Memo

Date: March 25, 2020
To: Board of Directors
From: Doug Kelsey

Subject: RESOLUTION NO. 20-03-14 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI MET) AUTHORIZING A MODIFICATION TO A CONTRACT WITH RAINMORE CONSTRUCTION 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 Rainmore Construction, Inc. (Rainmore) for the Total Contract Price 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 approximately $1.75 million, about one-half of which has been provided by the Federal Transit Administration (FTA).

At its July 25, 2018 meeting, the Board approved Resolution 18-07-54, authorizing award of a contract to Rainmore for CM/GC pre-construction services for the Project in the amount of $395,000. At the September 18, 2019 meeting, the Board approved Resolution 19-09-76 to allow a contract modification in the amount of $7,700,000 (plus a 10% change order allowance
of $770,000).

That contract modification added some construction services, and allowed early work to begin prior to final negotiation of Rainmore’s Total Contract Price (TCP) of $70,765,000. The Rainmore TCP reflects the combined price for early work, overall construction, and owner controlled risk (based on a risk table). The TCP is the result of an extensive costing effort with TriMet’s team, and validation though independent cost estimating.

Early construction work began in January 2020 in accordance with previous Board authority, and FTA’s regulations concerning pre-award authority. On February 23, 2020, TriMet received $87,413,950 of the Project funding from the FTA through a Single Year Grant Agreement (SYGA). With all federal and local funding now secured for this Project, Rainmore intends to proceed with the following tasks:

- Utility work;
- Civil construction at stations, crosswalks, signalized intersections, and access control points;
- Station furnishings, amenities, and finishes; and
- All other work necessary to complete the project.

Construction will continue through the summer of 2022, with revenue service projected to begin in September 2022.

This Resolution reflects Rainmore’s Total Contract Price for construction, plus provides additional authority to carry out the full scope of work for the Division Transit Project. The Resolution seeks Board authority to modify the current Rainmore CM/GC construction services contract to include the remaining construction scope, and to increase the contract amount by $63,441,452 (plus a 10% change order allowance), as shown below:

<table>
<thead>
<tr>
<th>Contract Description</th>
<th>Contract Amount</th>
<th>Change Order Allowance (%)</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Pre-Construction Services Contract Authority</td>
<td>$395,000</td>
<td></td>
<td>$395,000</td>
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<tr>
<td>(Resolution No. 18-07-54)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Early Work Authority</td>
<td>$7,700,000</td>
<td>$770,000</td>
<td>$8,470,000</td>
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<tr>
<td>(Resolution No. 19-09-76)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Contract Authority</td>
<td></td>
<td></td>
<td>$8,865,000</td>
</tr>
<tr>
<td>Full Construction Services (with this Resolution)</td>
<td>$63,441,452</td>
<td>$6,344,145</td>
<td>$69,785,597</td>
</tr>
<tr>
<td>Total Additional Contract Authority</td>
<td></td>
<td></td>
<td>$69,785,597</td>
</tr>
<tr>
<td>Total Contract Amount</td>
<td></td>
<td></td>
<td>$78,650,597</td>
</tr>
</tbody>
</table>

6. **Procurement Process**

The original contract was procured through a competitive Request for Proposals (RFP) process.
7. **Diversity**
   Rainmore is a certified DBE firm. In its proposal, Rainmore indicated that it would utilize Disadvantaged Business Enterprise (DBE) contractors for approximately thirty-six percent (36%) of the work. This total award for construction will represent the largest DBE award in the history of the State of Oregon.

8. **Financial/Budget Impact**
   The Project is included in the approved FY 2020 Capital Program budget. The $87,413,950 federal share has been secured.

9. **Impact if Not Approved**
   Trimet could terminate the current CM/GC contract, and rebid the construction related scope. However, Rainmore has performed well on the Project thus far, and moving forward with construction activities will ensure the Project meets the project milestones. Trimet has received the FTA’s SYGA funding for the Project, and there is not a current alternative to executing the Modification for the full scope of construction.
RESOLUTION NO. 20-03-14

RESOLUTION NO. 20-03-14 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI-MET) AUTHORIZING A MODIFICATION TO A CONTRACT WITH RAIMORE CONSTRUCTION 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 (Project); and

WHEREAS, the total amount of the Modification is expected to exceed $1,000,000, now that the $87,413,850 federal share of the Project has been secured and Raimore’s Total Contract Price has been determined; 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 $63,441,452, plus execute change orders of approximately ten percent (10%), for a total amount of additional contract authority of $69,785,597 through the December 2022 contract termination.

Dated: March 25, 2020

_____________________________
Presiding Officer

_____________________________
Attent:

_____________________________
Recording Secretary

Approved as to Legal Sufficiency:

_____________________________
Gregory E. Skillman
Legal Department