

Date: April 27, 2022

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION 22-04-18 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 (IGA) 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 any IGA that obligates 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 (DTP or Project) will provide high-capacity transit service to the 15-mile Division Street 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). Early construction work began in January 2020 in accordance with previous Board authority, and the project is nearly 60% complete.

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 cost of the Project is funded locally from various sources.

At its March 27, 2019 meeting, the Board approved Resolution 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 included design review, street opening permits, inspections, and traffic signal commissioning. As part of the original IGA, the City had estimated its staffing requirements during design and construction to be approximately \$2,000,000. At the time of the Resolution’s approval, the project was at 60% design, and the scope of work had not been fully developed.

At its June 24, 2020 meeting, the Board approved Resolution 20-06-25, authorizing a Modification of the IGA to add \$3,200,000 for additional scope of work not included in the original IGA. This work included Portland Water Bureau (PWB) construction and additional City services during construction, startup, and closeout.

At the May 26, 2021 meeting, the Board approved Resolution 21-05-21, authorizing a Modification of the IGA to add \$1,000,000 for additional PWB work, traffic signal integration, and a change order authority of \$250,000.

As the Project is approaching the September 18, 2022 date to begin revenue service, an extensive effort is underway to complete the incorporation of the next generation of Transit Signal Priority (TSP) into the Project and the region. TSP allows buses to proceed through an intersection with an appropriate signal instead of waiting for a standard timed traffic signal. The Project’s utilization of TSP is expected to reduce passenger travel and waiting times, and greatly increase the overall efficiency of DTP service. Successful delivery of TSP not only enhances the DTP, but TriMet’s future bus service as well.

However, the network integration and security challenges associated with the effort to implement this new technology have required more resources than anticipated. As indicated below, this Resolution would add \$637,000 of Board authority to modify the IGA for additional COP staff services to support the TSP and signal programming effort on DTP.

Item	Resolution	Amount
Original IGA	No. 19-03-20	\$2,000,000
IGA Modification #1	No. 20-06-25	\$3,200,000
IGA Modification #2	No.21-05-21	\$1,250,000
Requested Modification #3 For Additional Scope of Work	No.22-04-18	\$ 637,000
Total for City of Portland Services		\$7,087,000

This model of reimbursing the City for staff fees under an IGA that is modified as the project becomes further developed and constructed 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

Under the IGA, only the City may perform these services. These additional costs are due to Project conditions that were unforeseen by TriMet and the City.

7. Financial/Budget Impact

These services are included in the Project budget.

8. Impact if Not Approved

Without the City's participation in this software/technology integration effort, the use of TSP for the DTP will not be possible. Traffic signals and their controls are governed by TriMet's jurisdictional partners, and any related software integration requires their involvement and final approvals. If this Resolution is not approved, the Division Transit Project will be unable to utilize TSP to achieve the run-time commitments that have been made to justify Project funding from the FTA.

RESOLUTION 22-04-18

**RESOLUTION 22-04-18 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET)
AUTHORIZING 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 an intergovernmental agreement (IGA) with the City of Portland; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (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 to enter into an IGA for City services in the amount of \$2,000,000; and

WHEREAS, under Resolution No. 20-06-25, the Board authorized a Modification of the IGA in the amount of \$3,200,000; and

WHEREAS, under Resolution No. 21-05-21, the Board authorized a Modification of the IGA in the amount of \$1,250,000; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. That the IGA shall conform to applicable law.
2. That the General Manager or his designee is authorized to execute the Modification of the IGA in the amount of \$637,000, for a total IGA amount of not to exceed \$7,087,000, over the remaining five (5) months of the Project.

Dated: April 27, 2022

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department