

**Date:** May 24, 2017

**To:** Board of Directors

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

**Subject:** **RESOLUTION 17-05-40 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH ROSS BUILDERS NORTHWEST, LLC FOR THE MERLO BUS MAINTENANCE AND ADMINISTRATION/ OPERATOR BUILDINGS EXTERIOR PAINTING PROJECT**

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**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 contract with Ross Builders Northwest, LLC (Ross) for the Merlo Bus Maintenance and Administration/Operator Buildings Exterior Painting Project (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 \$500,000.

**4. Type of Action**

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

**5. Background**

The Merlo Bus Maintenance and Administration/Operator Buildings have not been repainted in many years and the paint is chipping and fading in numerous areas, thereby exposing the underlying exterior wall materials to weather elements and potential weather damage. Exterior paint on buildings provides a protective function for wall materials, and is necessary for proper building maintenance. This Project was originally solicited in 2015, however, the work was not contracted at that time due to budgetary constraints.

## **6. Procurement Process**

A competitive Invitation to Bid (ITB) process was used to select the contractor for the Project. The ITB was issued on March 28, 2017, and bids were due on April 19, 2017. A total of 227 vendors were notified of the ITB and 20 vendors downloaded a copy. Vendor outreach was performed through publication in the Portland Tribune; notification to Abadan Regional Plan Center, Bid Ocean, Daily Journal of Commerce, Eugene Builders Exchange, iSqFt, Oregon Contractor Plan Center, Prime Vendor, Inc., Salem Contractors Exchange, Seattle Daily Journal of Commerce, Southwest Washington Contractors Association, and Spokane Regional Plan Center; and through a pre-bid meeting attended by seven vendors held on April 7, 2017. Despite the outreach, TriMet received only one bid, from Ross in the amount of \$616,404. TriMet attributes the lack of bids to the very busy construction market in the Portland region, as well as to the fact that the work is taking place during the summer season, which is the busiest time of year for contractors.

Since Ross' bid was the only one received and was higher than TriMet's independent cost estimate, staff requested a detailed cost breakdown of each line item constituting the total bid price. After comparing Ross' detailed cost estimate with TriMet's independent cost estimate, TriMet entered into negotiations with Ross. Negotiations resulted in a revised bid of \$558,655. Staff has determined this revised bid is fair and reasonable. Accordingly, TriMet proposes to award a contract to Ross.

As is typical for construction and maintenance work, unforeseen circumstances may occur that require changes to the scope of work for the Project, so the attached Resolution includes authority for potential future change orders up to \$111,731, or 20 percent of the contract amount.

## **7. Diversity**

Ross is a certified Emerging Small Business (ESB) firm and will perform approximately 38 percent of the work on the Project. Ross has also indicated that it will utilize Minority/Women/Emerging Small Business/Service Disabled Veteran Business Enterprise (M/W/ESB/SDVBE) subcontractors for approximately 52 percent of the work on the Project, for a total M/W/ESB/SDVBE participation of about 90 percent.

## **8. Financial/Budget Impact**

The Project is included within TriMet's Capital Budget for Fiscal Year 2018 in the Facilities Program.

## **9. Impact if Not Approved**

TriMet could re-procure the contract, which would cause a delay in completing the Project. Based on the cost analysis conducted with Ross, TriMet believes the contract amount is fair and reasonable, and that it is unlikely that a more favorable price would be achieved through re-bidding.

**RESOLUTION 17-05-40**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH ROSS BUILDERS NORTHWEST, LLC FOR THE MERLO BUS MAINTENANCE AND ADMINISTRATION/OPERATOR BUILDINGS EXTERIOR PAINTING PROJECT**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract with Ross Builders Northwest, LLC for the Merlo Bus Maintenance and Administration/Operator Buildings Exterior Painting Project (Contract); and

**WHEREAS**, the total amount of the Contract 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 shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contract.
3. That the General Manager or his designee is authorized to execute change orders to the Contract in a total amount not to exceed \$111,731.

Dated: May 24, 2017

Attest:

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

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Recording Secretary

Approved as to Legal Sufficiency:

  
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Legal Department