

Date: July 25, 2012

To: Board of Directors

From: Neil McFarlane

Subject: **RESOLUTION 12-07-63 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE MODIFICATION OF TWO CONTRACTS FOR ON-CALL APPRAISAL REVIEW SERVICES**

1. Issue or Purpose of the Item.

The purpose of this item is to request that the TriMet Board of Directors ("Board") adopt a resolution authorizing the General Manager to execute modifications to two contracts with review appraisers for the provision of on-call review appraisal services to support TriMet's property acquisition process for the Portland-Milwaukie Light Rail Transit Project ("Project").

2. Reason for Board Action.

Board authorization is required as the proposed modification amount was not originally authorized by the Board.

3. Background.

As part of the Project, TriMet will be acquiring nearly 200 properties. TriMet has acquired approximately one-quarter of the properties needed. When TriMet acquires property, it must comply with state and federal law, which generally requires TriMet to appraise the value of the property and receive an independent review of the appraisal. TriMet does not have the staff capacity to conduct the review appraisals. Accordingly, in March 2008, TriMet issued a Request for Proposal ("RFP") for on-call review appraisal services. In response to the RFP, TriMet received seven proposals. TriMet selected three of the seven proposers to provide appraisal review services: (1) DR Johnson & Associates; (2) HDR Engineering, Inc.; and (3) Gene Olson. The other four proposers also proposed on a separate TriMet RFP for appraisal services, and were each selected under that procurement. It is a potential conflict of interest for a firm performing the appraisal to also perform the appraisal review. Accordingly, the four firms selected for appraisal services are not eligible to provide review services.

The contract amount for each of the three successful proposers was \$150,000, and within TriMet's delegated contracting authority. The original term of the contracts was one year, with four one-year options to extend. TriMet recently exercised its final option, which extends the contract to April 2013. One of the three on-call review appraisers (Gene Olson) retired in 2010. The total contract amount of

\$150,000 for the remaining two reviewers is insufficient to support the remaining reviews necessary for the Project. This Resolution would increase the total contract amount for each of these two contracts by \$80,000 from \$150,000 to \$230,000. These are requirements-based contracts with no guarantee for any minimum amount of work. It is important that TriMet continue to work with these two reviewers who have substantial experience on the Project, which will help promote consistency among the appraisals and achieving a fair outcome for the property owners.

4. Options.

TriMet could re-procure for new review appraisers now rather than at the expiration of the contract term. This option is not preferred because TriMet has surveyed the market and has not identified any new reviewers. Increasing the contract amount for the existing contractors will allow the agency to capitalize on the experience of these reviewers who have supported the Project to date.

5. Recommendation.

The General Manager recommends that the Board approve the Resolution.

RESOLUTION 12-07-63

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE MODIFICATION OF TWO CONTRACTS FOR ON-CALL APPRAISAL SERVICES

WHEREAS, TriMet has authority under ORS 267.200 to enter into modifications to the contracts with DR Johnson & Associates and HDR Engineering, Inc. for on-call review appraisal services for the Portland-Milwaukie Light Rail Transit Project (“Modifications”); and

WHEREAS, after being modified, the total amount of each contract shall exceed \$150,000; and

WHEREAS, the Board, by resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve personal services contracts obligating TriMet to pay an amount in excess of \$150,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modifications shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Modifications.

Dated: July 25, 2012

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Legal Department