

**Date:** October 26, 2016

**To:** Board of Directors

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

**Subject:** RESOLUTION 16-10-65 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH HOWARD S. WRIGHT FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE ELEVATOR REHABILITATION/ REPLACEMENT PROJECT

**1. Purpose of the 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 Balfour Beatty Construction, LLC dba Howard S. Wright (HSW) for Construction Manager/General Contractor (CM/GC) services for the Elevator Rehabilitation/Replacement (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. As is typical for CM/GC services, this contract will be structured with an initial contract for preconstruction services only, which will be subsequently modified to include construction services. The amount of the initial preconstruction services contract will be \$275,667. Even though the preconstruction services contract amount is under the Board approval threshold, the contract is being presented to the Board at this time because this resolution will award a contract to HSW to provide the preconstruction services that TriMet anticipates will be modified later to add construction services in excess of the Board approval threshold. The estimated construction cost for the entire Project is expected to be approximately \$15,000,000. The Board will be asked for authorization to modify the contract to include construction services.

**4. Type of Action:**

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

## **5. Background**

TriMet maintains more than 30 elevators and material lifts that provide access to buildings and transit facilities, as well as the transport of freight for maintenance activities. Some of these are heavily used, public outdoor elevators that are exposed to the elements and receive heavy use by patrons. Typical life expectancy for most elevators is 25-30 years, but the actual life can vary, and some of TriMet's elevators are at the end of their useful lives. As a result, elevator replacement and refurbishment are needed throughout TriMet's system.

Federal Transit Administration (FTA) rules require TriMet to implement an asset management and maintenance program. As part of this program, TriMet performed an assessment of its elevators that included the age, status of life cycle, required level of maintenance, frequency of use, environmental conditions and use of new technology. Based on that assessment, TriMet is beginning to implement this Project.

At its May 2016 meeting the Board approved Resolution 16-05-31, authorizing an exemption from the low bid procurement requirement for the Project. This exemption allowed TriMet to utilize a competitive Request for Proposal (RFP) process to select the most qualified contractor to provide CM/GC services for the Project.

## **6. Procurement Process**

On July 18, 2016, TriMet issued an RFP for these services. The RFP sought firms with experience and expertise in elevator repair and replacement, and TriMet's evaluation criteria: Experience and Past Performance, Project Team, Project Approach/Work Plan, Contracting Plan and Minority/Women/Emerging Small Business/Service Disabled Veteran Business Enterprise (M/W/ESB/SDVBE) Program, Project Management, and Price.

On August 23, 2016, TriMet received one proposal, from HSW. The RFP was widely distributed via TriMet's Ebid system to over 500 firms, including some plan centers. Ten firms attended the pre-proposal meeting. TriMet believes that it received only one proposal because of the very tight construction market that currently exists. At the conclusion of the process, TriMet staff reached out to contractors that were at the pre-proposal meeting but did not submit a proposal. These firms indicated that contractors are currently very busy and resources were spread thin during the height of construction season. It proved difficult for contractors to find enough resources to submit proposals under these circumstances.

When only one proposal is received, TriMet may cancel the procurement if it determines that the proposer is not qualified. In this instance, the EC determined that HSW was well qualified. After evaluating the proposal, HSW's scores were as follows:

Criteria	Possible Points	HSW
Proposer Experience		
Past Performance	30	24
Project Team	30	25.5
Work Plan		
Project Approach	30	25.5
Contracting Plan/MWESB	30	25.5
Project Management	20	17
<b>Subtotal</b>	<b>140</b>	<b>118*</b>
Pre-construction Services Price		\$257,667
Construction Services Fee		\$837,921.00
Total Price		\$1,095,588
Price Score	60	60
<b>Total Score</b>	<b>200</b>	<b>178</b>

*\*Rounded to the nearest whole number*

Accordingly, the EC recommends awarding a contract to HSW for preconstruction services in the amount of \$257,667. At the completion of design, TriMet will negotiate a construction price, inclusive of the construction fee submitted in response to the RFP. Assuming that the parties can come to agreement on an acceptable construction price, at that time TriMet will seek Board authorization to modify the contract to add construction services. HSW's proposed construction fee is based on an assumption that the final amount of the construction services will total approximately \$15,000,000.

#### 7. Diversity

In its proposal, HSW stated that it expected to obtain M/W/ESB/SDVBE participation of at least 10 percent. This is expected to be achieved through subcontracting opportunities such as electrical, lighting, and other site work. While understanding that elevator work is highly specialized, which reduces the field of potential subcontractors, HSW's proposal evidences an active approach to utilization of M/W/ESB/SDVBE firms. For example, HSW proposed an "Inclusion Assessment" session to be performed at the beginning of the preconstruction services phase. This will involve all stakeholders working together to identify potential services that could be performed by M/W/ESB/SDVBE firms. TriMet will work with HSW to seek to maximize M/W/ESB/SDBVE participation as the construction contract is negotiated.

#### 8. Financial/Budget Impact

The final construction contract amount will be negotiated. The Project is included in the Capital Projects FY 2016/17 and FY2017/18 budgets

#### 9. Impact if Not Approved

TriMet could re-procure the contract. However, TriMet received a fair and reasonable proposal from HSW, and advertising the contract a second time is unlikely to lead to more

favorable proposals as tight market conditions are expected to persist. Re-procurement would also delay the project. Delay would expose the project to material and labor cost escalation which would likely reduce any benefit of re-procurement. For these reasons, this option is not recommended. Furthermore, HSW is very well qualified to perform the work.

**RESOLUTION 16-10-65**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH HOWARD S. WRIGHT FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE ELEVATOR REPLACEMENT/REFURBISHMENT PROJECT**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a Contract with Balfour Beatty Construction, LLC dba Howard S. Wright, for Construction Manager/General Contractor Services for the Elevator Replacement/Refurbishment Project (Contract); and

**WHEREAS**, the total amount of the Contract when modified for construction services 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.

Dated: October 26, 2016

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

Attest:

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

Approved as to Legal Sufficiency:

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