



June 15, 2023

BCC Agenda Date/Item: _____

Stephen L. Madkour
County Counsel

Kathleen Rastetter
Scott C. Ciecko
Amanda Keller
Shawn Lillegren
Jeffrey D. Munns
Andrew R. Naylor
Andrew Narus
Sarah Foreman
Assistants

Board of County Commissioners
Sitting as the Board of Directors of the
North Clackamas Parks and Recreation District

Approval of an Intergovernmental Agreement with Clackamas County related to Construction of the Oak Lodge Library. Agreement value is \$21.5M for library construction. Funding is through Library District Reserve, Capital Reserve, and Fund Balance, State ARPA funds, County ARPA funds, and \$5.7MM in budgeted County General Funds.

Previous Board Action/Review	BCC Policy Session Discussion and approval on June 7, 2023 BCC Policy Session re: Library Costs May 17, 2023 (attached) BCC Issues discussion on March 28, 2023 NCPRD Board of Directors discussion item on March 15, 2023		
Performance Clackamas	1. Which indicator of success does this item affect? Building Trust Through Good Government		
Counsel Review	JM 6/7/2023	Procurement Review	N/A, Item is an IGA
Contact Person	Jeffrey D. Munns	Contact Phone	503-742-5984

EXECUTIVE SUMMARY: Both the Board of County Commissioners and the Board of Directors of NCPRD have approved a plan to approve a sale by NCPRD to Clackamas County of the land necessary to construct the new Oak Lodge Library. Because the land is owned by NCPRD and the County is constructing the library an IGA is necessary for library construction to begin. The process to condo plat the property will necessarily be done later in the process. This IGA sets the price per acre to be paid by the County for the land and coordinates shared use of the property during library, park, and the Concord Building construction.

RECOMMENDATION: Staff recommends Approval of the Oak Lodge Library Construction IGA.

Respectfully submitted,

Jeffrey D. Munns
Assistant County Counsel

For Filing Use Only

**INTERGOVERNMENTAL AGREEMENT BETWEEN CLACKAMAS COUNTY
AND THE NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
RELATED TO CONSTRUCTION OF THE OAK LODGE LIBRARY**

THIS AGREEMENT (this "Agreement") is entered into and between Clackamas County ("County"), a political subdivision of the State of Oregon, and the North Clackamas Parks and Recreation District ("NCPRD"), a county service district formed and organized under ORS Chapter 451, collectively referred to as the "Parties" and each a "Party."

RECITALS

Oregon Revised Statutes Chapter 190.010 confers authority upon local governments to enter into agreements for the performance of any and all functions and activities that a party to the agreement, its officers or agencies have authority to perform.

NCPRD owns property within the district located in unincorporated Clackamas County at 3811 SE Concord Rd., Milwaukie, Oregon 97267 known as and referred to in this Agreement as the "Concord Property" or "Property". A building known as the Concord School building ("Concord Building") is located on the Property. The Property will also have recreation facilities constructed and operated by NCPRD to be known collectively as "Concord Park".

The NCPRD Board of Directors and the Clackamas County Board of County Commissioners have both voted unanimously to approve purchasing the land necessary to construct the new Oak Lodge Library ("Library") on this property.

In consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

TERMS

1. **Term.** This Agreement shall be effective upon execution, and shall not expire so long as the Parties or their successors operate the Library and the Concord Building
2. **Rights and Obligations of the County.**
 - A. The County will build the Library building on the Property and agrees to purchase the property necessary for construction at the price of \$370,000 per acre. The purchase and sale will be completed through an additional agreement. The property sold to County is anticipated to be completed as part of a condominium plat;
 - B. The Oak Lodge Library will be constructed generally in the location shown in Exhibit "A";
 - C. The County is responsible for all design, permitting, engineering and construction associated with the Project; and,
 - D. The County agrees that activities on the Property consistent with operating a park, park district administration, and a community center are not nuisance activities.

