18% of the River District Urban Renewal Plan's maximum indebtedness after June 1, 2008.
- i. As required by the URA, Prosper Portland made Tax Increment Financing (TIF) contributions to the County on June 30, 2014 and February 23, 2017 with a combined total of \$26,948,460. Prosper Portland will make an additional \$9,499,409 Transfer Payment between now and December 31, 2018, for a total contribution to the Project of \$36.4 million. It is assumed that the balance of the Project will be financed primarily with long-term debt. Prior and any future General Fund cash contributions will limit the amount of long-term debt needed.
- j. Because the price increase authorized by this Amendment #4 adds more than twenty percent (20%) to the original Contract price, it is subject to PCRB 47-0800(1)(d), which provides that:

"For Contracts in excess of \$150,000, increases in excess of the 20 percent limit shall be submitted to the Purchasing Manager to obtain approval by the Board prior to authorization for the additional goods or services."

**The Multnomah County Board of Commissioners Resolves:**

- 1. Based on the above findings and the Purchasing Manager's review, approval and submittal of Amendment #4 to the Board for approval in accordance with PCRB 47-0800(1)(d), the Board hereby approves Amendment #4 to County Services Contract #44-1861 with Shiels Obletz Johnsen, Inc., for provision of Owner's Representative services related to construction of the Gladys McCoy Health Department Headquarters Facility.
- 2. The Chair is authorized to execute Amendment #4 to County Services Contract #44-1861 in substantially the form attached hereto as Exhibit A.

**ADOPTED this 27th day of September, 2018.**



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury, Chair

REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Bob Leek, Interim Director, Department of County Assets



**MULTNOMAH COUNTY SERVICES CONTRACT AMENDMENT**  
**Contract Number: 4400001861**  
**Amendment Number: 4**

This amendment is between Multnomah County ("County") and Shiels Oblatz Johnsen, Inc. ("Contractor"), referred to collectively as the "Parties".

CONTRACTOR ADDRESS: 1140 SW 11<sup>th</sup> Ave., STE 500  
 CITY, STATE, ZIP: Portland, OR 97205

The Parties agree as follows:

1. The following change is made, effective June 1, 2018:
  - a. Modify **Exhibit 1: STATEMENT OF WORK, COMPENSATION, PAYMENT, AND RENEWAL TERMS**, Section 3 to read:
 

**"The maximum payment under this Contract for Tasks 1 – 3, including expenses, is ~~\$1,340,945.00~~ \$1,865,945.00 (the "Maximum Compensation"). If County engages Contractor to complete Task 4, the additional not-to-exceed fee is \$78,600.00."**
2. All other terms and conditions of the Contract shall remain the same.

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**CONTRACTOR SIGNATURE**

*I have read this Contract including the attached Exhibits and Attachments. I understand the Contract and agree to be bound by its terms.*

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Name (print): \_\_\_\_\_ Date: \_\_\_\_\_

**MULTNOMAH COUNTY SIGNATURE**

This Contract is not binding on the County until signed by the Chair or the Chair's designee.

County Chair or Designee: \_\_\_\_\_ Date: \_\_\_\_\_

**Department Director Review (optional):**

Director or Designee: \_\_\_\_\_ Date: \_\_\_\_\_

**County Attorney Review:**

Reviewed: JENNY M. MADKOUR, COUNTY ATTORNEY FOR MULTNOMAH COUNTY, OREGON

By Assistant County Attorney: \_\_\_\_\_ Date: \_\_\_\_\_