

Date: May 15, 2019

To: Board of Directors

From: Doug Kelsey

Subject: **RESOLUTION 19-05-33 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH PORTLAND MALL MANAGEMENT, INC. (PMMI) FOR CLEANING, MAINTENANCE AND SECURITY SERVICES ON THE PORTLAND TRANSIT MALL, MORRISON STREET, YAMHILL STREET AND FIRST AVENUE**

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager to execute a contract with Portland Mall Management, Inc. (PMMI) for cleaning, maintenance and security services on the Portland Transit Mall and Morrison Street, Yamhill Street and First Avenue.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Authorize a Third 5-Year Contract

3. Reason for Board Action

Board authorization is required for all goods or services contracts obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

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

5. Background

On June 24, 2009, the Board authorized a 5-year contract with Portland Mall Management, Inc. (PMMI) for cleaning, maintenance and security services on the Portland Transit Mall and Morrison Street, Yamhill Street and First Avenue from July 1, 2009 through June 30, 2014. On May 28, 2014, the Board authorized a follow-on 5-year contract with PMMI for these services from July 1, 2014 through June 30, 2019. At this time, staff recommends that the Board authorize a third 5-year contract with PMMI for these services, from July 1, 2019 through September 30, 2024.

PMMI is a non-profit corporation established January 2007 specifically for the purpose of overseeing and coordinating maintenance, cleaning and security services on the downtown Portland Transit Mall, as renewed/reconstructed under TriMet's I-205/Mall Green Line light rail project, which opened September 2009. PMMI is governed by a

volunteer Board of Directors, which consists of downtown property owners, City of Portland officials, and TriMet officials.

Funding for PMMI services is primarily provided jointly by the City of Portland and TriMet under an intergovernmental agreement (IGA) for “Enhanced Transit Mall Upkeep”, as well as by cash contributions by the Portland Business Alliance (PBA) Clean & Safe program, and Portland State University (PSU). PBA's Clean & Safe program and PSU also contribute in-kind cleaning and security services in coordination with and augmentation of PMMI’s cleaning and security services.

The partnership and involvement in PMMI by the City, TriMet and downtown property owners is beneficial to the long-term management and upkeep of the Transit Mall, and that it has been and will continue to be beneficial to have one entity coordinating such services for the Transit Mall. The City - TriMet Mall Upkeep IGA also extends PMMI’s cleaning and security services to the MAX platforms and sidewalks along Morrison and Yamhill Streets and 1st Avenue in the downtown core.

TriMet and the City believe that this partnership and PMMI’s services have successfully managed and maintained the Transit Mall during the past 10 years. Accordingly, TriMet and the City have separately agreed to extend the Enhanced Transit Mall Upkeep IGA for a third 5-year period, corresponding to the term of the proposed third 5-year contract with PMMI. See Table A below for detailed proposed PMMI service amounts for FYs 20-24.

PMMI services over FYs 2020-2024 total \$11,330,219. This total includes contributions from TriMet, the City of Portland, the PBA’s Clean & Safe, Inc., and PSU. Out of this total, the relative funding shares for PMMI services will be approximately 55% from TriMet, 34% from the City, and 11% from the combined shares of PBA’s Clean & Safe, Inc. and PSU. See Table A for projected expenses and partnership funding amounts.

TABLE A	FY20	FYs 21-24	Total FYs 20-24
Transit Mall Cleaning Services	\$854,652	\$3,910,416	\$4,765,068
Morrison/Yamhill/1 st Avenue Cleaning Services	\$216,164	\$989,049	\$1,205,213
Transit Mall Maintenance Services	\$153,696	\$646,145	\$799,842
Program Management	\$157,126	\$660,564	\$817,690
Security Program	\$590,476	\$2,701,696	\$3,292,172
Public Space Management	\$86,516	\$363,718	\$450,234
Total PMMI Services	\$2,058,630	\$9,271,589	\$11,330,219
PMMI Partner contracts, supplementing the TriMet - PMMI contract for total PMMI services:			
Clean & Safe, Inc.	\$72,570	\$312,713	\$385,282
Portland State University	\$168,570	\$726,390	\$894,960
Total Third Party contributions	\$241,139	\$1,039,103	\$1,280,242
Subtotal			
Total PMMI Contract, less Third Party contributions	\$1,817,491	\$8,232,486	\$10,049,977