3. **Rights and Obligations of NCPRD.**

- A. The County may enter the Property and begin construction of the Library;
- B. NCPRD agrees that the County may use all of the Property during the construction of the new Oak Lodge library except as follows:
 - i. Areas within the Concord School Building, except for classrooms designated by NCPRD for library construction offices;
 - ii. Parking lot areas designated for NCPRD or public use only;
- B. NCPRD will respond in a timely manner to the County's requests to execute applications or documents and to provide information or approval to the County specifically related to fulfilling the purpose of this Agreement, such as land use applications, joint permits, etc.
- C. NCPRD agrees that activities on the Property consistent with operating a Library are not nuisance activities.

4. **Representations and Warranties.**

- A. *NCPRD Representations and Warranties:* NCPRD represents and warrants to County that NCPRD has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of NCPRD enforceable in accordance with its terms.
- B. *County Representations and Warranties:* County represents and warrants to NCPRD that County has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of County enforceable in accordance with its terms.
- C. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.

5. **Termination.**

- A. Either the County or NCPRD may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days of deemed or actual receipt of the notice, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.
- B. The County or NCPRD shall not be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.

- C. The County may terminate this Agreement in the event the County fails to receive expenditure authority sufficient to allow the County, in the exercise of its reasonable administrative discretion, to continue to perform under this Agreement, or if federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the Project under this Agreement is prohibited or the County is prohibited from paying for such work from the planned funding source.
- D. Nothing herein shall prevent the Parties from meeting to mutually discuss the Project. Each Party shall use best efforts to coordinate with the other to minimize conflicts.
- E. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.

6. Indemnification.

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless and defend NCPRD, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control.

Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, NCPRD agrees to indemnify, save harmless and defend the County, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of NCPRD or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which NCPRD has a right to control.

- 7. **Insurance.** Clackamas County is self-insured for workers' compensation, and general, auto and professional liability, in accordance with the provisions of ORS 30.272 (Tort Claims Act) and ORS 656.403 (Workers' Compensation). The County maintains an insurance fund from which to pay all costs and expenses relating to claims for which it is self-insured. The County's exposure for general, auto and professional liability is limited by ORS 30.272.
- 8. NCPRD is self-insured for workers' compensation, and general, auto and professional liability, in accordance with the provisions of ORS 30.272 (Tort Claims Act) and ORS 656.403 (Workers' Compensation). NCPRD is included in an insurance fund from which to pay all costs and expenses relating to claims for which it is self-insured. NCPRD's exposure for general, auto and professional liability is limited by ORS 30.272.

Should NCPRD or its successor no longer maintain self-insurance or an insurance fund, NCPRD agrees to furnish the County with evidence of commercial general liability insurance with a combined single limit of not less than \$1,000,000 for each claim, incident, or occurrence, with an aggregate limit of \$2,000,000 for bodily injury and

property damage for the protection of Clackamas County, and their officers, elected officials, agents, and employees against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, in any way related to this Agreement.

9. **Notices; Contacts.** Legal notice provided under this Agreement shall be delivered personally, by email or by certified mail to the individuals identified below. Any communication or notice so addressed and mailed shall be deemed to be given upon receipt. Any communication or notice sent by electronic mail to an address indicated herein is deemed to be received 2 hours after the time sent (as recorded on the device from which the sender sent the email), unless the sender receives an automated message or other indication that the email has not been delivered. Any communication or notice by personal delivery shall be deemed to be given when actually delivered. Either Party may change the Party contact information, or the invoice or payment addresses by giving prior written notice thereof to the other Party at its then current notice address.

A. Dan Johnson or his designee will act as liaison for the County for the Project.

Contact Information:

Dan Johnson
DTD Director
150 Beaver Creek Rd.
Oregon City, OR 97045
(503) 742-4325
danjoh@clackamas.us

Mike Bork or his designee will act as liaison for the Agency for the Project.

Contact Information:

Mike Bork
NCPRD Director
150 Beaver Creek Rd.
Oregon City, OR 97045
(971) 610-1036
mbork@clackamas.us

10. **General Provisions.**

A. **Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it will be governed by and construed in accordance with the laws of the State of Oregon and the ordinances of Clackamas County without giving effect to the conflict of law provisions thereof. Any claim between County and Agency that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by the County of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the

Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. Agency, by execution of this Agreement, hereby consents to the in personam jurisdiction of the courts referenced in this section.

