

Case Study TriMet Transit Project



Oregon's Largest Minority Construction Contract

Photo Courtesy:
TriMet News



Sometimes a construction project is more than just a building, road or green space. It's a catalyst for economic growth — in this case, the source of minority job opportunities and needed improvements in an underserved area of Portland, Oregon.

The TriMet bus shelter project on Division Street is the story of how Raimore Construction became the recipient of Oregon's largest minority contract, the persistence of the surety agent who placed the bond, and the support they received from Old Republic Surety.

"So many things came together to make this a success," notes Darrel Lamb, regional vice president, Old Republic Surety.

The Challenge

A minority-owned business becomes the recipient of a contract ten times larger than any of their previous bonded work.

Old Republic Surety's Approach

Personal knowledge of the contractor's business and history combined with a desire to partner together for mutual growth made the project a reality



"It was the largest job ever for Raimore and the biggest bond Old Republic Surety had written. Having watched Jeff Moreland [principal of Raimore] build his company and give back to the community in many ways, I knew this was something Old Republic Surety should get behind. I wanted us to grow together."

Enhancing the Division Street transportation corridor

TriMet, Portland's public transit authority, awarded pre-construction and project contracts beginning in 2018 to bring high-capacity bus service and safety improvements to a 15-mile section of Division Street between Gresham and downtown Portland. The contract awarded to Raimore was for the construction and/or rebranding of 81 bus shelters. In addition to adding new streetlights, crosswalks, bike lanes and concrete island barriers to encourage the public to slow their traffic speeds on this traffic throughway.

The corridor is one of the most heavily traveled in Portland, and parts of it have long been dangerous for pedestrians and bike riders. In addition to new buses, shelters and traffic signals, there will be 81,000 square feet of new sidewalks and a fiber backbone installation to support dedicated signal prioritization for the new articulated buses.

The project is the largest Disadvantaged Business Enterprise (DBE) contract awarded in Oregon history. DBEs must be at least 51% owned by socially and economically disadvantaged individuals. Raimore's workforce is over 50% minorities and women, and the management staff is over 70% minorities.

In accepting the contract, Jeff Moreland knew Raimore would be graduating from the DBE program. It's a goal he worked toward for many years as his company grew and reinvested in minority neighborhoods by providing employment opportunities and advancement to those of diverse backgrounds.

Moreland says he hopes to blaze a trail for other minority-owned businesses to achieve similar results. "Construction is an industry where minorities can make a living wage, move up and start their own businesses. We want to see others succeed and are doing what we can to help them."

TriMet Bus Shelter Project at a Glance

Surety bond amount:
\$80 million

Scope of project:
**81 bus shelters along 15 miles of
Division Street for TriMet
(Portland's public transit authority)**

Insurance Agent:
**Don Shanklin, partner and sales executive,
Propel Insurance, Portland, Oregon**

Contractor:
Raimore Construction, Portland, Oregon

As Lamb says, "Jeff's not interested in enriching himself. He feels incredibly blessed by the success he's had and wants to help others get ahead — minorities, women, anyone who's been at a disadvantage."

Getting to 'yes' with bonding

Even with Raimore's exceptional track record and a 20-year partnership with TriMet, there were underwriting challenges that had to be met — the biggest one being the scale of the job. Prior to this project, Raimore's largest bonded contract was \$8 million.

"I advised Jeff early on that he would need to increase the net worth of his company to take on such a big project," says Lamb. "To his credit, he met the benchmarks I suggested for his balance sheet."

To address concerns about experience, Raimore hired Bill Bruce, a highly regarded project manager for some of the biggest light-rail projects in the region. This helped position Raimore to become the prime contractor on the project.

And while it was a very large job, Lamb was able to convince the underwriting team it could be broken down into smaller, manageable projects. Each of the 81 bus shelters was similar in scope and design, using many of the same materials and components.

Don Shanklin of Propel Insurance, the agent for the bond, applauds Old Republic Surety for agreeing to "step up and take a chance on Raimore." To date, Old Republic Surety has underwritten \$80 million in bonding for the project.

"Raimore said they would make good money and keep the money in the company," says Shanklin, "and that's what they've done. It's a two-way relationship that's worked well. Old Republic held its end of the bargain, and Raimore has held its end."

Adds Moreland: "For us, it's all about relationships. We had other sureties interested in this project, but Old Republic knew our business and how we work. They were loyal to us, and we've stuck with them."

Upon project completion, TriMet awarded Raimore with the "TriMet Legacy Award" for their historic contracting work on the Division Transit Project.



Darrel Lamb
Regional Vice President
Old Republic Surety

