



## Board Report

File #: 2019-0099, File Type: Project

Agenda Number: 30.

### CONSTRUCTION COMMITTEE APRIL 18, 2019

**SUBJECT: PROJECT NO. 202808 CMF BUILDING 5 DUST COLLECTION SYSTEM PROJECT**

**ACTION: AUTHORIZE INCREASE IN LIFE OF PROJECT BUDGET**

#### **RECOMMENDATION**

AUTHORIZE an increase in the life of project (LOP) budget for Project No. 202808 by \$440,000 for Central Maintenance Facility (CMF) Building 5 Dust Collection System project from \$785,000 to \$1,225,000.

#### **ISSUE**

On January 23, 2019, two bids were submitted in response to the solicitation of capital project CMF Building 5 Dust Collection System Project. The bid for the lowest responsive, responsible bidder is \$972,000, which exceeds the funds available for this project.

#### **BACKGROUND**

In August 2017, the Metro Board of Directors authorized the use of a design-build contracting method for the CMF Building 5 Dust Collection System Project. The Board Report [File No. 2017-0176] stated that the project would replace the ineffective, inefficient air scrubber system, which also uses more than 10,000 gallons of potable water each day. The proposed dust collection system is consistent with Metro's intent to reduce energy use and to conserve potable water, as outlined in Metro's Environmental Policy, Water Use and Conservation Policy, and Energy Conservation and Management Plan.

#### **DISCUSSION**

On January 23, 2019, two bids were received and opened for the CMF Dust Collection System project. Both bids were higher than the LOP budget established for this project. As a result, additional funds are needed. As a lesson learned, our new practice is to set LOP budgets later in the design/procurement process to minimize the potential for an LOP increase.

#### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an adverse impact on safety standards for Metro. It will however

increase safety as projects become more energy and operationally efficient.

### **FINANCIAL IMPACT**

The funding for FY19 is included in Project 202808, CMF Building 5 Dust Collection System project, Cost Center 8510 Construction Contracts/Procurement.

Since this is a multi-year capital project, the cost center manager, project manager, and Chief Program Management Officer will be responsible for budgeting for costs in future years.

#### **Impact to Budget**

Funding for this project is from Sustainability Implementation Program, which is funded with Green Fund. As the project addresses the water conservation and energy efficiency, this is an appropriate funding source.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This project supports the implementation of Metro's Strategic Plan Goals, with specific alignment to Initiative 1.3 - manage transportation demand through fair and equitable pricing structures and Initiative 5.2 - exercise good public policy judgment and sound fiscal stewardship by: 1) reducing electricity consumption and costs at Metro facilities; 2) reducing water consumption and costs; and 3) improving the air quality and working condition in CMF Building 5.

### **ALTERNATIVES CONSIDERED**

Metro has explored reducing the scope of the project and conducting a new solicitation; however, the potential exists for the submission of bids that are higher due to the current competitive nature of the construction marketplace.

The Board may reject the request for an LOP increase. This is not recommended as it would leave in place the existing, inefficient air scrubber system that does not meet air quality standards and uses 10,000 gallons of water per day.

### **NEXT STEPS**

Staff will execute a contract with the lowest responsive, responsible bidder for the installation of the dust collection system in Building 5 at CMF.

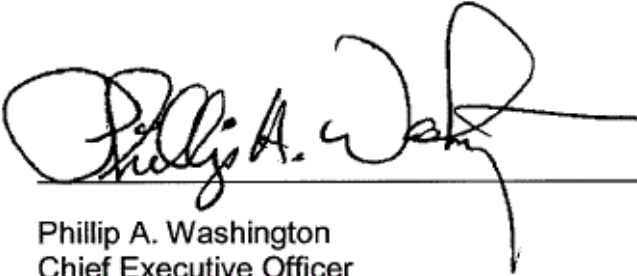
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - Funding and Expenditure Plan  
Attachment C - DEOD Summary

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