



Board Report

File #: 2016-0828, File Type: Contract

Agenda Number: 24

CONSTRUCTION COMMITTEE JANUARY 19, 2017

PROJECT: WESTSIDE PURPLE LINE EXTENSION PROJECT - SECTION 3

ACTION: APPROVE CONTRACTING DELIVERY APPROACH FOR THE THIRD SUBWAY SECTION FROM CENTURY CITY CONSTELLATION TO WESTWOOD/VA HOSPITAL

RECOMMENDATION

CONSIDER:

A. FINDING that use of the design-build contracting delivery approach pursuant to Public Utilities Code Section 130242(a) will achieve certain private sector efficiencies in the integration of the design and construction of the **Westside Purple Line Extension Project - Section 3** by providing for the award of a design-build contract to the lowest responsive and responsible bidder; and

(REQUIRES 2/3 VOTE)

B. APPROVING the use of the design-build contracting delivery approach pursuant to Public Contract Code 22160 - 22169 to reduce project costs, expedite project completion and allow for either an award to the lowest responsive and responsible bidder, or the negotiation and award of a design-build contract to a responsible proposer whose proposal is determined to be the best-value to Metro.

ISSUE

Metro is authorized to enter into design-build contracts pursuant to Public Utilities Code Section 130242(a) and Public Contract Code Sections 22160 - 22169. The primary benefit of the design-build process has a potential of additional efficiencies in schedule and cost through the contractor's innovation, project management, administration, coordination, and design features.

DISCUSSION

In April 2012, the Board of Directors certified the Final EIS/EIR for the Westside Purple Line Extension Project as a nine-mile, dual track heavy rail subway project with seven new subway stations that will operate as an extension of the Metro Purple Line from its current terminus at the Wilshire/Western Station to a new terminus near the West Los Angeles Veterans Affairs (VA)

Hospital. In August 2012, the Federal Transit Administration (FTA) issued a Record of Decision (ROD) for the entire nine-mile Project. The Project is divided into three Sections:

- Section 1 (Wilshire/Western to Wilshire/La Cienega) - 3.92 miles; 3 stations
- Section 2 (Wilshire/La Cienega to Century City Constellation) - 2.59 miles; 2 stations
- Section 3 (Century City Constellation to Westwood/VA Hospital) - 2.59 miles; 2 stations

The FTA has awarded Full Funding Grant Agreements for Section 1 and Section 2. MTA is taking the initial steps towards seeking a Full Funding Grant Agreement in 2018 for Section 3 as part of the larger package of the Shovel Ready Program of Projects, which includes the advancement of other Measure R / Measure M projects. As part of the plan, the Board also authorized staff to continue utilizing the services of Parsons Brinckerhoff (PB) for Advanced Preliminary Engineering, design for advanced relocation of utilities, engineering support services during solicitation processes and design support services during construction for Section 3 and the development of procurement solicitation documents.

In consideration of the accelerated schedule, an initial procurement and project delivery strategy for Westside Subway Purple Line Extension Section 3 (Project) was developed as follows:

1. Tunneling package-Design/Build;
2. Stations, Guideways and Systems package-Design/Build; and
3. Advanced Utility Relocation package-Design/Bid/Build.

The Westside Purple Line Extension Sections 1 and 2 projects have successfully utilized similar delivery strategies. By contractually separating utility relocation work from the major project work the project teams are able to better manage project costs and schedule. Because the schedule for this Project is more condensed than those of Sections 1 and 2 (in order to match the Revenue Service Date for Section 2) the major project work for this Project will be separated into the two discrete Design/Build procurement packages described above in order to meet the desired project delivery schedule.

Board approval of Recommendations A and B will allow staff to determine whether implementation of low bid procurement(s), negotiated procurement(s) or a combination of both is in Metro's best interest. The design-build delivery approach will be used for the majority of the project scope of work. To provide flexibility, we may also consider separate design-bid-build contracts for constructing other portions of the project scope of work.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects.

FINANCIAL IMPACT

Metro intends to seek New Starts funding from the FTA and TIFIA assistance from the United States Department of Transportation (USDOT) for Section 3 of the Project.

Recommendations A and B do not have a fiscal year budget impact at this time as the actions are requesting permission for project delivery methodology. The Westside Purple Line Extension Section 3 Project (865523) is included in the FY17 budget for \$50.0 million dollars. This project is currently funded on a Fiscal Year to Fiscal Year basis until such time that the project is awarded a Full Funding Grant Agreement (FFGA) and a Life of Project Budget (LOP) is adopted. Since this is a multi-year project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future years.

ALTERNATIVES CONSIDERED

In October 2016, Metro publicly announced the receipt of an unsolicited proposal for the acceleration of Section 3. Unsolicited proposals go through a two phase review process: Phase I review process first. If a proposal has merit, it moves to a detailed proposal review process in Phase II. Successful Phase II proposals move to solicitation. The unsolicited proposal for Section 3 did not move beyond the Phase I review.

MTA staff also explored delivering the Project utilizing Design/Bid/Build contracting. However, the procurement for the final design and completing the final design would take longer and not meet the accelerated schedule for the Westside Purple Line Extension Section 3 Project. Therefore it is not recommended that the Design/Bid/Build option be utilized.

The Board may reject the recommendations to use design-build contracting for the Westside Purple Line Extension Section 3 Project; however, certain private sector efficiencies in the integration of design, project work, and components may not be achieved. Also, the opportunity for accelerated project delivery utilizing this recommended method will not be available.

NEXT STEPS

One of the steps toward receiving an FFGA is to receive FTA's approval for Entry into the Engineering Phase of the FTA project development process. Metro will submit a request to the FTA in January 2017 and FTA approval is expected in June 2017. Metro also plans to submit a Letter of Interest for a TIFIA loan in 2017.

Metro is anticipating the FFGA and TIFIA loan to be approved in Federal Fiscal Year 2018. In order

to maintain the schedule, Metro will issue a solicitation in the Spring of 2017 for the Design-Build Tunnels contract, followed by a separate solicitation for the Design-Build Stations, Systems and Trackwork contract in the Summer of 2017.

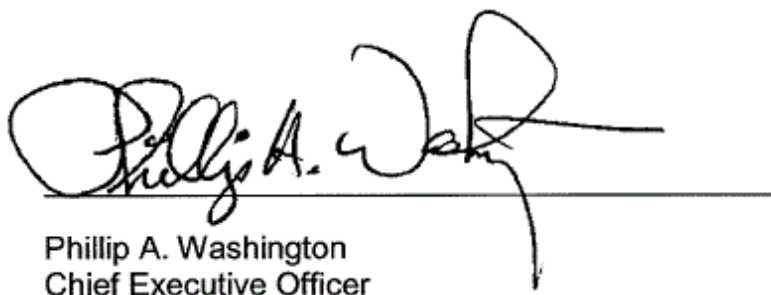
The process of evaluation, negotiations (if any) and decision to award for the Design-Build Tunnels contract is anticipated to last through 2017. The process of evaluation, negotiation, and decision to award for the Design-Build Stations, Systems and Trackwork contract is anticipated to last until late fall 2018. The award of the contracts for the Westside Purple Line Extension Section 3 Project are subject to the availability of funding as described in the Financial Impact section above and the approval of an FFGA and TIFIA loan.

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