TriMet/City Mall Upkeep IGA funding for TriMet and PMMI Contract:

City of Portland reimbursement	\$757,761	\$3,064,760	\$3,822,521
TriMet (including Trust Acct.)	\$1,087,048	\$5,276,998	\$6,364,046
Funding of TriMet Trust Acct. per IGA	(\$27,318)	(\$109,272)	(\$136,590)
TriMet PMMI subtotal	\$1,817,491	\$8,232,486	\$10,049,977
TriMet on-call Specialty maintenance services	\$150,000	\$600,000	\$750,000
TriMet PMMI Obligation	\$1,967,491	\$8,832,486	\$10,799,977

The proposed contract is for a base period of one year, with up to four (4) option years. Staff requests by this Resolution that the Board authorize the General Manager to execute the base term contract, and at his discretion, future modifications to the base contract for option years one through four. The estimated total five-year contract amount is \$10,799,997, comprised of \$10,049,977 for base services as estimated above, plus an estimated \$150,000 per year for the specialty maintenance services ordered on an on-call basis by TriMet, with total contract costs based on the agency's actual on-call requirements.

6. Procurement Process

The Contract is processed through TriMet's Budgeting & Finance and Legal Department.

7. Diversity

The workforce utilized by PMMI for its daily cleaning and maintenance services is provided through a PBA subcontract with Central City Concern (CCC) through its Homelessness to Self-Sufficiency Program. This program offers training and mentorship opportunities to workers that are formerly homeless or have other barriers to employment, helping them to re-enter the workforce. Crews provide sidewalk sweeping, graffiti removal, litter and cigarette removal, transit shelter cleaning, and sidewalk pressure washing services. The CCC workforce is 58 people with diversity of 26% minority and 5% female. Separately, PMMI contracts for security patrol services, and for on-call specialty maintenance services such as brick intersection repairs, painting, care of street trees, and transit lane pavement markings.

8. Financial/Budget Impact

The funding for the initial contract amount is accounted for in the FY2020 Maintenance Division's operating budget. Over the five year period, there will be an approximately 5% annual average increase in labor as a result of the new State of Oregon minimum wage laws. There also will be an approximately 2% annual increase in costs for materials and services.

9. Impact if Not Approved

The Transit Mall will degrade and the deferred maintenance backlog will continue to grow. The Mall will lose its aesthetic appearance and its environmental sustainability and will not be as safe as it is now for the public. In addition, the long-term benefits of the original investment by both public and private funding will erode. Deferred maintenance will grow. Safety, social, and economic viability of the original investment will diminish. In addition, downtown property owners were assessed fees when the Local Improvement District (LID) was formed to fund urban treatments on the Portland Mall. Promises made to property owners regarding long time care at the time the LID was formed will be in jeopardy if this project does not continue as originally planned.

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WHEREAS, TriMet has authority under ORS 267.200 to enter into a one-year contract, with four additional one-year contract options, with Portland Mall Management, Inc. (PMMI) for cleaning, maintenance and security services on the Portland Transit Mall, Morrison Street, Yamhill Street and First Avenue (Contract); and

WHEREAS, the total amount of the PMMI Contract exceeds \$1,000,000; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. That the PMMI Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the PMMI Contract in the amount of \$1,967,491 for FY2020, and shall have the discretion to execute up to four additional, one-year, contract extensions for a total amount of \$10,779,997, over the five-year life of the Contract.

Dated: May 15, 2019

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency



Legal Department

