

Date: June 25, 2025

To: Board of Directors

From: Sam Desue, Jr.



Subject: **RESOLUTION NO. 25-06-29 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AMENDING THE GENERAL MANAGER'S LEVEL OF CONTRACTING AUTHORITY**

1. Purpose of Item

This Resolution requests that the Board of Directors (Board) increase the level of contracting authority granted to the General Manager or his designee for all contracts.

2. Type of Agenda Item

- ☐ Initial Contract
- ☐ Contract Modification
- ☒ Other: Amend TriMet's Delegated Contracting Authority

3. Reason for Board Action

Board authority is required to amend the level of contracting authority previously granted by the Board.

4. Type of Action

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

5. Background

Under ORS Chapter 267, TriMet's General Manager is vested with full charge of the business affairs of the District. However, pursuant to a February 2, 1971 Statement of Board Policy (Statement), the Board set the General Manager's level of contracting authority for goods and services and purchases of capital assets at a certain level, and decided it would review and approve those contracts exceeding that amount.

Although the Statement's contracting authority levels are not indexed to inflation, the Board periodically adopts Resolutions to raise the General Manager's level of contracting authority. After the Board established the General Manager's initial authority level of \$25,000 in 1971, it passed Resolutions raising the authorized authority for various types of contracts in 1977, 1978, 1981, 1992, 2002, 2006, 2009, 2017 and 2022.

For example, in November of 2009, the Board adopted a Resolution that left the General Manager's authority for personal services contracts at \$150,000, increased the authority for goods and services contracts from \$250,000 to \$500,000, and retained the level for contracts procured through the Invitation to Bid (ITB) process at

\$500,000. In October of 2017, the Board increased the threshold for personal services contracts from \$150,000 to \$500,000, and all other contracts to \$1,000,000.

Most recently, in May of 2022, the Board adopted a Resolution setting the General Manager’s contracting authority for all types of contracts at \$1,000,000. In that Resolution, the Board found no objective reason why the General Manager’s authority to execute personal services contracts should be distinct from his authority to execute contracts for goods and services, construction, or property acquisition, which had been at \$1,000,000.

The Board has relied on periodic modification of contracting authority levels to maintain appropriate, practicable, and consistent parameters for execution of a wide variety of contracts by the General Manager and his designees, while retaining the Board’s authority to review and approve high-value contracts and monitor TriMet’s contract performance. The Board has historically reviewed and revised the authority threshold in light of new capital projects, changes in federal and state requirements, the Agency’s record of performance, and the effectiveness of reporting mechanisms that govern the award and administration of contracts.

At its April 30, 2025 Board Retreat, the Board discussed whether to increase the General Manager’s contracting authority, and directed the General Manager to develop possible options and present those at its May 2025 Board meeting. After a presentation and discussion at the May 2025 Board meeting, the Board directed the General Manager to prepare this Resolution increasing the General Manager’s contracting authority to \$2,000,000.

Under the General Manager’s current \$1,000,000 contracting authority level, the Board now reviews approximately 55 to 60 high-value contract awards per year. The proposed Resolution would increase the General Manager’s delegated contracting authority from \$1,000,000 to a new level of \$2,000,000 and modify other contractual powers, as stated below:

“The General Manager or his designee is authorized to execute contracts for goods and services, construction services, personal services, real property acquisitions, and enter into intergovernmental agreements and Change Orders that do not exceed \$2,000,000.”

Adoption of this Resolution would likely reduce the number of contracts subject to Board review and approval by approximately one-third, and facilitate TriMet’s ability to procure and award contracts valued up to \$2,000,000. Even with this change in the General Manager’s contracting authority, TriMet would remain within the range of the contracting authority levels set by peer transit and local agencies, as shown below:

	TriMet (proposed)	Sound Transit, Seattle	Denver RTD	City of Portland	Metro & Multnomah County
Goods & Services	\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000	*Unlimited
Construction	\$2,000,000	\$5,000,000	\$2,000,000	\$1,000,000	*Unlimited
Personal Services	\$2,000,000	\$5,000,000	\$2,000,000	\$1,000,000	*Unlimited

* Metro's Council and Multnomah County's Board delegate all contracting authority to internal leadership or the Chief Procurement Officer, respectively.

The General Manager's exercise of his delegated contract authority is predicated on the premise that Board members are fully, continuously, and appropriately informed of TriMet contracts and all material operational, financial, and procurement issues. The General Manager will continue to report regularly to the Board concerning the exercise of his authority through the Monthly Delegated Authority Report contained in each month's Board packet, which lists contracts of more than \$25,000 entered into by TriMet during the previous month. This threshold will also increase from the current reporting level of \$25,000, which has been in effect since approximately 2006, to \$50,000. This reasonable change keeps the Board well-informed without overwhelming it with data.

The increase in the General Manager's contracting authority would not diminish the Board's ability to review major projects or its fiduciary duty to the public. To reinforce the Board's oversight of contracts with more risk, the Resolution would require Board approval of all sole-source contracts over \$250,000.

