

**Date:** March 22, 2017

**To:** Board of Directors

**From:** Neil McFarlane *Neil McFarlane*

**Subject:** RESOLUTION 17-03-21 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH RAILCARCO FOR LRV FLOORING INSULATION REPLACEMENT SERVICES

---

**1. Purpose of 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 a contract modification with RailcarCo, for LRV flooring insulation replacement services.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other \_\_\_\_\_

**3. Reason for Board Action**

Board authorization is required for all goods or services contracts obligating TriMet to pay in excess of \$500,000.

**4. Type of Action:**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

On October 31, 2015, more than two inches of rain fell in downtown Portland in just a few hours. The heavy rain, along with falling leaves and other debris, led to clogged drains, standing water and flooded streets. Among the numerous challenging conditions for TriMet service, water levels beneath the Morrison Bridge rose to the highest level in MAX's 30-year history. Twelve (12) Type 2 and 3 light rail vehicles (LRVs) sustained water intrusion contaminating the in-floor insulation of the low floor portion of those LRVs.

On December 18, 2015 TriMet issued an Invitation to Bid (ITB) for services to repair the water intrusion damage to these 12 LRVs, by replacing their in-floor insulation, remediating any mold or rust present, and replacing existing undercar belly-pans with removable belly-

pans. One bid was received, from RailcarCo, which was determined to be responsive and responsible. On March 21, 2016 TriMet awarded a \$379,020 contract to RailcarCo for these services.

The bid price was based on TriMet allowances for the average man-hours of labor effort and materials required to repair the 12 LRVs. However, the first task under the contract was to perform a detailed evaluation of one of the 12 water-damaged LRVs, in order to prepare a work plan for repair of all 12 of them. In 2016, RailcarCo completed the detailed evaluation work task, which found more extensive rusting of undercar floor beams than TriMet had anticipated, necessitating more extensive labor effort and materials to repair the water damage. On January 12, 2017, RailcarCo submitted a detailed evaluation report and revised scope of work and labor and materials estimate to repair the 12 LRVs, which TriMet has accepted. The associated modification of the contract with RailcarCo will increase the amount of the contract from \$379,020 to \$603,060. Because the revised contract amount is more than \$500,000, Board authorization is required.

RailcarCo will complete repair of the first (evaluation) LRV this month, and has ordered materials for water-damage repair of all 12 LRVs. Repairs of all 12 LRVs will be completed over the next 6 months.

**6. Procurement Process**

As described above, this contract was solicited by an Invitation to Bid.

**7. Diversity**

The contract includes TriMet and Federal Transit Administration nondiscrimination, equal employment opportunity (EEO), and disadvantaged business enterprise (DBE) provisions. Railcar Co is performing the LRV water damage repair work with its own employees; the contract does not include any DBE or other subcontracting.

**8. Financial/Budget Impact**

Funding for this contract is a Materials & Services expense under the Rail Equipment Maintenance department budget.

**9. Impact if Not Approved**

The Board has the option to either adopt or not adopt the Resolution. However, staff is satisfied with RailcarCo's work under the contract to date. RailcarCo has demonstrated its expertise in rail car shell engineering. Previously, RailcarCo provided car shell engineering services for Oregon Iron Works, Inc. during its design and manufacture of streetcars for Portland, Tucson, and Washington D.C. Staff believes that the recommended contract modification so that RailcarCo completes repair of the water-damaged LRVs is in the District's best interest, therefore, adoption of the Resolution is the only recommended option.

**RESOLUTION 17-03-21**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH RAILCARCO FOR LRV FLOORING INSULATION REPLACEMENT SERVICES**

**WHEREAS**, TriMet has authority under ORS 267.000 to enter into a contract modification with RailcarCo for LRV flooring insulation replacement services (Contract Modification); and

**WHEREAS**, the total amount of the Contract as modified shall exceed \$500,000; and

**WHEREAS**, the TriMet Board of Directors (Board), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of \$500,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Contract Modification shall be in conformance with applicable laws.
2. That the General Manager is authorized to execute the Contract.

Dated: March 22, 2017

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department