

Date: September 26, 2018

To: Board of Directors

From: Doug Kelsey

Subject: RESOLUTION 18-09-64 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH BALFOUR BEATTY CONSTRUCTION, LLC DBA HOWARD S. WRIGHT FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE ELEVATOR REFURBISHMENT/REPLACEMENT PROGRAM

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the General Manager to execute a modification to the contract with Balfour Beatty Construction, LLC dba Howard S. Wright (HSW) for construction manager/general contractor (CM/GC) services for the Elevator Replacement/Refurbishment Program (Project).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board approval is required for goods and services contracts obligating TriMet to pay in excess of the amount previously authorized by the Board.

4. Type of Action

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

5. Background

TriMet maintains more than 30 elevators and material lifts that provide access to buildings and transit facilities, as well as the transport of freight for maintenance activities. Some of these are heavily used, public outdoor elevators that are exposed to the elements and receive heavy use by patrons. Typical life expectancy for most elevators is 25-30 years, but the actual life can vary, and some of TriMet's elevators are at the end of their useful lives. As a result, elevator replacements and refurbishments are needed throughout TriMet's system.

At its May 2016 meeting, the Board approved Resolution 16-05-31, authorizing an exemption from the low bid procurement requirement for this Project. This exemption allowed TriMet to utilize a competitive Request for Proposal (RFP) process to select the most qualified contractor to provide CM/GC services for the Project. At its October 2016 meeting, the Board approved Resolution 16-10-65, authorizing a contract with HSW for preconstruction services in an amount not-to-exceed \$275,667.00. Then, at its January 2018 meeting, the Board approved Resolution 18-01-10, authorizing a contract modification to add construction services for Package 1.

TriMet is now prepared to modify the contract to add construction services for Package 2. HSW has performed satisfactorily thus far and there have been no major safety incidents or disputes. The attached Resolution authorizes a modification to HSW's contract, as follows:

Preconstruction Services	\$275,667
Modification 1 - Package 1 Total (Construction Services and Fee)	\$2,361,930
Modification 2 - Package 2 Construction Services	\$5,065,911
Modification 2 - Package 2 Construction Fee	\$418,961
Modification 2 - Total Package 2 Amount	\$5,484,871
Total Contract Amount after Modification 2	\$8,122,469
Package 2 Change Order Allowance (10 percent)	\$548,487

Competitive pricing of construction tasks has been ensured through open book price negotiations. TriMet requires competitive bidding of work scopes as appropriate, in accordance with TriMet CM/GC practices. TriMet's fair cost estimate for Modification 2 is \$5,486,000. The contractor's price (as shown above) is \$5,484,871, which is within 1% of TriMet's estimate.

There are a total of four construction packages anticipated for this Project, refurbishing a total of 19 elevators over 5 years. The exact elevators included in each package may vary slightly, but in general the packages include:

- Package 1 – 42nd Avenue, 60th Avenue, and 82nd Avenue (awarded through Resolution 18-01-10)
- Package 2 – Gresham Park & Ride, Sunset Station (3), and Washington Park (4) (this Resolution)
- Package 3 – Center Street Administration Building (2), and Center Street Garage (2)
- Package 4 – Elmonica, Merlo, Ruby Junction (2)

Packages 3-4 will also be subject to Board authorization and will be submitted for approval in the future when preconstruction services for those packages are complete.

6. Procurement Process

The contract was procured through a competitive RFP process.

7. Diversity

In its original proposal, HSW stated that it expected to obtain M/W/ESB/SDV participation of approximately 10% through subcontracting opportunities on work such as electrical, lighting, and other site work. For Package 1, HSW has achieved 14% utilization. For Package 2, which

is the subject of the attached Resolution, HSW expects to achieve 11% utilization. HSW has limited subcontracting opportunities available as elevator specific work accounts for 48% of the overall cost associated with this modification. Only a few companies in the country perform elevator specific work, which makes it difficult to utilize M/W/ESB/SDV firms in this specialty. As a company, HSW employs 181 individuals. Of its 181 employees, HSW identified 17% as female and 13% as minorities.

8. Financial/Budget Impact

The funding being requested by the attached Resolution for Package 2 is accounted for in the FY18-19 Capital 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 already-awarded Package 1 work, and then obtain proposals for the balance of the work. However, HSW has performed well on the Project thus far, and re-procuring this work would extend the schedule and potentially jeopardize the project budget.

RESOLUTION 18-09-64

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH BALFOUR BEATTY CONSTRUCTION, LLC DBA HOWARD S. WRIGHT FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE ELEVATOR REFURBISHMENT/REPLACEMENT PROGRAM

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification with Balfour Beatty Construction, LLC dba Howard S. Wright for construction manager/general contractor services for the Elevator Refurbishment/Replacement Program (Contract Modification); and

WHEREAS, the total amount of the Contract Modification shall exceed the amount previously authorized by the TriMet Board of Directors (Board); and

WHEREAS, the Board, by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of the amount previously authorized by the Board;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract Modification shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contract Modification in the amount of \$5,484,871.
3. That the General Manager or his designee is further authorized to execute Change Orders to the Contract in an Amount not to exceed \$548,487.

Dated: September 26, 2018

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department