

Date: September 18, 2019

To: Board of Directors

From: Doug Kelsey

Subject: RESOLUTION NO. 19-09-76 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) INC. AUTHORIZING A MODIFICATION TO A CONTRACT WITH RAIMORE CONSTRUCTION, INC. FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE DIVISION TRANSIT PROJECT

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a modification to a contract (Modification) with Raimore Construction, Inc. (Raimore) for construction manager/general contractor (CM/GC) services for the Division Transit Project (Project).

2. Type of Agenda Item

- Initial Contract
 Contract Modification
 Other _____

3. Reason for Board Action

Board authorization is required for a Modification to a contract for goods and services that obligates TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
 Ordinance 1st Reading
 Ordinance 2nd Reading
 Other _____

5. Background

The Division Transit Project will provide high-capacity transit service to the 15-mile long Division corridor between downtown Portland and Gresham. The Project is projected to cost \$175 million, of which about one-half will be provided by the Federal Transit Administration (FTA). The Project's 100% Design stage is expected to be complete by November 2019, and TriMet anticipates receiving a Single Year Grant Agreement (SYGA) from the FTA by the end of the year.

At its July 25, 2018 meeting, the Board approved Resolution 18-07-54, authorizing award of a contract to Raimore for CM/GC pre-construction services for the Project. The amount of the

pre-construction services contract was \$395,000.

Raimore's pre-construction services are nearing completion and TriMet is readying for construction to begin this fall. TriMet is seeking authority to modify Raimore's *pre-construction services* contract to include *limited construction services*. This contract Modification would also allow for completion of a number of early tasks prior to the SYGA and the negotiation of Raimore's Total Contract Price (TCP).

The early work that TriMet anticipates accomplishing prior to FTA award authority is restricted in accordance with FTA policy, but would include the following tasks, at an estimated cost of \$2.3 million:

- Potholing for utility design confirmation
- Traffic control planning
- Utility relocation
- Establishing a field office for utility relocation work

Once FTA award authority is granted (anticipated before the end of 2019), TriMet will expand work activities to also include the following tasks, at an estimated cost of \$5.4 million:

- Underground work for new facilities at initial stations within the (3) work zones
- New signal work within the first (3) work zones.
- Remaining build-out of field office to accommodate TriMet and Raimore staff for construction.

The total anticipated costs of the above activities is \$7,700,000. Expending these funds will allow limited construction to move forward while the overall Total Contract Price with Raimore is negotiated. This Resolution seeks Board authority to modify the current Raimore CM/CG *pre-construction services* contract to include *limited construction services*, and to increase the amount of the contract by \$7,700,000 (plus a 10% change order allowance) as shown below:

Initial Pre-Construction Services Contract Authority (Resolution 18-07-54)	\$395,000
Requested Early Work Authority	\$7,700,000
Requested Early Work Change Order Allowance Authority (10%)	\$770,000
Total Revised Contract Authority	\$8,865,000

This Resolution does not commit further construction activities for the Project beyond those requested above. TriMet will seek additional Board authorization to modify the contract to the Total Contract Price upon FTA award and completion of negotiations. TriMet anticipates that the request for this additional Board authorization will occur in January or February of 2020.

6. Procurement Process

The original contract was procured through a competitive Request for Proposals (RFP) process.

7. Diversity

Raimore is a certified DBE firm. To date, it has self-performed 100% of the contract. In its proposal, Raimore indicated that it would utilize Disadvantaged Business Enterprise (DBE) contractors for approximately thirty-six percent (36%) of the work.

8. Financial/Budget Impact

The Project is included in the approved FY 2020 Capital Program budget.

9. Impact if Not Approved

- Under the terms of the CM/GC contract, TriMet could terminate the CM/GC arrangement at the completion of the pre-construction services work, and then obtain bids for the early construction work. However, Raimore has performed well on the Project thus far, and the completion of these early construction activities will ensure the Project stays on schedule until a Total Contract Price is negotiated, FTA Project funding is authorized, and the Board authorizes additional CM/GC construction services early next year

RESOLUTION NO. 19-09-76

**RESOLUTION NO. 19-09-76 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) INC. AUTHORIZING
A MODIFICATION TO A CONTRACT WITH RAIMORE CONSTRUCTION,
INC. FOR CONSTRUCTION MANAGER/ GENERAL CONTRACTOR
SERVICES FOR THE DIVISION TRANSIT PROJECT**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification (Modification) with Raimore Construction, Inc. (Raimore) for construction manager/general contractor (CM/GC) services for the Division Transit Project; and

WHEREAS, the total amount of the Modification is expected to exceed \$1,000,000 as early construction work is undertaken pending final FTA Project funding; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to approve contracts for goods and services obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Modification in an amount of \$7,700,000, plus execute change orders of ten percent (10%), through the anticipated January or February 2020 date for the completion of the early construction work.

Dated: September 18, 2019

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department

