

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7461

AUTHORIZING A GUARANTEED MAXIMUM PRICE AGREEMENT WITH NORTHWEST DEMOLITION AND DISMANTLING, INC. FOR ABATEMENT AND DEMOLITION OF THE FORMER UNITED STATES POSTAL SERVICE PROCESSING AND DISTRIBUTION CENTER AT 715 NW HOYT STREET

WHEREAS, the redevelopment of the United States Postal Service (“USPS”) property at 715 NW Hoyt Street (“Property”) in the River District Tax Increment Finance District has long been envisioned by the general public, elected officials, and adopted land use and development plans as one of the most significant redevelopment sites in Portland’s central city;

WHEREAS, to facilitate this redevelopment, site preparation activities such as demolition of the former Processing and Distribution Center building, soil remediation, and other site work must occur;

WHEREAS, the Prosper Portland Local Contract Review Board (“LCRB”) adopted LCRB Resolution No. 7413 on May 12, 2021 to exempt two separate scopes of work from low-bid solicitation requirements of ORS Chapter 279C and the LCRB Administrative Rules: (i) abatement and demolition of the former Processing and Distribution Center building (the “Demolition Scope”); and (ii) soil remediation and other site work (the “Remediation and Site Work Scope”);

WHEREAS, Northwest Demolition and Dismantling, Inc. (“NWDD”) was selected as the Construction Manager / General Contractor for the Demolition Scope pursuant to Request for Proposals No. 21-52 (“RFP”);

WHEREAS, NWDD teamed with Raimore Construction, LLC (“Raimore”), a local, Black-owned certified Minority Business Enterprise, in responding to the RFP and anticipates that Raimore will perform a substantial portion of the Demolition Scope pursuant to this binding teaming agreement;

WHEREAS, NWDD has proposed performing the Remediation and Site Work Scope subject to a guaranteed maximum price of \$30,417,615 (the “GMP”); and

WHEREAS, Prosper Portland staff seeks authorization of a Guaranteed Maximum Price Agreement (“GMP Agreement”) with NWDD for performance of the Demolition Scope substantially in accordance with the terms and conditions set forth in Exhibit A to this Resolution (the “Summary of Terms”).

NOW, THEREFORE, BE IT RESOLVED, the Prosper Portland Board authorizes the Executive Director to enter into a GMP Agreement with NWDD that is substantially consistent with the Summary of Terms, together with any amendments, change orders, or other instruments in connection with the

contract if such documents, in the opinion of the Executive Director in consultation with the General Counsel, do not materially increase Prosper Portland's obligations or risks;

BE IT FURTHER RESOLVED, the Prosper Portland Board authorizes the Executive Director to take such further actions and execute other documents as may be necessary or appropriate to complete the transactions described in the Summary of Terms;

BE IT FURTHER RESOLVED, that the Prosper Portland Board specifically authorizes the use of the Owner's Contingency set forth in the Summary of Terms for any unanticipated costs and expenses for which Prosper Portland is or may be responsible, as the owner, in connection with the Demolition Scope, or for changes in scope deemed reasonably necessary or appropriate by the Executive Director or her designee; and

BE IT FURTHER RESOLVED, that this resolution is effective immediately upon its adoption.

