



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

## Board Clerk Use Only

Meeting Date: 9/27/18  
Agenda Item #: R.3  
Est. Start Time: 10:00 a.m.  
Date Submitted: 9/13/18

**Agenda Title:** Resolution Approving Amendment of Owner's Representative Services Contract with Shiels Oblatz Johnsen, Inc., for construction of the Gladys McCoy Health Department Headquarters Facility.

*Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.*

**Requested Meeting Date:** September 27, 2018 **Time Needed:** 10 minutes

**Department:** County Assets (DCA) **Division:** Facilities & Property Management (FPM)

**Contact(s):** Brett Taute, Project Manager

**Phone:** 503.519.2768 **Ext.** 83284 **I/O Address:** 274/First Floor

**Presenter Name(s) & Title(s):** Brett Taute, Project Manager, Facilities & Property Management; Brian Smith, Purchasing Manager

## General Information

### 1. What action are you requesting from the Board?

The Board of County Commissioners is being asked to approve Amendment #4 to County Services Contract #44-1861 with Shiels Oblatz Johnsen, Inc. (SOJ), for Owner's Representative services related to construction of the Gladys McCoy Health Department Headquarters Facility (HDHQ or the Project).

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

On June 10, 2015, the County and SOJ executed County Services Contract #44-1861, 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.

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.”

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.

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.

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 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.

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, also effective October 1, 2017.

### **3. Explain the fiscal impact (current year and ongoing).**

If the Board approves this Amendment #4, the maximum payment under the Contract for Tasks 1 – 3, including expenses, will increase from \$1,340,945.00 to \$1,865,945.00 (the “Maximum Compensation”). This amendment has been anticipated and was accounted for in the overall Project budget approved by the Board.

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.

As required by the URA, Prosper Portland made Tax Increment Financing (TIF) contributions to the County on June 30, 2014 and February 23, 2017 in 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.

**4. Explain any legal and/or policy issues involved.**

Because the price increase authorized by this Amendment #4 adds more than twenty percent (20%) to the original Contract price, it is subject to PCR 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.”

**5. Explain any citizen and/or other government participation that has or will take place.**

The Project team will continue to provide regular briefings to the Board of County Commissioners on the status of the Project. The Project has a dedicated web page on the County website that includes FAQ's, photos, links to past news articles, and a link to a 24/7 webcam, permitting citizens to view construction progress.

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**Required Signature**

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**Elected**

**Official or**

**Department**

**Director:**

/s/ Bob Leek, Interim Director,  
Department of County Assets

**Date:**

September 13th, 2018

*Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.*