

**Date:** February 27, 2019**To:** Board of Directors**From:** Doug Kelsey **Subject:** **RESOLUTION 19-02-11 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH ADS SYSTEM SAFETY CONSULTING LLC FOR SAFETY MANAGEMENT SYSTEM (SMS) CONSULTING SERVICES****1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (“Board”) adopt a resolution authorizing the General Manager to execute a contract modification with ADS System Safety Consulting LLC (“ADS”) for Safety Management System (“SMS”) consulting services (“Services”).

**2. Type of Agenda Item**

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

**3. Reason for Board Action**

Board authorization is required for all personal services contracts obligating TriMet to pay in excess of \$500,000.

**4. Type of Action**

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

**5. Background**

The safety of passengers and employees is TriMet’s top priority. In 2015, the Federal Transit Administration’s (“FTA”) published a Safety Management System (“SMS”) Framework as the basis for its new National Public Transportation Safety Plan. Consistent with TriMet’s commitment to continuous safety improvement in the delivery of transit service and in conformance with the FTA’s requirements, TriMet adopted a Safety Management System and Implementation Plan in September of 2017.

SMS is a management system, similar to a financial or quality management system. It ensures that TriMet has the necessary organizational structure, resources, operational procedures, and staffing and training in place, to efficiently and effectively align safety priorities and promote continuous improvement in safety performance. TriMet's SMS is comprised of four components:

1. **Safety Management Policy**: The safety management policy objectives are to (a) generate a blueprint for meeting and integrating SMS requirements into TriMet's service delivery operations, (b) create an accountability framework for implementing SMS, and (c) develop written safety policies and procedures.
2. **Safety Risk Management**: The safety risk management objectives are to (a) establish and implement Safety Risk Management procedures so TriMet can identify and analyze hazards and evaluate and prioritize safety risks, and (b) correct or mitigate potential shortcomings in procedures that TriMet already has in place.
3. **Safety Assurance**: The safety assurance objectives are to (a) implement essential Safety Assurance procedures for monitoring safety performance during operations; (b) manage operational changes; and (c) provide for continuous improvement of the SMS.
4. **Safety Promotion**: The safety promotion objectives are to develop training and communication strategies and programs that (a) foster improved safety performance and competencies and (b) promote increased safety awareness throughout TriMet.

On November 16, 2016, TriMet issued a Request for Proposals (RFP) for SMS Consulting Services with the intention of making multiple awards and allocating work throughout the term of the contracts through a competitive task order process. The RFP sought firms with qualifications and experience in providing the Services, specifically in regard to assisting transit agencies to meet the mandated FTA SMS Framework in accordance with American Public Transportation Association ("APTA") SMS guidelines.

On December 19, 2016, TriMet received twelve (12) proposals in response to the RFP, which ultimately resulted in the award of contracts to ADS System Safety Consulting LLC; BSI EHS Services and Solutions; Parsons Transportation Group; and Vital Assurance Ltd.

Each contract has a 5-year term and are task order based. Each firm competes for individual task orders throughout the duration of the contracts. Pricing for each contract includes approved hourly rates for proposed staff and task orders are priced accordingly. Payments made to each contractor are based on the number of task orders each firm is awarded throughout the duration of the contracts, and varies.

On February 22, 2017, the Board authorized TriMet to contract with ADS System Safety Consulting, LLC, BSI EHS Services and Solutions, Parsons Transportation Group, Inc., and Vital Assurance, Ltd., for the Services, in the amount of \$609,340 for each contract for individual 5-year terms; or the total amount of \$2,437,360 for all four contracts over the five

year period. The actual amount of money spent on each contract was to be dependent on TriMet's requirements for the Services and the number of task orders awarded to each firm.

TriMet is two-years into each contract. It has become apparent that ADS is winning the greatest share of the task orders and that the \$609,340 for that contract will run out well before the end of its contract's expiration date of February 28, 2022. At the same time, the contracts with BSI, Parsons and Vital have shown expenditure rates well below the \$609,340 threshold for each of their contracts over the 5-year contract period. Because ADS is the highest qualified firm, has the most experience in the four SMS Components, and has the lowest hourly rates, TriMet intends to continue relying upon it for ongoing SMS consulting services.

The proposed modification of the contract with ADS will increase the amount of its contract from \$609,340 to \$875,000. Because the revised total contract amount is more than \$500,000, and would be above that already approved for ADS by the Board on February 22, 2017 (Res 17-02-09), Board authorization is required.

While the ADS contract will increase to \$875,000 (a total increase of \$265,660), that increase will not affect the overall originally approved expenditure amount of \$2,437,340 for all four contracts, because the remaining contracts with BSI, Parsons and Vital will not require enough expenditures over the next three years to exceed the amount originally approved by the Board.

**6. Procurement Process**

As described above, these contracts were solicited by a Request for Proposals with multiple awards.

**7. Diversity**

TriMet's RFP required proposers to include a workforce diversity summary of the firm as well as a Disadvantaged Business Enterprise ("DBE") subcontracting plan. At the time of contract award, ADS' workforce diversity was 23% female and 54% minority. It is a federally certified DBE firm and intends to self-perform a majority of the Services. However, ADS has identified DBE subcontractors who can provide additional capacity, if necessary.

**8. Financial/Budget Impact**

The Services are budgeted for in the Safety and Security division's operating budget.

**9. Impact if Not Approved**

Staff is satisfied with ADS' work under its contract to date. ADS has demonstrated its expertise in SMS organizational structure and operational procedures in order to efficiently and effectively align safety priorities and promote continuous improvement in safety performance within the Agency. TriMet does not have sufficient experience or expertise to perform the Services with existing staff. If the Board does not approve the Resolution, TriMet will need to rely upon the other, less-preferred contractors or risk non-compliance with federal requirements. Therefore, staff recommends that the Board approve the modification to the contract.

**RESOLUTION 19-02-11**

**RESOLUTION 19-02-11 OF THE TRI-COUNTY METROPOLITAN  
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING  
CONTRACT MODIFICATIONS WITH ADS SYSTEM SAFETY CONSULTING  
LLC FOR SAFETY MANAGEMENT SYSTEM (SMS) CONSULTING SERVICES**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract modification with ADS System Safety Consulting, LLC, for Safety Management System (SMS) Consulting Services (“Services”); and

**WHEREAS**, the total amount of the current Contract exceeds \$500,000; and

**WHEREAS**, the TriMet Board of Directors (“Board”), by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to approve personal services contracts obligating TriMet to pay in excess of \$500,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Contract modification shall conform to applicable laws.
2. That the General Manager is authorized to execute the modification to the ADS Contract.

Dated: February 27, 2019

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

Attest:

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

Approved as to Legal Sufficiency:

  
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Legal Department