



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 11/12/15
Agenda Item #: R.6
Est. Start Time: 10:20 am approx
Date Submitted: 11/4/15

Agenda Title: Resolution Authorizing the County Chair to Execute a 2nd Amendment to the Architectural Contract with ZGF Architects and a 2nd Amendment to the Construction Contract with JE Dunn Construction for the Health Department Headquarters Project

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: November 12, 2015 **Time Needed:** 10 minutes
Department: DCA **Division:** Facilities
Contact(s): Brett Taute
Phone: (503) 988-3284 **Ext.** 83284 **I/O Address:** 274/FPM
Presenter Name(s) & Title(s): Ken Elliott, Assistant County Attorney; Brett Taute, Facilities and Property Management

General Information

1. What action are you requesting from the Board?

Board authorization to execute contract amendments with ZGF Architects for Architectural & Engineering (A/E) Services and JE Dunn Construction for Construction Manager/General Contractor (CM/GC) Services for the Health Department Headquarters (HDHQ) Project. These amendments authorize work to align with the FAC-1 Amended Project Plan (also presented today for Board approval).

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.

Multnomah County currently has contracts with ZGF Architects and JE Dunn Construction to provide services for a 6-story; 96,000 SF facility on the easterly portion of Block U in downtown Portland for the HDHQ Project. The County has amended the FAC-1 Project plan and is now proposing a 9-story, 157,000 SF facility.

- a) In December of 2011, the Multnomah County Board of Commissioners approved Resolution 2011-141: FAC-1 Health Department Headquarters Preliminary Planning

Proposal. Resolution 2011-141 directed the Health Department and Facilities to work with Home Forward to submit the proposal to the Portland Housing Bureau to secure the City-owned Easterly half of Block U for the project – the proposal was submitted on December 21, 2011.

- b) In May 2012, the Multnomah County Board of Commissioners approved Resolution 2012-060: Authorizing the County Chair to Execute an Intergovernmental Agreement (with Exhibits A through G) (IGA) with Home Forward Defining Roles, Responsibilities and Process Pertaining to the Development of a New Headquarters for the Multnomah County Health Department on the Easterly Half of Block U, Adjacent to the Newly Opened Bud Clark Commons.
- c) In November 2012, the Multnomah County Board of Commissioners approved Resolution 2012-191: Authorizing County's Acquisition of the Easterly Half of Block U, Couch's Addition (the Property), from the Portland Housing Bureau Through an Agreement for Disposition of Property (Disposition Agreement). By a First Amendment to the Disposition Agreement, dated June 25, 2014, the County and PHB agreed to extend the Closing Date for conveyance of the Property from June 30, 2014, to June 30, 2015, to provide additional time for the County to finish design and engineering of and obtaining entitlements for the Project.
- d) In November 2012, the Multnomah County Board of Commissioners approved Resolution 2012-192: Authorizing an Intergovernmental Agreement (Grant Agreement) with the Portland Development Commission (PDC), Accelerating PDC's Grant to the County of Tax Increment from the River District Urban Renewal Area (URA). As required by the URA, PDC made the Initial Payment to the County on or before June 30, 2014. By a First Amendment to the Grant Agreement, dated June 27, 2014, the County and PDC agreed to extend the deadline for the Final Payment from June 30, 2014, to June 30, 2015, to provide additional time for the County to finish design and engineering of and obtaining entitlements for the Project.
- e) Pursuant to the IGA and with the County's approval and direction, Home Forward, as owner, and ZGF Architects (Architect) entered into an AIA B101 – 2007 Standard Form of Agreement, for the Project, on December 19, 2012 (the "**Architectural Contract**"). Pursuant to the IGA and with the County's approval and direction, Home Forward, as owner, and JE Dunn Construction (Contractor) entered into an AIA A102 – 2007 Standard Form of Agreement between Owner and Contractor, for the Project, on July 16, 2013 (the "**Construction Contract**").
- f) On January 23, 2015, Home Forward and the County entered into a Termination and Release Agreement pertaining to the IGA (the "**Termination**"), and an Assignment and Assumption of Architectural and Construction Agreements, under which Home Forward assigned and the County assumed the owner's rights and obligations under the Architectural and Construction Contracts, pursuant to the terms and conditions of the Termination.
- g) The County worked with City Bureau of Planning and Sustainability to develop a proposal for zoning map amendments to increase the base height limit on the Property from 75 feet to 105 feet and to make the Property eligible for FAR bonuses. The City of Portland Planning and Sustainability Commission recommended approval of the zoning map amendments following a public hearing on April 28, 2015, and the City Council

approved the amendments on June 24, 2015. The combined effect of the amendments allows the County to relocate substantially all of the HDHQ programs from the McCoy Building to the Property, consistent with the original Project goals.

- h) By a Second Amendment to the Disposition Agreement, dated June 30, 2015, the County and PHB agreed to extend the Closing Date for conveyance of the Property from June 30, 2015, to December 30, 2016, to provide additional time for the County to reprogram, redesign, reengineer and obtain City entitlements for an expanded Project on the Property, which are all required pre-conditions to the County's acquisition of the Property from PHB.
- i) By a Second Amendment to the Grant Agreement, dated June 30, 2015, the County and PDC agreed to extend the deadline for the Final Payment from June 30, 2015, to December 30, 2016, to provide additional time for the County to reprogram, redesign, reengineer and obtain City entitlements for an expanded Project on the Property, which are all required pre-conditions to the County's acquisition of the Property from PHB.
- j) On June 10, 2015, County, as Owner, and Contractor entered into Change Order #1, increasing the Construction Contract Sum by \$35,156.00 to complete additional pre-construction services identified by Contractor in its proposal dated May 20, 2015, and identifying the Construction Contract as County Contract No. 4400001553.
- k) On July 9, 2015, County, as Owner, and Architect entered into Change Order #1, increasing the Architectural Contract Sum by \$135,000.00 to complete additional work and items identified by Architect in its proposal dated June 15, 2015, and agreeing to identify the Architectural Contract as County Contract No. 4400001552.

The proposed contract amendments capture the respective changes in the Scope of Services to align with the FAC-1 Amended Project Plan and provide services to Multnomah County to further explore, design, and advise on the HDHQ Project. Additionally, the amendments describe the changes from the past year in the Project team and structure.

The amendments retain the County's original Project Goals and Objectives.

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

These services will span multiple fiscal years.

An expenditure of \$1,600,000 is estimated in FY16 for A/E Services to complete the Schematic Design and Design Development phases of the HDHQ Project.

An expenditure of \$ 160,000 is estimated in FY16 for CM/GC pre-construction service to complete the Schematic and Design Development phases of the HDHQ project.

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

PCRB 47-0800 Amendments to Contracts and Price Agreements (1)(d) requires the County's Purchasing Manager to obtain Board approval for increases of more than 20 percent to a contract for goods or services with an original price in excess of \$150,000.

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

No action required or planned.

Required Signature

**Elected
Official or
Department
Director:**

Bob Leek /s/

Date:

11/6/15