- B. **Compliance with Applicable Law.** Both Parties shall comply with all applicable local, state and federal ordinances, statutes, laws and regulations. All provisions of law required to be a part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. **Access to Records.** The Parties shall retain, maintain, and keep accessible all records relevant to this Agreement (“Records”) for a minimum of six (6) years, following Agreement termination or full performance or any longer period as may be required by applicable law, or until the conclusion of an audit, controversy or litigation arising out of or related to this Agreement, whichever is later. The Parties shall maintain all financial records in accordance with generally accepted accounting principles. All other Records shall be maintained to the extent necessary to clearly reflect actions taken. During this record retention period, the Parties shall permit the other Party’s authorized representatives’ access to the Records at reasonable times and places for purposes of examining and copying.
- E. **Work Product.** All work performed under this Agreement shall be considered work made for hire and shall be the sole and exclusive property of the County. The County shall own any and all data, documents, plans, copyrights, specifications, working papers and any other materials produced in connection with this Agreement. On completion or termination of the Agreement, the Agency shall promptly deliver these materials to the County’s Project Manager.
- F. **Hazard Communication.** Agency shall notify County prior to using products containing hazardous chemicals to which County employees may be exposed, which includes any hazardous, toxic, or dangerous substance, waste, or material that is the subject of environmental protection legal requirements or that becomes regulated under any applicable local, state or federal law, including but not limited to the items listed in the United States Department of Transportation Hazardous Materials Table (49 CFR §172.101) or items designated as hazardous substances by Oregon Administrative Rules, Chapter 137, or the United States Environmental Protection Agency (40 CFR Part 302), and any amendments thereto. Upon County’s request, Agency shall immediately provide Material Safety Data Sheets for the products subject to this provision.

- G. **Debt Limitation.** This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon appropriation of funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.
- H. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- I. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the Project. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- J. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- K. **No Third-Party Beneficiary.** Agency and County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.
- L. **Counterparts.** This Agreement may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.
- M. **Survival.** All provisions in Sections 5, 7, and 10 (A), (C), (D), (G), (H), (I), (J), (K), and (R) shall survive the termination of this Agreement, together with all other rights and obligations herein which by their context are intended to survive.
- N. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.
- O. **Time is of the Essence.** Agency agrees that time is of the essence in the performance this Agreement.

P. **Successors in Interest.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.

Q. **Force Majeure.** Neither NCPRD nor County shall be held responsible for delay or default caused by events outside of NCPRD's or County's reasonable control including, but not limited to, fire, terrorism, riot, acts of God, or war. However, the Parties shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

R. **No Attorney Fees.** In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

[Signatures on Following Page]

IN WITNESS HEREOF, the Parties have executed this Agreement by the date set forth opposite their names below.

