

Date: February 25, 2015

To: Board of Directors

From: Neil McFarlane *Neil McFarlane*

Subject: RESOLUTIONS 15-02-11 AND 15-02-12 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING CONTRACT MODIFICATIONS WITH STACY AND WITBECK, INC. AND CH2M HILL, INC. FOR THE EFARE PROGRAM

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 contract modifications with Stacy and Witbeck, Inc. (“SWI”) for construction manager/general contractor (“CM/GC”) services for eFare Infrastructure Installation and with CH2M Hill, Inc. (“CH2M”) for eFare Collection Implementation Technical Services.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board authorization is required because the proposed modifications increase the contract amounts beyond the amounts previously authorized by the Board.

4. Type of Action:

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

5. Background

TriMet is embarking on a multi-year program to implement an electronic fare payment (“eFare”) system that will significantly modernize TriMet’s fare collection system, leading to more efficient fare collection and increased convenience for customers (“eFare Program”). Many transit agencies now use or are developing electronic fare collection systems encompassing a variety of forms of fare payment, including “smart cards,” which are essentially a transit debit card, and “open payments,” in which customers’ smart phones and contactless credit or debit cards may be used to make fare payments. TriMet has begun this process with its mobile ticketing app that launched in September 2013 and now has approximately 137,000 registered users. eFare is the next step in this fare modernization process. The eFare program will also enhance safety and security on the system by placing eFare validators at the edge of the platforms, allowing TriMet to better define the paid fare zone.

To accomplish implementation of the eFare Program, Board authority for the following items is requested:

1. A modification to the CM/GC contract with SWI for eFare Infrastructure Installation and
2. A modification to the contract with CH2M for eFare Collection Implementation Technical Services.

Resolution 15-02-11 – Modification to the CM/GC contract with Stacy Witbeck, Inc. for eFare Infrastructure Installation

At its August 2014 meeting, the Board approved Resolution 14-08-44, authorizing a contract with SWI for CM/GC services in an amount not to exceed \$4,810,000. That amount included a preliminary estimate of construction costs of \$3,500,000.

Since that time, TriMet has advanced preconstruction and design work and surveyed each individual station to determine the specific work necessary station-by-station. This detailed work has identified additional construction scope and cost. One necessary change is that communications cabinets must be added to most Blue Line stations to accommodate upgraded communication switches for eFare and to allow upgrades to the CCTV system as part of a future project designed to enhance and expand safety and security at the light rail platforms. This additional communications equipment was to be added at the time that CCTV upgrades were made, but since eFare will be implemented first, they will instead be installed as part of the eFare Program. Additionally, the detailed design also identified infrastructure that must be added, including new fiber optic connections.

TriMet and SWI have used the updated design and additional information to develop an overall contract price for the new scope of work. SWI's construction cost proposal, including fee, is \$6,099,259, which is 3 percent below TriMet's fair cost estimate. The result is an increase in the construction cost of \$2,323,770. Funding for the increased cost of this work will come from TriMet's Capital Program.

It is expected there will be further modifications to this contract to install the new communication switches described above. There has not been sufficient design to date to determine a cost for this work since there is considerable variation in stations across the system. Therefore, staff anticipates returning to the Board with a request for these additional costs once they are negotiated.

This Resolution will increase the contract authorization accordingly, based on final contract negotiations, as follows:

Pre-construction phase	\$71,630
Construction	\$5,823,770
Fee	\$275,489
Risk Table	\$614,000
Subtotal	\$6,784,889
Change order allowance (15%)	\$914,889
TOTAL Contract Estimate	\$7,699,778

Resolution 15-02-12 – Modification to the Contract with CH2M Hill, Inc. for eFare Collection Implementation Technical Services

At its September 26, 2012 meeting, the Board approved Resolution 12-09-77, authorizing a contract with CH2M for eFare Collection Implementation Technical Services in the amount of \$648,733 for design services on Phase 1 of the eFare Program, which was the project development phase. At its July 24, 2013 meeting, the Board approved Resolution 13-07-49, authorizing a modification to the contract in the amount of \$2,416,302 for design work during Phase 2 of the eFare Program, which is the implementation phase, for a total contract value of \$3,065,035. Staff then increased the contract amount by \$253,254 under the delegated authority policy, which allows for the amendment of personal services contracts by up to 10 percent of the authorized amount. As a result, the contract value is currently \$3,318,289.

As described in the previous section, the communication system must be upgraded as part of the eFare Program, and more design work will be required to implement these system upgrades. This resolution will increase the authorized contract amount by \$250,000 to perform this additional design, bringing the contract total to \$3,568,289.

6. Procurement Process

The contracts were originally procured through competitive Request for Proposals processes, and the modifications were negotiated.

7. Diversity

In its initial proposal, SWI stated that it expected to obtain M/W/ESB participation of approximately 22 percent. Now that the final scope and design are established, SWI is expecting to obtain 29 percent participation, through subcontractor services such as electrical work, trucking, train flagging, quality control, and roadway sweeping. SWI has also contracted with Raimore Construction as a “mini general contractor” and made Raimore responsible for the work at approximately 25 percent of the stations.

CH2M expects to achieve approximately 11 percent M/W/ESB usage on its contract.

8. Financial/Budget Impact

The modified amount of each contract is included in the eFare Program budget.

9. Impact if Not Approved

Additional communication system upgrades are required to support the new eFare validators and future CCTV cameras at all light rail stations. If these Resolutions are not approved, TriMet would need to procure new contracts to perform these services, or it would otherwise be unable to fully design and implement the eFare Program.

RESOLUTION 15-02-11

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH STACY AND WITBECK, INC. FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE EFARE INFRASTRUCTURE INSTALLATION PROJECT

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification with Stacy and Witbeck, Inc. for construction manager/general contractor services for the eFare Infrastructure Installation Project (“Modification”); and

WHEREAS, the total amount of the Modification shall exceed the contract amount originally authorized by the Board; 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 Modification shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Modification in an amount not to exceed \$6,784,889.
3. That the General Manager or his designee is authorized to execute change orders in a total amount not to exceed \$914,889.

Dated: February 25, 2015

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department

RESOLUTION 15-02-12

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH CH2M HILL, INC. FOR EFARE COLLECTION IMPLEMENTATION TECHNICAL SERVICES

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification with CH2M Hill, Inc. for eFare Collection Implementation Technical Services (“Modification”); and

WHEREAS, the total amount of the Modification shall exceed the contract amount originally authorized by the Board; and

WHEREAS, the TriMet Board of Directors (“Board”), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve personal services contracts obligating TriMet to pay in excess of \$150,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Modification in an amount not to exceed \$250,000.

Dated: February 25, 2015

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department