Also, the process for Board authorization of Construction Manager/General Contractor (CM/GC) services contracts would remain the same, notwithstanding approval of the increase in the General Manager's level of contracting authority. When TriMet wishes to procure a contract for CM/GC services, it will request approval from the Board, meeting as the TriMet Contract Review Board (TCRB), to exempt the procurement from the ordinary low-bid process and obtain the services through a "best value" Request for Proposals (RFP). Such a request will include the general selection criteria and evaluation points placed on each of those criteria.

After the selection of a particular CM/GC services contractor, staff will seek Board authorization for the award of the pre-construction services contract, for the purchase of long lead time items to complete the contract, and the contract modification that incorporates the project's negotiated Total Contract Price (TCP) for construction services, regardless of whether these separate actions exceed the new \$2,000,000 threshold. Retention of the current CM/GC services contract approval procedure is intended to keep the Board advised of the somewhat complex process of exempting contracts from the ordinary low-bid procurement process and procuring services using the resulting contracts.

Finally, as reiterated in prior similar Resolutions, the Board's adoption of this Resolution will not restrict or impair the General Manager's current authority to enter into any contract that provides revenues to TriMet, any emergency contract, or to contract for and pay all ordinary and necessary bills deemed necessary and convenient to TriMet operations. These include utility bills, routine maintenance expenses, fees or charges for routine and ongoing services, amounts to settle lawsuits or disputed claims, legal fees and fees or charges assessed by any governmental entity, court, or administrative body.

6. Impact if Not Approved

If the Board does not adopt the Resolution, the General Manager's existing contracting authority would remain in place. However, approval of the Resolution would facilitate increased Agency efficiencies, retain consistency in the administration and management of all contracts and change orders, and relieve the Board of its obligation to review lower-value contracts. At the same time, the Board's authority to review and approve high-value contracts and consider their policy implications would be preserved.

RESOLUTION NO. 25-06-29

RESOLUTION NO. 25-06-29 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AMENDING THE GENERAL MANAGER'S LEVEL OF CONTRACTING AUTHORITY

WHEREAS, pursuant to ORS 267.140, the General Manager is vested with full charge of the acquisition, construction, maintenance, operation, and administration of the business affairs of the District; and

WHEREAS, the TriMet Board of Directors (Board) adopted a Statement of Board Policies in 1971 establishing limits on the General Manager's authority to execute various contracts without prior Board approval (Statement); and

WHEREAS, the Board periodically has adopted Resolutions amending the Statement's limits on the General Manager's contracting authority, most recently on May 25, 2022 by Resolution No. 22-05-35; and

WHEREAS, the Board now desires to amend the limits on the General Manager's contracting authority previously established by Resolution No. 22-05-35;

NOW THEREFORE BE IT RESOLVED:

1. That the General Manager or his designee is authorized to enter into contracts for goods and services, construction services not including contracts for Construction Manager/General Contractor (CM/GC) services, personal services, real property acquisitions, intergovernmental agreements, and Change Orders to public improvement contracts obligating TriMet to pay a total amount not to exceed \$2,000,000. In addition, the General Manager or his designee is authorized to execute individual Change Order(s) obligating TriMet to pay an amount in excess of \$2,000,000, up to the cumulative amount of the Change Order or contingency allowance approved by the Resolution authorizing the contract award.

2. That the General Manager or his designee is authorized to increase the amount of a personal services contract requiring Board approval, provided that the cumulative increase does not exceed 10% of the original Board-authorized amount.

3. That the General Manager or his designee is not authorized to enter into any sole-source contract in an amount in excess of \$250,000 without authorization by the Board, except for those included in Paragraph 4, below.

4. That Board approval is not required for the General Manager or his designee to enter into any contract that provides revenues to TriMet, emergency contracts, or to contract and pay for all ordinary and necessary bills deemed necessary and convenient to TriMet operations, including but not limited to utility bills, routine maintenance expenses, inventoried materials, fees or charges for routine and ongoing services, amounts to settle lawsuits or disputed claims, legal fees, and fees or charges assessed by any governmental entity, court, or administrative body.

As used in this Paragraph 4, the term "emergency" means circumstances that: (A) could not have been reasonably foreseen; (B) create a substantial risk of loss, damage or interruption of services

or a substantial threat to property, public health, welfare or safety; and (C) require prompt execution of a contract to remedy the condition. The Board shall be notified of any emergency contract executed in excess of \$2,000,000 within 72 hours of its execution.

5. That the General Manager or his designee is not authorized to enter into any CM/GC contract without Board authorization for both the pre-construction services contract and the contract modification that establishes the total contract price (TCP) for construction services. The General Manager or his designee may enter into modifications to any CM/GC contract prior to establishing the TCP in amounts not to exceed \$2,000,000.

6. That the General Manager shall submit a monthly report to the Board outlining the major activities undertaken by TriMet during the month, including a separate list of contracts over \$50,000, any emergency contracts, and any real estate transactions that have been executed pursuant to delegated contracting authority.

7. That the Board may review at any time the limits of the contracting authority of the General Manager or his designee established by this Resolution.

8. That this Resolution supersedes any and all previous resolutions with regard to the limits of the contracting authority of the General Manager or his designee.

Dated: June 25, 2025

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department