

**Date:** May 24, 2017

**To:** Board of Directors

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

**Subject:** RESOLUTION 17-05-46 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH STACY AND WITBECK, INC. FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE STEEL BRIDGE TRANSIT IMPROVEMENTS AND TRACK REHABILITATION PROJECT

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**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize a contract with Stacy and Witbeck, Inc. (SWI) for construction manager/general contractor (CM/GC) services for the Steel Bridge Transit Improvements and Track Rehabilitation Project (Project).

**2. Type of Agenda Item**

- Initial Contract  
 Contract Modification  
 Other \_\_\_\_\_

**3. Reason for Board Action**

As is typical for CM/GC services, this contract will be structured with an initial personal services contract for pre-construction services only, which will be subsequently modified to include construction services. The amount of the initial pre-construction services contract will be \$126,090. Even though the pre-construction services contract amount is under the Board approval threshold for personal services contracts, staff is bringing the contract to the Board at this time because the anticipated addition of construction services will exceed the Board approval threshold for goods and services contracts. Staff will return to the Board for authorization to modify the contract to include construction services.

**4. Type of Action**

- Resolution  
 Ordinance 1<sup>st</sup> Reading  
 Ordinance 2<sup>nd</sup> Reading  
 Other \_\_\_\_\_

## 5. Background

At its February 22, 2017, meeting the Board approved Resolution 17-02-10 authorizing an exemption from the low bid procurement requirement for the Project. This exemption allowed TriMet to utilize a competitive Request for Proposal (RFP) process to select the most qualified contractor to provide CM/GC services for the Project.

TriMet held a public information session on February 28, 2017, to describe the upcoming work and solicit interest while allowing potential bidders to ask questions prior to the RFP issuance. This meeting was attended by 11 firms, including at least two prime construction companies. The RFP was then issued on March 13, 2017, and sought firms with experience and expertise in track replacement and bridge work, along with other criteria. TriMet received one proposal in response to the RFP, from SWI. The RFP was widely distributed and advertised as follows:

- TriMet's Ebid system to over 500 firms, including some plan centers;
- The Daily Journal of Commerce; and
- Pre-proposal meeting on March 20, 2017, which was attended by 2 potential proposers.

TriMet believes that despite the outreach performed it received only one proposal because of the combination of the very tight construction market that currently exists and the complexities involved with work on the Steel Bridge, which is the second oldest Willamette River Bridge and carries light rail, freight rail, automobile, bicycle and pedestrian traffic. The nature of the rail work on a bridge structure is complicated, and the market of contractors qualified to perform such work is limited.

At the conclusion of the process, TriMet staff reached out to three contractors who did not submit a proposal and was told by one firm that they generally choose to compete on new construction, not rehab work, while the other two firms said they had many other work commitments that prevented them from adequately preparing the required technical proposal.

When only one proposal is received, TriMet may cancel the procurement if it determines that the proposer is not qualified. In this instance, the Evaluation Committee, consisting of staff from TriMet Capital Projects and Construction division, the Operations Division, and the Diversity and Transit Equity department, determined that SWI was well qualified and brought the firm in for an interview to obtain further clarification on certain parts of the proposal. At the end of the evaluation process, the final scores were as follows:

Criteria	Possible Points	Stacy and Witbeck, Inc.
Proposer Experience/Past Performance	15	13.5
Proposed Project Team	40	34
Project Approach, Work Plan, Schedule	40	36
Risk Identification and Mitigation	35	28
Contracting Plan and MWESB/SDVBE Program	15	12.75
Project Management	25	20
<b>Subtotal</b>	<b>170</b>	<b>144</b>
Pre-construction Services Price		\$126,090
Construction Services Fee		\$1,000,000
Total Price		\$1,126,090
Total Price Score	<b>80</b>	<b>80</b>
<b>Total Score</b>	<b>250</b>	<b>224</b>

Accordingly, the EC recommends awarding a contract to SWI for preconstruction services in the amount of \$126,090. At the completion of pre-construction services, TriMet will negotiate a modification price for construction work on the Project. Assuming that the parties can come to agreement on an acceptable construction pricing, TriMet will seek Board authorization to modify the contract to add construction services. SWI's proposed construction fee is based on an assumption that the final amount of the construction services will total \$20,000,000, and TriMet has determined that the amount of the fee is fair and reasonable.

#### **6. Procurement Process**

The contract was procured through a competitive RFP process, as described above.

#### **7. Diversity**

In its proposal, SWI stated that it expects to obtain Minority/Women/Emerging Small Business/Service Disabled Veteran Business Enterprise (M/W/ESB/SDVBE) participation of at least 18 percent. This is expected to be achieved through various subcontracting opportunities, for example permit coordination, site security, construction survey, metal fabrication, and train signal modifications. TriMet will work with SWI to seek to maximize M/W/ESB/SDVBE opportunities as the construction services contract is negotiated.

#### **8. Financial/Budget Impact**

The final construction contract amount will be negotiated. The Project is included in the Capital Projects and Operations FY2016-17 and FY2017-18 budgets.

**9. Impact if Not Approved**

TriMet could re-procure the contract. However, SWI is well qualified to perform this work. Furthermore, advertising the contract a second time is unlikely to lead to additional or more favorable proposals as tight market conditions are expected to persist. Re-procurement could also delay the Project, exposing it to material and labor cost escalation as well as not allowing sufficient time to plan the first scheduled rail shutdown in August 2018.

**RESOLUTION 17-05-46**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH STACY AND WITBECK, INC. FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES FOR THE STEEL BRIDGE TRANSIT IMPROVEMENTS AND TRACK REHABILITATION PROJECT**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract with Stacy and Witbeck, Inc. for construction manager/general contractor services for the Steel Bridge Transit Improvements Project (Contract); and

**WHEREAS**, the total amount of the Contract when modified for construction services will 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.

Dated: May 24, 2017

Attest:

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

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

Approved as to Legal Sufficiency:

  
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Legal Department