Clackamas County

**North Clackamas Parks and
Recreation District**

Chair, Board of County Commissioners

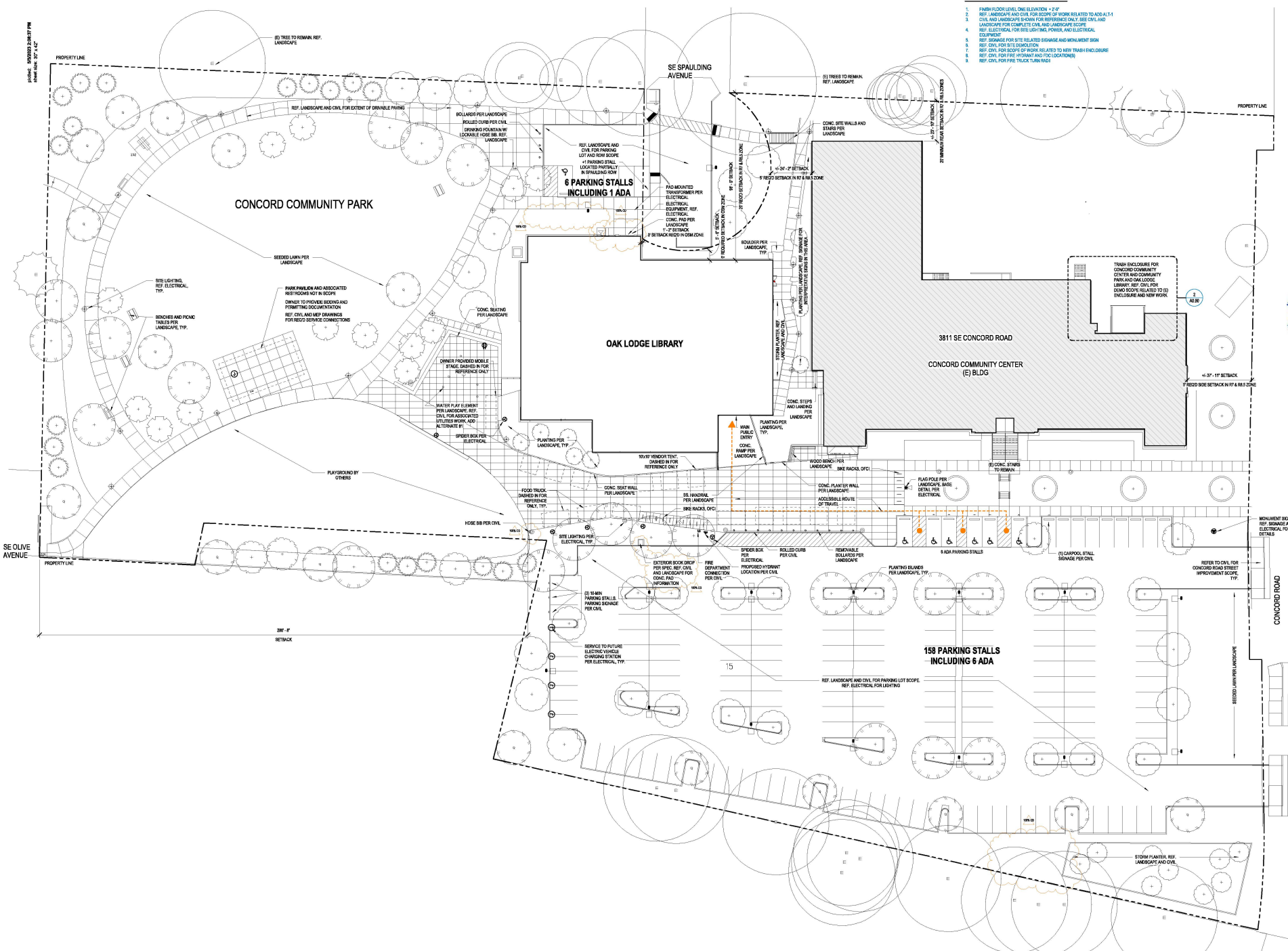
Chair, Board of Directors

Date

Date

SITE PLAN SHEET NOTES

1. FINISH FLOOR LEVEL, ONE ELEVATION + 2'F
2. REF. LANDSCAPE AND CIVIL FOR SCOPE OF WORK RELATED TO ADA/1.1
3. CIVIL AND LANDSCAPE SHOWN FOR REFERENCE ONLY. SEE CIVIL AND LANDSCAPE FOR COMPLETE CIVIL AND LANDSCAPE SCOPE.
4. REF. ELECTRICAL FOR SITE LIGHTING, POWER, AND ELECTRICAL EQUIPMENT.
5. REF. SIGNAGE FOR SITE RELATED SIGNAGE AND MONUMENT SIGN.
6. REF. CIVIL FOR SITE DEMOLITION.
7. REF. CIVIL FOR SCOPE OF WORK RELATED TO NEW TRASH ENCLOSURE.
8. REF. CIVIL FOR FIRE HYDRANT AND TTY LOCATIONS.
9. REF. CIVIL FOR FIRE TRUCK TURN PAD.



Revision to Sheet

Revision	Date
100% CD	05/09/2023

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 5/17/23 **Approx. Start Time:** 10:30 am **Approx. Length:** 30 min.

