

Date: June 24, 2020

To: Board of Directors



From: Doug Kelsey

Subject: RESOLUTION NO. 20-06-25 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE MODIFICATION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PORTLAND FOR DESIGN AND CONSTRUCTION MANAGEMENT SERVICES FOR THE DIVISION TRANSIT PROJECT

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a modification (Modification) of an intergovernmental agreement with the City of Portland (City) for design and construction management services related to the Division Transit Project.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board authorization is required for an intergovernmental agreement (IGA) agreement obligating TriMet to pay an amount exceeding \$1,000,000.

4. Type of Action

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

5. Background

The Division Transit Project will provide high-capacity transit service to the 15-mile long Division corridor between downtown Portland and Gresham. The Project is projected to cost approximately \$175 million, about one-half of which has been provided by the Federal Transit Administration (FTA). Design is complete and early construction work began in January 2020 in accordance with previous Board authority, and FTA’s regulations concerning pre-award authority.

On February 23, 2020, TriMet received \$87,413,950 of the Project funding from the FTA through a Single Year Grant Agreement (SYGA). The remaining approximately \$87 million is funded locally from various sources.

At its March 27, 2019 meeting, the Board approved Resolution No.19-03-20, authorizing an IGA with the City of Portland to allow TriMet to reimburse the City for its staff time spent performing tasks necessary to ensure the successful design and construction of those portions of the Project that fall within the City’s jurisdiction. These City tasks include design review, street opening permits, inspections, and traffic signal commissioning. As part of the original IGA, the City estimated the value of its staffing requirements during design and construction to be approximately \$2,000,000.

The Resolution was approved at the time the project was in 60% design, with the intent that once 100% design was complete and the City could fully scope their tasks, the IGA would be amended. The additional work not included in the original IGA includes Portland Water Bureau (PWB) construction scope, and the full scope of the City’s services during construction, startup, and closeout.

As illustrated below, this Resolution would add \$3,200,000 to the amount of the original IGA, and covers additional City staff time and materials needed for engineering services, PWB construction work, startup, and closeout through the end of the project.

Item	Resolution	Amount
Original IGA	No. 19-03-20	\$2,000,000
Current addition	No. 20-06-25	\$3,200,000
Total for City services		\$5,200,000

This model of reimbursing the City for staff fees is consistent with past light rail projects, including the Portland Milwaukie, I-205/Portland Mall, Interstate MAX and the Westside LRT Projects.

6. Procurement Process

Only the City is able to perform these services. TriMet and the City negotiated the terms of the agreement and the proposed additional costs.

7. Financial/Budget Impact

The amount for these additional City services can be accommodated within the overall \$175M project budget.

8. Impact if Not Approved

TriMet could hire additional Project staff (either through direct hire or consultant contracts) to provide the needed additional design and construction services. Under that scenario, additional Project staff services still would be subject to City review and permit fees, which would be charged to the Project. Without the creation of a City/TriMet team to oversee and coordinate these aspects of the Project, there would be losses in efficiency for coordination of issues, greater approval risk, and increases in the overall Project management, construction, and administration costs.

RESOLUTION NO. 20-06-25

**RESOLUTION NO. 20-06-25 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET)
AUTHORIZING THE MODIFICATION OF AN
INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF
PORTLAND FOR DESIGN AND CONSTRUCTION MANAGEMENT
SERVICES FOR THE DIVISION TRANSIT PROJECT**

WHEREAS, TriMet has authority under ORS 267.200 to enter into intergovernmental agreements (IGAs) with the City of Portland; and

WHEREAS, by Resolution dated October 25, 2017, the Board adopted a Statement of Policies requiring the Board to approve any IGA obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, under Resolution No. 19-03-20, the Board authorized TriMet and the City entered into an IGA for City services in the amount of \$2,000,000; and

WHEREAS, the Modification to the IGA exceeds the amount previously authorized by the Board;

NOW, THEREFORE, BE IT RESOLVED:

1. That the IGA shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Modification of the IGA in the amount of \$3,200,000, for a total amount not to exceed \$5,200,000.

Dated: June 24, 2020

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department