



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date:	<u>6/8/17</u>
Agenda Item #:	<u>R.1</u>
Est. Start Time:	<u>9:40 am</u>
Date Submitted:	<u>5/25/17</u>

Agenda Title: Resolution Approving the FAC-1 Project Construction Early Work Package & Authorizing the County Chair to Execute Early Work Amendment #6 for the Central Courthouse 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: June 8, 2017 **Time Needed:** 10 minutes

Department: DCA/County Attorney **Division:** Facilities & Property Management

Contact(s): Ken Elliott

Phone: (503) 988-7604 **Ext.** 87604 **I/O Address:** 503/500/CA

Presenter

Name(s) & Title(s): Ken Elliott, Asst. County Attorney; & JD Deschamps, Central Courthouse Project Manager

General Information

1. What action are you requesting from the Board?

The Board of County Commissioners (Board) is being asked to approve the FAC-1 Project Construction Early Work Package and authorize the County Chair to execute Early Work Amendment #6 (EWA #6) with Hoffman Construction Company of Oregon, the Construction Manager/General Contractor (Hoffman) on the Central Courthouse Project (Project), for procurement of Structural, Mechanical, Electrical, Plumbing, Façade and Glass, labor and materials, with a total value of approximately \$156.6 million.

This action is part of the FAC-1 policy approval process which requires expenditures on new construction exceeding \$1,000,000 to receive Board approval at each significant milestone. EWA #6 may also be described as the partial Guaranteed Maximum Price (GMP) Amendment, because it authorizes procurement of eighty-five percent (85%) of the County's total share of the Project construction cost.

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.

Chapter 705, Oregon Laws 2013, authorized creation of the Oregon Courthouse Capital Construction & Improvement (OCCCI) Fund and provided for the sale of Article XI-Q bonds to finance the State's matching share of costs for new or renovated courthouses, or portions thereof, owned or operated by the State under a long-term lease or IGA with each county.

On February 12, 2015 the Board of County Commissioners (Board) approved the use of the Construction Manager/General Contractor (CM/GC) delivery method for the Project in Resolution #2015-012. On April 16, 2015, by Resolution #2015-031, the Board finalized the site selection of Block 8 at the West end of the Hawthorne Bridge and authorized issuance of RFPs for architectural & engineering services and for a CM/GC for the Project.

Following these resolutions, SRG Partnership, Inc., was selected to perform design services, and Hoffman was selected as CM/GC to perform pre-construction services. The County and Hoffman executed and entered into the CM/GC Contract for the Project with an effective date of September 1, 2015 (CM/GC Contract).

On December 17, 2015, the Board adopted Resolution #2015-129: Approving the FAC-1 Project Plan and authorizing the Schematic Design and Design Development Phases of the Project. On the same day, the Board adopted Resolution #2015-130: Authorizing the County Chair to execute an IGA with the Oregon Department of Administrative Services (DAS) and the Oregon Judicial Department (OJD) for funding the Central Courthouse Project, Phase I.

On January 15, 2016, the County, OJD and DAS executed the Multnomah County Courthouse Funding Agreement – Phase I. By Resolution #2016-067, adopted June 16, 2016, the Board approved the FAC-1 Project Design and Construction Plan for the new Courthouse and authorized the team to proceed with development of detailed construction documents.

The County and Hoffman have executed five Early Work Amendments to the CM/GC Contract to date, to authorize pre-construction services, site demolition and grading, site excavation, shoring, and installation of a tower crane, bringing Hoffman's current contract balance to \$38.4 million, prior to approval and execution of EWA #6.

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

The Project was approved by the Oregon Chief Justice and DAS on March 16, 2015, which qualifies the Project for 50% State funding from the OCCCI Fund to match the County's 50% contribution. On March 31, 2015, the State issued Article XI-Q bonds, including \$15 million to fund the State's initial Courthouse Project match. In addition, the legislature approved the County's funding request in the 2015-17 Biennium for an additional \$17.4 million for the Project.

The Project has made use of the \$15 million in State XI-Q Bonds for Phase I. DAS has paid the County's first five requests for disbursement of the state's 50% matching share of approved courthouse costs, and the County has submitted a sixth request for consideration.

The County, OJD and DAS have nearly completed negotiating the Multnomah County Courthouse Funding Agreement – Phase II, which will authorize OJD and DAS to continue disbursing the state's 50% matching share from the OCCCI Fund, using the additional \$17.4 million that the legislature approved for the 2015-17 Biennium. The State issued \$17.4 million of Article XI-Q bonds on February 21, 2017, to provide the Phase II State Funds for the Project. The Project team expects the Phase II Agreement will be executed by June 30, 2017.

The conceptual Project budget totals \$290M - \$300M. EWA #6, if approved by the Board, will bring Hoffman's contract amount to approximately \$195 million or eighty-five percent (85%) of the GMP.

The Project team plans to return to the Board in August 2017 with the GMP Amendment, which will include labor and materials for Interior finishes, cabinetry, site work, and renovation of Jefferson Station. If approved, the GMP Amendment will constitute the Board's authorization to complete construction of the Courthouse.

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

Oregon Revised Statutes § 1.185 requires each County to "provide suitable and sufficient courtrooms, offices and jury rooms for the court, the judges, other officers and employees of the court and juries in attendance upon the court, and provide maintenance and utilities for those courtrooms, offices and jury rooms."

The County and Hoffman, together with the labor unions representing trades working on the Project and equity stakeholders promoting equity and diversity in the skilled building trades, have negotiated and entered into a Project Labor Agreement, effective February 13, 2017 (PLA), a summary of which is attached to EWA #6 as Attachment 10. The PLA incorporates the County's Workforce Training and Hiring program and establishes uniform, standard working conditions and diverse community participation for the efficient performance of construction work on the Project. Hoffman will endeavor to meet or exceed the County's aspirational goals for equity in contracting and workforce goals for Oregon State certified disadvantaged, minority-owned, women-owned, service disabled veteran-owned, and emerging small businesses (DMWSDVESBs) for the Project in accordance with the CM/GC Contract and the PLA.

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

Beginning in 2013, the Project Team has negotiated legislative amendments and IGAs with DAS and OJD to provide state approval and matching funds for the Courthouse project. The Project Team has continued to meet regularly with the Presiding Judge and Trial Court Administrator, DAS and OJD, and community stakeholder groups to advise them of progress and milestones achieved in Project programming, design and permitting, and to obtain their input on and approval of the detailed construction documents. The Project has a dedicated web page on the County website that includes past studies and reports, FAQ's, photos, links to past news articles, and a link to a 24/7 webcam, permitting citizens to view construction progress from the west tower of the Hawthorne Bridge.

Required Signature

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

**Elected
Official or
Department
Director:**

/s/ Sherry Swackhamer, Director,
Department of County Assets

Date: May 25, 2017