Presentation Title: Gladstone & Oak Lodge Budget Update and Approval

Department: Transportation and Development

Presenters: Cindy Becker, Project Coordinator

Other Invitees: Dan Johnson, Mitzi Olson, Jason Varga

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Staff is requesting that the Board approve the budgets for the Gladstone and Oak Lodge Library locations including an additional request of \$900,000 for cost increases. Approval of these budgets will fully fund the construction of the Oak Lodge and Gladstone library buildings and would allow for the start of construction.

EXECUTIVE SUMMARY:

Pursuant to an Intergovernmental Agreement with the City of Gladstone, the County agreed to construct two buildings to serve the Oak Lodge and the Gladstone Library Service Areas. It is important to note that these two buildings are considered one library with two locations and will be operated as such.

There have been several Policy Sessions with the Board over the past couple of years to discuss financing and design of these two new libraries buildings.

- In May, 2022, the Board directed staff to delay both projects for a year due to significant projected cost increases. During this same meeting, the Board also directed staff to complete the design work for both properties and bring updated estimates back to the Board for review in the Spring, 2023.
- In October, 2022, the Board approved \$6 million in American Rescue Plan Act (ARPA) funds for the Gladstone Library and \$9 million in ARPA funds for the Oak Lodge Library.
- In February, 2023, the Board approved an additional \$2.4 million for Gladstone and \$5.7 million for Oak Lodge for a total of \$8.1 million.

Funding Approved to Date

Gladstone (\$10.05M)

Beginning Fund Balance	\$0.3M
County ARPA	\$6.2M
State ARPA	\$0.5M
County General Fund	<u>\$2.4M</u>
	\$9.4M

Oak Lodge (\$20.6M)

Library District Reserve	\$2.9 M
Capital Reserve	\$1.0 M
Beginning Fund Bal.	\$0.75M
State ARPA	\$0.75M
County ARPA	\$9.0 M
County General Fund	<u>\$5.7 M</u>
	\$20.1 M

Additional Funding Request

As noted in February 2023, construction costs were still estimates. As expected, these costs have increased due to a combination of factors. The main factors are inflation, supply chain issues and design refinements:

- General inflation is up over 7% from a year ago.
- Unemployment remains very low which has helped drive up labor rates.
- There are still supply chain issues with some trades. Certain electrical gear still has lead times up to a year which is 2-3 times longer than it used to take pre-pandemic. Higher fuel costs are also contributing to these increases.

While these issues are expected to continue, staff fully expects to be able to cover any near term increases with contingencies and the additional funding request.

Below is a comparison of the budget information brought to the Board last April and the current budgets. The Gladstone figure for May is based on 100% design drawings. The Oak Lodge Library figure is based on approximately 85% drawings; however, staff is confident in using the figure below as a cap.

	April 2022 Estimate	May 2023	\$ Increase	% Increase
Gladstone	\$9.4 million	\$10.05 million	\$0.65 million	6.9%
Oak Lodge	\$20.1 million	\$21.50 million	\$1.40 million	7.0%
Total	\$29.5 million	\$31.55 million	\$2.05 million	6.9%

Staff have identified funding for the majority of the increased cost as follows:

Total cost Increase	\$2.05 m
Increased Beginning Fund Balance (Oak Lodge)	-\$0.25 m
<u>Unspent General Fund in forecast for this project</u>	<u>-\$0.90 m</u>
Cost Delta	\$0.90 m

Based on the information illustrated above, an additional \$900,000 of funding would need to be authorized from the Board to advance construction of the libraries in question. It should be noted that these the budgets include approximately \$2 million in contingencies. With this we believe that the current cost estimate is more than sufficient to advance construction, provide sufficient buffer to additional cost escalation and may even be reduced once design on the Oak Lodge library is completed.

As noted in prior discussions, this funding can essentially come from a limited number of sources, namely an increase in one-time general fund subsidy and/or additional ARPA fund distribution to the library. Staff is aware of the limitations and funding caps associated with the distribution of ARPA revenues and should the Board support the use of these funds affirm staff will coordinate with County ARPA representatives and County Counsel to ensure adopted ARPA guidance is clearly followed.

