

Date: April 26, 2023

To: Board of Directors

From: Sam Desue, Jr.

Subject: **RESOLUTION NO. 23-04-16 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH SKANSKA USA BUILDING, INC. FOR DESIGN-BUILD SERVICES FOR THE PARK AVENUE PARK AND RIDE PARKING GARAGE EXPANSION 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 contract (Contract) with Skanska USA Building, Inc. (Skanska) for Design/Build (D/B) services for the Park Avenue Park & Ride Parking Garage Expansion project (Project).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source):

4. Reason for Board Action

Board authorization is required for contracts obligating TriMet to pay in excess of \$1,000,000.

5. Type of Action

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

6. Background

In September 2015, TriMet completed the construction of the Park Avenue Park & Ride Parking Garage, concurrent with the completion of the Max Orange Line. The Park & Ride was built to provide parking for riders of the line between Milwaukie and downtown Portland. When the original garage was designed, TriMet anticipated that two additional

floors might be needed in the future. Therefore, TriMet required the original design to accommodate possible construction of additional floors in the event future capacity became necessary.

Prior to the Covid-19 pandemic, the Parking Garage was over capacity. As the regional economy emerged from the pandemic, TriMet staff determined that projected Orange Line ridership will recover enough to warrant construction of the additional floors, and initiated preparatory work on the Project. The original work was completed using the Design/Build (D/B) alternative contracting method, and the Project is at a stage where TriMet is ready to procure the services of a D/B contractor to complete the addition.

The D/B contracting method was selected based on several factors, one of which is that the method allows TriMet to select a D/B contractor with the skill and experience to handle the complexities of managing tight timelines and working within a strict budget. TriMet has had significant success using the D/B process on similar projects, including the first phase of the Parking Garage, the Clackamas Town Center parking garage, and the Tilikum Crossing. The selected D/B contractor will provide Project design services going forward and carry out construction in accordance with its own design, thus contributing to cost control and certainty, and establishing the coordination necessary to ensure a successful construction process.

At its October 2022 meeting, the Board approved Resolution No. 22-10-62, authorizing an exemption from the low bid procurement process for the Park Avenue Park & Ride Parking Garage Expansion Project. Thereafter, TriMet utilized a Request for Proposal (RFP) best-value procurement process, to determine the highest ranked D/B contractor to design and construct the Project.

7. Description of Procurement Process

On December 23, 2022 TriMet issued the RFP, and on February 23, 2023 TriMet received three proposals from D/B teams in response. The proposers were Hoffman Construction Company, Howard S. Wright, and Skanska.

TriMet's Evaluation Committee (EC) reviewed, evaluated and scored the proposals. Scoring criteria included Proposer Experience and Past Performance, Design/Build Team Staff, Project Approach and Work Plan, Project Management, and Disadvantaged Business Enterprise and Workforce Programs. TriMet's Evaluation Committee consisted of members of the Engineering, Construction, and Planning Division, the Equity, Inclusion, and Community Affairs Division, and advisory members from TriMet's regional partners on the project.

At the conclusion of the initial evaluation, scores were as follows:

Proposer	Initial Technical Score (80 Max)
Hoffman Construction Company	67.38
Howard S. Wright	65.25
Skanska	64.00

All three firms were determined to be within the competitive range based on the initial scoring. The firms were invited to attend in-person proprietary interviews to discuss key

points of their individual proposals. In preparation for these meetings, TriMet requested that each proposer answer a series of questions, both general and specific.

On March 17 and March 22, 2023, TriMet met with the firms to discuss their written responses to the questions and effects of their answers on their proposals, and on March 27, 2023, TriMet issued a request for a Best and Final Offer (BAFO) to all. TriMet's EC reviewed, evaluated and scored the proposals, then reconvened on April 4, 2023 to re-score the firms. As shown in the chart below, the firms' responses to TriMet's questions resulted in a re-scoring of the technical scores so that Hoffman Construction's and Skanska's technical scores were raised, and Howard S. Wright's was lowered.

When TriMet's contract administrator opened the pricing, it was discovered that the proposers were confused about the type of pricing TriMet was expecting. Two of the proposers offered pricing based on estimates and excluding many project elements from the total price, under the assumption that they would work with TriMet through the project to arrive at a Guaranteed Maximum Price. However, TriMet elected to deliver the project as a traditional Design/Build method which relies on firm/fixed lump sum pricing.

Therefore, in order to clear up the confusion and preserve the integrity of the procurement, TriMet issued a request for a Last Best and Final Offer (LBAFO), for price only. Each proposer submitted its final price by April 7, 2023. The scores for the LBAFO were added to the technical scores from the interview phase. At the conclusion of the process, Skanska was the highest ranked proposer.

The final scores are as follows:

Proposer	Technical Scores After Interview (80 Max)	Price (20Max)	Total Score (100 Max)
Hoffman Construction Company	69.38	16.64	86.02
Howard S. Wright	60.75	19.12	79.87
Skanska	69.25	20.00	89.25

Although Skanska's proposed price of \$17,388,366 is higher than TriMet's Independent Cost Estimate (ICE) of \$15,083,840, it is the lowest of the three price proposals received and is considered reasonable. Moreover, it is within TriMet's approved budget of \$23,847,857 for the Project.

Finally, it is likely that changes will be incurred during the design, permitting, and construction phases of the Project. Therefore, this Resolution provides authority for future change orders of up to 10 percent (10%) during design, permitting, and construction, for a maximum change order total of \$1,738,837. In the event any portion of this \$1,738,837 amount is needed, it will be drawn from contingency funds allocated to this D/B Contract derived from the Max Orange Line's Federal Full Funding Grant Agreement.

Therefore, the total authorized contracting authority will be as follows:

Contract Amount	\$17,388,366
Change Order Authority	\$1,738,837
Total Authorization	\$19,127,203

8. Diversity

Skanska's workforce is 24% female and 17.5% minority. Skanska estimates that it will meet a 17% Disadvantaged Business Enterprise (DBE) utilization goal for construction costs and will endeavor to maximize opportunities on the Project to achieve very strong total DBE participation. TriMet has requested that Skanska attempt a 25-30% overall DBE goal by seeking participation from Oregon Certification Office for Business Inclusion and Diversity (COBID) certified firms.

9. Financial/Budget Impact

Funding for this Contract is derived from the Max Orange Line's Federal Full Funding Grant Agreement and is included in the Engineering, Construction & Planning Division's FY2023 operating budget.

10. Impact if Not Approved

If the Board does not approve this Resolution, TriMet could attempt to re-procure the Contract. However, TriMet used the RFP process to select a D/B contractor who could engage a diverse team of well qualified firms to complete the Project, and negotiated a reasonable Contract price. Advertising the Contract a second time will not likely lead to additional or more favorable proposals. In addition, any significant procurement delay could preclude TriMet from utilizing the remaining MAX Orange Line Federal Full Funding Grant Agreement to fund this Project.

RESOLUTION NO. 23-04-16

**RESOLUTION NO. 23-04-16 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH SKANSKA USA BUILDING, INC. FOR DESIGN-BUILD
SERVICES FOR THE PARK AVENUE PARK AND RIDE PARKING GARAGE
EXPANSION PROJECT**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract (Contract) with Skanska USA Building, Inc. for Design/Build Services for the Park Avenue Park & Ride Parking Garage Expansion Project; and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize all contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract exceeds \$1,000,000:

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract in an amount not to exceed \$19,127,203, which includes a change order allowance of \$1,738,837, through the Project's June 2025 completion date.

Dated: April 26, 2023



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department