




Memo

Date: October 23, 2019
To: Board of Directors
From: Doug Kelsey 
Subject: **RESOLUTION 19-10-86 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH 2KG CONTRACTORS, INC. FOR TRANSIT POLICE FACILITY TENANT IMPROVEMENTS**

1. **Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract with 2KG Contractors, Inc. (2KG) for Transit Police Facility Tenant Improvements (Contract).

2. **Type of Agenda Item**

- Initial Contract
 Contract Modification
 Other _____

3. **Type of Contract Procurement**

- Low Bid / Invitation to Bid (ITB)
 Request for Proposals (RFP) (inc. CM/GC)
 Request for Qualifications (RFQ) (Personal Services)
 Other (inc. sole source) _____

4. **Reason for Board Action**

Board authorization is required for all goods or services contracts obligating TriMet to pay in excess of \$1,000,000.

5. **Type of Action**

- Resolution
 Ordinance 1st Reading
 Ordinance 2nd Reading
 Other _____

6. **Background**

TriMet's existing Transit Police Division location is in a leased facility. The current space and equipment suffer from years of wear and tear, and the space is too small and inefficient for the demands placed upon it.

This Contract involves building a new Transit Police Division headquarters in the Oregon Convention Center Hotel Parking Structure, recently constructed by Prosper Portland. Work under the Contract will provide approximately 18,200 square feet of tenant improvements for TriMet's Central Police Station administrative and law enforcement activities. The improvements will create new office space, a report writing area, meeting rooms, locker rooms, restrooms, a break room, holding facilities, an armory, storage, video surveillance, a public meeting room for 100, secure parking for sworn staff, and fleet parking.

TriMet's acquisition of this space is through a condominium purchase agreement with Prosper Portland. The new headquarters is expected to be completed by Spring, 2020.

7. Description of Procurement Process

The Invitation to Bid (ITB) was issued on August 1, 2019, with bids due on August 22, 2019. The ITB was advertised on TriMet's TriP\$ website and in the Daily Journal of Commerce. TriMet received one (1) bid, which was \$2.5M over budget. Therefore, the procurement was re-solicited on August 29, 2019, with bids due on September 24, 2019. TriMet received four (4) bids in response to the resolicited ITB. 2KG submitted the lowest responsive and responsible bid.

A summary of bids is below:

2KG Contractors, Inc.	Pence Construction, LLC	Skyward Construction, Inc.	Lorentz Bruun Construction, Inc.
\$4,590,000	\$4,770,000	\$5,476,500	\$6,248,863

TriMet's independent cost estimate for the Project was \$6,164,484. TriMet determined that 2KG was the lowest responsive and responsible bidder, and its bid was found to be fair and reasonable based on competition and comparison with TriMet's independent cost estimate. Accordingly, staff recommends award of the contract to 2KG.

As is typical for construction work, unforeseen circumstances may occur that require changes to the scope of work for the project. Therefore, the attached Resolution includes authority for potential future change orders up to \$688,500, or 15 percent of the Contract amount.

8. Diversity

2KG states that it has 55 total employees, 54.55% of whom are minorities and 5.45% of whom are female. 2KG will use subcontractors for a portion of the project, with Bridgeport Interiors, a Minority Business Enterprise, budgeted for 9.76% of the project cost and Vitro Electric, an Emerging Small Business, budgeted for 14.38% of the project cost.

9. Financial/Budget Impact

The base amount of the Contract is \$4,590,000, with an additional not-to-exceed amount of \$688,500 for possible change orders, resulting in a total possible amount of \$5,278,500. The total possible amount of the Contract is accounted for under the Capital Projects budget for FY20 through FY22.

10. **Impact if Not Approved**

TriMet could re-procure the Contract, however, this option is not recommended because 2KG is a well-qualified firm and has offered fair and reasonable pricing. Since this procurement was solicited twice, a third procurement is unlikely to result in greater competition.

RESOLUTION NO. 19-10-86

**RESOLUTION NO. 19-10-86 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH 2KG CONTRACTORS, INC. FOR TRANSIT POLICE
FACILITY TENANT IMPROVEMENTS**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with 2KG Contractors, Inc. for the procurement of Transit Police facility tenant improvements (Contract); and

WHEREAS, the total amount of the Contract exceeds \$1,000,000; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize goods and services contracts obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract in the amount of not more than \$4,590,000, through the October 23, 2020 Contract term.
3. That the General Manager or his designee is authorized to execute change orders to the Contract in a total amount not to exceed \$688,500.

Dated: October 23, 2019

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department

