

T.4.D.2

Memorandum Date: May 26, 2009
Order Date: June 17, 2009

TO: Board of County Commissioners
DEPARTMENT: Management Services
PRESENTED BY: David Suchart, Director
AGENDA ITEM TITLE: ORDER/In the Matter of Amending the contract for Construction Manager/General Contractor (CM/GC) Services with Chambers Construction Company for the Public Health Building to include the Guaranteed Maximum Price (GMP)

I. MOTION:

Move Approval of Order 09-06-17- In the Matter of Amending the contract for Construction Manager/General Contractor (CM/GC) services with Chambers Construction Company for the Public Health Building to include the Guaranteed Maximum Price (GMP).

II. AGENDA ITEM SUMMARY:

Lane County required an efficient and timely method for designing, constructing and remodeling the newly purchased building at 151 West Seventh Avenue for the purpose of housing divisions of the Department of Health & Human Services. Final design has occurred and it is now time to set the GMP for interior remodel.

III. BACKGROUND/IMPLICATIONS OF ACTION:

A. Board Action and Other History

The County purchased the property at 151 West Seventh, Eugene in April 2007 with the goal of consolidating Public Health services, Supervision services, Veteran's services and the future home of a new Federally Qualified Health Center. While meeting a number of criteria as an ideal location and facility, the building, which is currently over half vacant, requires remodeling and construction activities to provide effective and efficient work space for staff and a comfortable and safe destination for

clients. For example, the second floor, which housed courtrooms for the Bankruptcy Court, will be converted to space for the WIC program.

B. Policy Issues

Oregon Law allows for the use of CM/GC for complex projects. Lane County has used this method of construction on the Juvenile Justice Center, the Lane County Jail, and Lane County Elections with success in the past.

C. Board Goals

Protecting the public's assets by maintaining, replacing, or upgrading the County's investments in systems and capital infrastructure, and identifying ways to improve space and facilities conditions to better serve citizens, insure the adequate maintenance of existing infrastructure, and provide an environment conducive to high employee productivity, as outlined in the Goals and Strategy B.1.d. of the County's Strategic Plan, will be served by the completion of these projects.

D. Financial and/or Resource Considerations

Under the CM/GC process, the contractor prepares a single Guaranteed Maximum Price (GMP) in accordance with the architectural specifications. In this case there are a number of factors which have effected both the development of the pre-construction fee and the GMP.

The original plan called for approximately one year to develop the building plan, with construction starting in mid 2008. Due to the need (termination of lease in State Office Building) to move up the date for housing Supervision Services and Veteran's Services, deconstruction, demolition and remodeling on the fourth floor was fast tracked. The exterior skin of the building required additional work and was completed during the winter of 08/09. During the pre-construction phase there were also changes in the program due to budget constraints and the transfer of Parole and Probation to the Sheriff's Office.

E. Analysis

Given the complexity of the remodel and a phased implementation schedule it was important that the operations team address all the issues involved and develop an efficient and effective working plan. During the pre-construction period the CM/GC worked with the architects and the rest of the team to deal with issues of constructability, scheduling and value engineering. Having these issues settled prior to bidding the actual construction process ensures better bidding and fewer change orders.

The GMP, which due to the length of the process, was negotiated with David Suchart and Karen Gaffney, who serve as project managers for the project. The figure negotiated was \$9,399,766. This includes Phase 3 (tenant improvements, floors 1-4), Phases 4a and 4b (tenant improvements, floor 5), and Phase 5 (Annex demo). The phases will occur over the next three years with Phase 3 being complete in July 2010. During the construction process the CM/GC will be responsible for preparing the competitive bidding packages for the various subcontractors in accordance with County purchasing requirements.

The GMP is within the project budget and will be included in the financing package to be completed late this summer.

F. Alternatives/Options

1. Accept the recommendation to amend the contract with Chambers Construction Company to include the GMP.
2. Reject the recommendation.

IV. TIMING/IMPLEMENTATION

Construction mobilization will begin on June 15. The demo will begin immediately following.

V. RECOMMENDATION

Accept GMP and begin renovation.

VI. FOLLOW-UP

Upon adoption by the B/CC, a contract amendment will be prepared for signature by the County Administrator.

VII. ATTACHMENTS

Board Order

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY,
OREGON

ORDER & RESOLUTION
09-06-17-

IN THE MATTER OF AMENDING THE
CONTRACT FOR CONSTRUCTION
MANAGER/ GENERAL CONTRACTOR
(CM/GC) SERVICES WITH CHAMBERS
CONSTRUCTION COMPANY FOR THE
PUBLIC HEALTH BUILDING TO INCLUDE
THE GUARENTEED MAXIMUM PRICE (GMP)

WHEREAS, in April 2007 Lane County purchased the Charnelton Place Building for the purpose of housing divisions of the Department of Health & Human Services; and

WHEREAS, in August 2007 the Board authorized the County Administrator to sign the agreement between Lane County and Chambers Construction Company as Construction Manager; and

WHEREAS, the County has negotiated a Guaranteed Maximum Price with the Construction Manager that is within the project budget; and

WHEREAS, approval of the Guaranteed Maximum Price is requisite for the Construction Manager to continue work of the project;

IT IS HEREBY ORDERED that the Board of Commissioners authorize the County Administrator to sign the amendment for the Guaranteed Maximum Price in the amount of \$9,399,766 for the remodel and renovation of the Public Health Building.

Dated this 17th day of June, 2009

Peter Sorenson, Chair
Board of County Commissioners

APPROVED AS TO FORM

Date 6/5/09 Lane County

J. H. [Signature]

OFFICE OF LEGAL COUNSEL