Contracting

P&C Construction is our Construction Manager/General Contractor (CMGC) for both the buildings. They were selected in September 2021 in a competitive RFP process. One of the

benefits of the CMGC process is that they can assist the design team throughout the design process with constructability reviews and estimating.

These construction costs are based on competitive subcontractor bids. P&C did reach out M/W/ESB firms to encourage them to participate in bidding on the project. They sent out invitations to over 40 different firms, received bids from 12 of those firms and will end up using 4 of those firms.

We have also gone through a value engineering process after each design milestone to determine where we could provide better value for the project.

We will continue to work with our design team and contractor to determine if there are any other areas where costs can be reduced. However, at this time we don't see any areas in the design where we will realize significant cost savings.

Timeframe

P&C is proposing the project duration to be 11 months for the Gladstone Library. With approval, construction is anticipated to start in June and completing construction in May/June 2024. For Oak Lodge the approximate project duration is 14 months. Construction would start in September/October this year and be completed in November/December 2024.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO
What is the cost? \$ \$900,000 What is the funding source? General Fund or ARPA

STRATEGIC PLAN ALIGNMENT:

How does this item align with your Department's Strategic Business Plan goals?

This aligns with the BCS strategic result of preserving, improving, and enhancing the quality and capacity of managed properties and facilities. The construction of the new libraries supports the Oak Lodge and Gladstone Library program so the public can access publically funded diverse materials and services to achieve their individual goals.

How does this item align with the County's Performance Clackamas goals?

This project aligns with the Vibrant Economy Goal: It provides economic development, public spaces, and community enrichment services to residents, businesses, visitors, and partners so they can thrive and prosper in healthy and vibrant communities.

LEGAL/POLICY REQUIREMENTS:

There is an IGA between County and City of Gladstone in which the County agreed to construct and manage two libraries buildings: Gladstone and Oak Lodge.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Numerous public outreach engagements have been conducted over the past couple of years, including the creation of dedicated Task Forces for each Library site. Task Force members met with design consultants and County staff to develop Master Plans, discuss/review design elements and provide input throughout the design process.

OPTIONS:

- 1) Approve an increase in one-time General Funds Support to cover the additional \$900,000 in increased construction cost for both library buildings.
- 2) Approve an increase in ARPA funds to cover the additional \$900,000 in increased construction cost for both library buildings.

- 3) Approve an increase in ARPA funds, up to \$900,000 to cover increased construction costs for both library buildings, and authorization to allocate an increase in one-time General Funds support up to cover those none ARPA qualifying expenses, not to exceed \$900,000 from both funding sources.
- 4) Do not approve additional funding.

RECOMMENDATION:

Staff respectfully recommends Option 3: Approval an increase in ARPA funds, up to \$900,000 to cover increased construction costs for both library buildings, and authorization to allocate an increase in one-time General Funds support up to cover those none ARPA qualifying expenses, not to exceed \$900,000 from both funding sources.

ATTACHMENTS:

Gladstone Library Building Cost Summary Sheet
Oak Lodge Library Building Cost Summary Sheet

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Jason Varga @ 503-351-4012

Attachment: Gladstone Library Building Cost Summary

Where were the increases in cost and why? (From P&C)

Approximately \$400,000 of this increase is due to overall inflation.. We attribute approximately another \$150,000 to trade specific inflation that outpaced overall inflation. The electrical cost increased over 30% from our previous estimate. Earthwork increased by almost 20% due to higher diesel fuel costs and increased labor costs.

We did end up with some added costs due to design changes during the final phase of design. Most of these changes were in the concrete trade and for added temporary shoring due to changing retaining wall heights and thickness. This amounted to approximately \$150,000. We estimate approximately \$250,000 total in design changes. These changes were necessary to meet structural, civil and fire and life safety requirements.

We also had some cost increases in some of the soft costs. These increases totaled approximately \$300,000 including updated architectural costs, installation of Alertus and updated furniture and book shelving costs.

We have used some of the contingency funds to reduce the increase in construction costs.

What have we done to bring down costs?

