

**Board Report**

File #: 2017-0173, **File Type:** Contract**Agenda Number:** 13

**CONSTRUCTION COMMITTEE
MAY 18, 2017****SUBJECT: METRO EMERGENCY SECURITY OPERATIONS CENTER PROJECT****ACTION: APPROVE USE OF DESIGN-BUILD CONTRACT DELIVERY APPROACH****RECOMMENDATION**

FINDING that use of the **design-build project delivery approach for Metro Emergency Security Operations Center Project** pursuant to Public Contract Code §§22160-22169 to reduce project costs, expedite project completion and allow for negotiation and award of a design-build contract to a responsible proposer whose proposal is determined to be the best-value to Metro.

(REQUIRES 2/3 VOTE OF THE BOARD)

ISSUE

Metro is authorized to enter into design-build contracts pursuant to Public Contract Code §§22160-22169. The recommended action will provide staff with the authority to use a competitively negotiated procurement method for the selection of a recommended contract award.

DISCUSSION

In March 2016, the Board approved the life of project (LOP) budget in the amount of \$112.7 million for the Emergency Security Operations Center (ESOC) Phase One, CP No. 212121; and award of a 36-month firm fixed priced Contract No. AE451150019779 to HDR Engineering, Inc., in the amount of \$5,936,638 for architectural and engineering design services for the ESOC. The proposed ESOC will consist of approximately 80,000 square feet and four story hardened structure with at-grade parking. The ESOC will be at a minimum a Leadership in Energy and Environmental Design (LEED) Silver certified and built in phases with the first phase consisting of the core and shell for the four story structure with at-grade parking including the tenant improvements for the Emergency Operations Center (EOC), Security Operations Center (SOC) and law enforcement dispatch to be located on the 2nd and 4th floors. Phase Two will consist of the tenant improvements for the Rail Operations Center (ROC) and Bus Operations Center (BOC) on the remaining 2nd and 3rd floors to be built when funding becomes available.

Staff has successfully utilized the design-build project delivery approach on several major Measure R capital projects to minimize agency risks, achieve schedule efficiency and significant time

savings in general to reduce administrative and construction costs. Design-build contract delivery method is not a “one size fits all” for all projects as there are, in some instances, on certain projects where a traditional design-build-bid contract delivery method is more appropriate especially when more stringent third party government agency design criterion are required. Staff is seeking authorization to also use of this delivery system for the ESOC Project. The design-build project delivery approach was selected based on the following considerations;

- A single point of responsibility for design and construction will decrease the time and improve the management efficiency on the implementation of the project;
- Metro will have the benefit of an integrated team that provides architectural design, engineering, construction management and administrative resources, resulting in cost and time savings;
- Staff project development resources are limited, so more budgeted projects can be accomplished by adding design-build capability; and
- Metro’s design risks are shifted to the design-builder, while changes related to design are minimized

Utilization of a design-build solicitation process under Public Contract Code §§22160-22169 provides for award of a design-build contract to the Proposer offering Metro the Best Value overall based on clearly defined evaluation criteria. The primary benefit of the design-build process is a shortened project schedule where the design-builder is able to start construction while the design is being completed. This approach delivers the project ahead of a traditional design-bid-build approach and therefore, should result in a lower total project cost. Other possible benefits include reduction in the number of changes and claims from multiple prime contractors, additional efficiencies in contractor’s innovation, project management, administration and coordination, design features not achievable through the design-bid-build method. Prior to solicitation and award of a design-build contract pursuant to Public Contract Code §§22160-22169, the Board is required to make the findings set forth in the Recommendation.

Approval of this action would allow staff to proceed with a competitively negotiated Request for Proposals solicitation utilizing the design-build project delivery method pursuant to Public Contract Code §§22160-22169.

DETERMINATION OF SAFETY IMPACT

This Board action will enhance the established safety standards by improving Metro’s disaster and terrorism response capabilities.

FINANCIAL IMPACT

In March 2011, the Cal OES allocated CTSGB funds in the amount of \$112.7 million to Metro to construct an off-site EOC. To date, Metro has been awarded approximately \$109.7 million for FY11, FY12, FY13, FY14, FY15, FY16 and FY17 (\$16.1 million each FY except for FY17 which is \$13.1 million).

Funding is included in the FY18 annual budget in cost center 2610, Security Dept., Account

50316, Professional and Technical Services, project 212121, Metro ESOC. Since this is a multi-year project the cost center manager, and the Senior Executive Officer for Program Management will be accountable for budgeting in future years.

Impact to Budget

The source of funds for this project is Proposition 1B. No other sources of funds were considered as these funds are eligible for safety and transportation services enhancement projects.

ALTERNATIVES CONSIDERED

This work could be accomplished utilizing consultants to prepare separate designs for bid and construction. Staff does not recommend this approach. Staff believes that there are distinct and clear advantages to having a single contractor be responsible for both design and construction work, primarily in the avoidance of certain project management, staff, administration and coordination costs, as well as reductions in contract cost and overall project schedule. The scope and size of the ESOC Project lends itself to the more streamlined design-build project delivery method.

NEXT STEPS

Design-build contract solicitation in FY 18 and award for the ESOC Project will be pursued by FY 18.

ATTACHMENTS

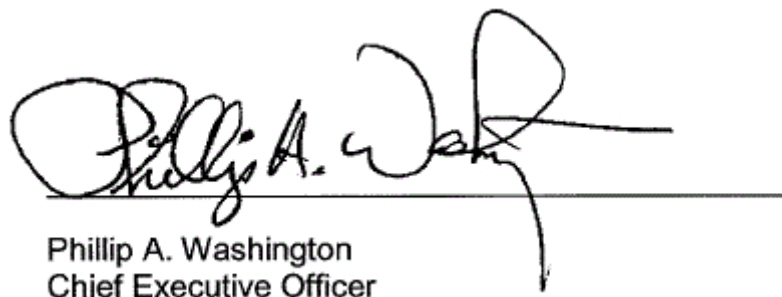
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