Date: February 28, 2018

To: Board of Directors

From: Shelley Devine, Interim General Manager

Subject: RESOLUTION 18-02-21 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION TO A CONTRACT WITH J. E. DUNN CONSTRUCTION COMPANY FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE POWELL BUS GARAGE REPLACEMENT PROJECT

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 modification to a contract with J. E. Dunn Construction Company (JE Dunn) for construction manager/general contractor (CM/GC) Services for the Powell Bus Garage Replacement Project (Project).

2. Type of Agenda Item

☐ Initial Contract
☒ Contract Modification
☐ Other ______________

3. Reason for Board Action

Board approval is required for personal services contracts obligating TriMet to pay in excess of $500,000. The amount of the initial pre-construction services contract was $110,040. The additional authorization of funds being requested will cause the pre-construction services Contract to exceed $500,000.

4. Type of Action

☒ Resolution
☐ Ordinance 1st Reading
☐ Ordinance 2nd Reading
☐ Other ______________

5. Background

At its April 2017 meeting, the Board approved Resolution 17-04-33, authorizing a pre-construction services contract with JE Dunn for an amount not to exceed $110,040. The Project has progressed since then to 65% design. TriMet anticipates finalization of design to occur around July or August 2018. The effort to finalize design and come to an agreement on the Guaranteed Maximum Price (GMP) for construction is critical so TriMet has requested that
JE Dunn solicit for mechanical, plumbing, fire protection, and electrical subcontractors in accordance with competitive procedures to identify and start working with those key trade partners. There is a tremendous benefit to the Project to leverage their involvement for value engineering and design assistance in the process of finalizing design. This early work will also help JE Dunn refine its GMP for construction with input from these key subcontractors.

Aside from those issues, but relevant to this request, the Portland metropolitan area is experiencing higher demand for design and construction services than in the past. This is resulting in a highly competitive market and a capacity issue for many smaller firms. It is important that JE Dunn solidify agreements with key subcontractors to ensure participation and utilization throughout the duration of the Project.

The additional funds being requested by the attached Resolution will benefit the Project by allowing for early involvement by key subcontractors, which will help refine the GMP and allow JE Dunn to solidify agreements with those key subcontractors for continued participation and utilization throughout the Project. In addition to the early assistance services from key subcontractors, the attached Resolution also includes funding for the purchase of fuel tanks, which are long lead-time items. It is critical to the success of the Project to allow JE Dunn to order the tanks in advance so that they are delivered when needed for installation.

At the completion of pre-construction services, TriMet will negotiate a GMP for construction work on the Project. Assuming that the parties can come to agreement on an acceptable GMP, TriMet will seek Board authorization to modify the contract to add construction services.

6. **Procurement Process**

   The contract was procured through a competitive RFP process, as described above.

7. **Diversity**

   In its proposal, JE Dunn stated that it expected to obtain DBE participation of approximately 20%. With the authorization of the additional funds being requested in the attached Resolution, JE Dunn would be able to execute agreements with key subcontractors and anticipates achieving an overall participation goal of 25% or higher on the Project.

8. **Financial/Budget Impact**

   The final construction contract amount will be negotiated. The Project is included in the Capital Projects FY 2016-17 and FY 2017-18 budgets.

9. **Impact if Not Approved**

   JE Dunn’s ability to secure key subcontractors and DBE participation for the follow-on construction work would be subject to market risk and bidding climate and the Project would lose out on the benefit of early involvement to help finalize design by key subcontractors.
RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION TO A CONTRACT WITH J. E. DUNN CONSTRUCTION COMPANY FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE POWELL BUS GARAGE REPLACEMENT PROJECT

WHEREAS, TriMet has authority under ORS 267.200 to execute a contract modification with J. E. Dunn Construction Company for construction manager/general contractor services for the Powell Bus Garage Replacement Project (Contract Modification); and

WHEREAS, the total amount of the Contract Modification for pre-construction services will exceed $500,000; and

WHEREAS, the TriMet Board of Directors (Board), by Resolution dated October 27, 2017, adopted a Statement of Policies requiring the Board to approve personal 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 or the General Manager’s designee is authorized to execute the Contract Modification in an amount not to exceed $800,000.

Dated: February 28, 2018

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:

Legal Department