

**Date:** May 24, 2017

**To:** Board of Directors

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

**Subject:** RESOLUTION 17-05-41 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH RUSSELL CONSTRUCTION, INC. FOR THE MERLO BUS GARAGE WINDOW 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 contract with Russell Construction, Inc. (Russell) for the Merlo Bus Garage Window Replacement 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**

In August 2014, TriMet's Facilities Management department commissioned a Bus Maintenance Garages Windows Assessment Report which determined that Merlo Bus Garage window systems have reached the end of their useful life and are showing signs of failure, including leakage. The nature of the problem and the age of the windows preclude effective repair work, and it is highly unlikely that caulking/sealing or other types of repairs would solve the water intrusion issues. This Project is to remove and replace windows throughout the building. 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 956 vendors were notified of the ITB and 25 vendors downloaded a copy. Vendor outreach was performed through publication in the Portland Tribune; notification to BidClerk, 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 four vendors held on April 5, 2017. Despite the outreach, TriMet received only one bid, from Russell in the amount of \$1,337,190. TriMet believes the lack of bids can be attributed 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 Russell's 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 included in Russell's total bid price. After comparing Russell's detailed cost estimate with TriMet's independent cost estimate, TriMet entered into negotiations with Russell. The negotiations with Russell resulted in a revised bid of \$1,261,476. Staff has determined this amount is fair and reasonable. Accordingly, TriMet proposes to award a contract to Russell.

Given the nature of this Project, in which some conditions are not visible until the windows are removed, unforeseen circumstances may be encountered that could require changes to the scope of work. Therefore, the attached Resolution includes authority for potential future change orders up to \$252,295, or 20 percent of the contract amount.

## **7. Diversity**

Russell has indicated that it expects to use Minority/Women/Emerging Small Business/Service Disabled Veteran Business Enterprise (M/W/ESB/SDVBE) subcontractors for approximately one percent of the work. Since this is a low bid contract, TriMet has limited input into the subcontractors selected to work on the Project. However, TriMet will work with Russell to determine if there are additional M/W/ESB/SDVE opportunities available.

## **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 Russell, 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 17-05-41**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH RUSSELL CONSTRUCTION, INC. FOR THE MERLO BUS GARAGE WINDOW REPLACEMENT PROJECT**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract with Russell Construction, Inc. for the Merlo Bus Garage Window Replacement 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 \$252,295.

Dated: May 24, 2017

Attest:

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

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

Approved as to Legal Sufficiency:

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