We have been able to reduce costs by nearly \$850,000 with value engineering. Below is a list of design items that have been value engineered and an approximate value of those changes:

Item Description	Approximate Value
Replace Mass Timber Structure(CLT) with Structural Steel & Metal Decking	\$200,000
Reduce Roof Height above Community Room	\$165,000
Delete Radiant Floor	\$82,000
Reduce Size of Sunscreen & Eliminate Privacy Screen	\$100,000
Change Siding to Fiber Cement Board	\$65,000
Remove Skylights	\$6,000
Change Roof from TPO to SBS	\$40,000
Change concrete floor to sealed in lieu of polished	\$12,535
Deleted Wall Graphics	\$25,000
VE of lighting package	\$12,000
Delete Rooftop Concrete HVAC curbs	\$20,000
Change bird friendly glazing to applied film	\$29,100
Change Nitrogen Generator to standard air compressor for Fire Suppression dry system	\$8,000
Use PVC in lieu of cast iron piping for Sanitary System	\$15,000
Reduce amount of motorized shades	\$12,064
Reduce amount of large boulders	\$22,800
Change manufacturer for wood ceilings	\$35,000

What are the remaining risks for the project?

We have two underground tanks that need to be removed. We have an allowance in the GMP for \$48,000 to remove them. We believe that should cover the removal and required reporting to DEQ.

We will be required to install temporary shoring of structural footings at the fire stations south wall. We have an engineered design and we are working on an agreement with Gladstone to install this shoring. We also will be required to install some temporary shoring on our neighbor's property directly east. We have been in contact with the apartment owner and he is willing to work with us.

Attachment: Oak Lodge Library Cost Summary

Where were the increases in cost and why? (from P&C)

Approximately \$900,000 of this increase is due to inflation, figuring for approximately 7.0% over the last fourteen months. Several of our trades have outpaced that mark due to labor rate increases, raw material shortages and supply chain issues. The electrical cost increased by approximately \$475,000 from our previous estimates. Storefront and Curtain Wall costs increased by about \$300,000.

We did end up with some added costs due to design changes totaling approximately \$400,000. These changes were spread among several trades and were expected as the design progressed.

Approximately \$500,000 of the increase was due to costs of shared site parking, hardscape and landscaping. We are splitting the cost of these shared areas with NCPRD. We finalized the shared space prior to final estimate.

Overall, our indirect costs stayed about the same. The furniture and book shelving costs increased by approximately \$175,000. Construction administration costs decreased by about \$130,000 mostly due to the overall reduction in total scope and shorter overall schedule. We also did not have an adequate budget for the Alertus system which we are estimating will cost about \$40,000.

Design & Escalation contingencies have been applied to cover some of the cost overruns to reduce the increase in construction costs. We have also reduced owner reserves/contingencies to offset some of these increases.

What have we done to bring down costs?

We have been able to reduce costs by nearly \$400,000 with value engineering so far. Below is a list of design items that have been value engineered and an approximate value of those changes:

Item Description	Approximate Value(\$400,000+)
Replace CLT roof panels with DLT panels	\$100,000
Delete Radiant Floor	\$225,000
Reduce amount of Acoustic Wall Panels	\$36,030
Remove Bathroom Tile	\$12,099
Change concrete floor to sealed in lieu of polished	\$21,517
Change Nitrogen Generator to standard air compressor for Fire Suppression dry system	\$8,000
Eliminate Certified Survey	\$8,000

What are the remaining risks for the project?

Material cost and lead times continue to increase with most trades. Over the past year we have seen double digit increases in material costs. Electrical equipment and materials have been difficult to estimate over the last several months. In anticipation of this we will work with the architect at the beginning of the project to approve these material submittals right away to make sure this equipment arrives on time. The sooner we can get our subcontractors to order material the better. We already put a deposit on the mass timber roof panels to make sure they would arrive just in time. They had a lead time of 12 months.

We believe there is some risk in the utility relocation scope on the project. The design is based off of previous "as-builts" and some surveys of the existing utilities. One of the first tasks when construction starts will be to relocate the utilities that run underneath the new library building.