Adopted by the Prosper Portland Commission on July 13, 2022



Pam Feigenbutz, Recording Secretary

Summary of Terms

1. Guaranteed Maximum Price. The GMP Agreement will establish a guaranteed maximum price of \$30,417,615 (the “**GMP**”), which will not be exceeded except due to specific circumstances identified therein, such as additional scope ordered by Prosper Portland, unforeseen or concealed site conditions, or certain defined allowances (see “Owner Contingency” and “Allowances” sections below).
2. Owner Contingency. Prosper Portland may utilize up to \$2,000,000 as an owner-controlled contingency for unanticipated costs and expenses for which Prosper Portland may be responsible, as the owner, in connection with the scope of work, or for changes in scope deemed reasonably necessary or appropriate by the Executive Director or her designee. Staff anticipates that this amount will not be initially included or referenced in the GMP Agreement, but rather will be held in reserve by Prosper Portland staff should circumstances require.
3. Allowances Relating to Contaminant-Containing Concrete. The GMP is based, in part, on assumed quantities (in tonnage) of contaminant-containing concrete for disposal, both within and under the P&DC facility itself and in certain asbestos-containing tunnels on the property. The GMP Agreement is anticipated to provide that (in addition to other, less significant allowances), should these assumed quantities be exceeded, the stated GMP will be subject to increase. Any such increase would be covered through the owner-controlled contingency, and would not be taken from contractor’s contingency as set forth in the GMP Agreement.
4. Potential Reuse of Concrete and Demolition Debris. The GMP is based on the assumption that certain concrete and demolition debris must be disposed off-site at a Subtitle D landfill. If requisite regulatory approval is obtained for reuse of some or all of the concrete and demolition debris on-site, Prosper Portland may modify the GMP Agreement (via a change order, use of an alternate, or otherwise) to pursue this possibility and reduce the agency’s anticipated costs.
5. Scope of Work. The contractor will be responsible for the timely completion of the scope of work, which primarily includes the abatement of existing hazardous building materials and the demolition of the former USPS Processing and Distribution Center.
6. Possible Addition to Scope of Work. Prosper Portland and Portland Parks and Recreation (“**PP&R**”) have identified a potential opportunity to address a portion of PP&R’s open site preparation work during this project. Specifically, PP&R may request that Prosper Portland issue a change order or other directive to the contractor to backfill the portion of the future open space to be located within the footprint of the former P&DC facility to meet future clean zone requirements, to PP&R’s specifications. Should this occur, PP&R would fully fund this work, which is currently estimated at \$690,446.03 in incremental cost beyond the Prosper-funded work. Prosper Portland, PPR and PBOT are parties to an Intergovernmental Agreement dated July 8, 2022 which provides for PPR’s reimbursement of these costs.
7. Labor Community Benefits Agreement for Site Work and Soil Remediation Scope. As described in Prosper Portland Board Resolution No. 7390, adopted August 12, 2020 (the “**August 2020**”

Resolution”), Prosper Portland staff has negotiated a Community Benefits Agreement applicable to the work consistent with the City of Portland’s Community Benefits Agreement template adopted by City Council through City Council Resolution No. 37329, adopted November 8, 2017 (the “**Labor Community Benefits Agreement**”), with certain substantial modifications set forth in the August 2020 Resolution. The Labor Community Benefits Agreement provides, among other things, for the use of a percentage of union-referred workforce; an employee grievance resolution procedure; and the creation of a labor management – community oversight committee to advise Prosper Portland and its contractor on attainment of applicable equity policies and goals in connection with the work. The contractor’s compliance with the Labor Community Benefits Agreement will be a material condition of the GMP Agreement.

8. Cost Savings Incentive. As will be more specifically outlined in the GMP Agreement, cost savings are to be split between Prosper Portland and the contractor on a 75% (Prosper Portland) / 25% (contractor) basis.
9. Prosper Portland Policies. Prosper Portland’s Business Equity Policy and Workforce Training and Hiring Program, with certain modifications as set forth in the August 2020 Resolution, apply to the work. A general summary of these goals, as modified, is as follows:
 - a. Business Equity: aspirational goal of 22% of total hard construction cost awarded to COBID-recognized certified firms, with sub-goal of 12% to MBE or minority-owned DBE firms and 5% to WBE or women-owned DBE firms
 - b. Workforce Training and Hiring: binding requirement that 20% of labor hours in each trade are worked by registered apprentices. Aspirational goal of 30% workforce participation by people of color and 15% by women, measured in the aggregate for the journey / apprentice levels, as well as the following level-specific aspirational goals:

Worker Category	Specific Goals (in addition to aggregate 30% / 15% goal described above)
Female Apprentices	14%
Female Journey-Level	9%
People of Color Apprentices	22%
People of Color Journey-Level	22%

10. Contribution to Construction Equity Fund. Consistent with the August 2020 Resolution, Prosper Portland will contribute an amount equal to 1% of the combined hard cost of both the Demolition Scope and the Remediation and Site Work Scope (capped in the aggregate at \$200,000) to Prosper Portland’s Construction Equity Fund. Staff anticipates that this contribution will not flow through the contract for either scope, but will be deposited separately into the Construction Equity Fund by Prosper Portland with eligible funds identified by the Executive Director in consultation with the Finance Department.
11. Prevailing Wage. As contemplated in Prosper Portland’s Construction Wages Policy, adopted through Resolution No. 6666 on January 29, 2009, the work is subject to both Oregon’s prevailing wage law and the Davis-Bacon Act. Contractor will be responsible for ensuring that workers are paid not less than the higher of state and federal prevailing wage rates.

12. Insurance and Bonds. Payment and performance bonds in the amount of the contract price must be obtained, and the contractor will obtain insurance consistent with Prosper Portland's general construction contracting practices.

13. Anticipated Project Schedule. The work is anticipated to commence promptly following the execution of the GMP Agreement and to be complete approximately October 2023.



**PROSPER
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Building an Equitable Economy

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RESOLUTION TITLE:

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Adopted by the Prosper Portland Commission on July 13, 2022

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Peter Platt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Sam Rodriguez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Serena Stoudamire Wesley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date: July 14, 2022
Pam Feigenbutz, Recording Secretary	