



Board Report

File #: 2020-0884, File Type: Project

Agenda Number: 32.

CONSTRUCTION COMMITTEE MARCH 18, 2021

SUBJECT: METRO G LINE BUS RAPID TRANSIT IMPROVEMENTS PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. FINDING that authorization of the use of alternative delivery methods, including Progressive Design/Build (PDB), will achieve integration of design, project works, and other components in an efficient manner for the Metro G Line Bus Rapid Transit Improvements Project, pursuant to Public Utilities Code Section 130242; and
- B. APPROVING a competitive solicitation of a PDB contract to achieve the proposed design approach, specific project features and functions, and other project criteria in addition to price, pursuant to Public Utilities Code 130242 (e)

(REQUIRES 2/3 VOTE OF THE BOARD OF DIRECTORS)

ISSUE

Pursuant to Public Utilities Code Section 130242, staff is requesting Board approval to utilize an alternative project delivery method utilizing a competitive procurement process that employs other criteria in addition to price for the selection of a PDB Contractor for the Metro G Line Bus Rapid Transit Improvements Project (Project). Upon determination of the qualified firm, staff will return to the Board with a recommended selection for approval.

BACKGROUND

The Project seeks to provide safe and cost-effective improvements to operating speeds, capacity and safety, while addressing passenger needs and minimizing disruption to the San Fernando Valley residents. The proposed improvements include grade separations over Van Nuys Boulevard and Sepulveda, enhanced signal priority technology, electronic bus connectivity and a four-quadrant railroad style gating system. The proposed gating-system is intended to reduce incidents between vehicles and Metro buses, as well as increase the speeds of buses along the corridor and reduce

travel times for riders. The Project is a Measure M deliverable, with an anticipated revenue date of July 2025.

DISCUSSION

The scope of work for the Project was evaluated to determine the delivery method that is best suited to meet the needs of the agency. Staff utilized the following Project definitions to assist in the delivery method evaluation:

- four-quadrant gating systems at 35+ crossings;
- grade separation and BRT aerial station at Van Nuys;
- grade separation and BRT aerial station at Sepulveda;
- First/Last Mile accommodations at Van Nuys and Sepulveda;
- achieve increased capacity with minimal impact across traffic;
- ability to use existing fleet with gating system (including any required retrofitting of equipment);
- development of standard operating procedures;
- aerial stations and crossings will be designed for future conversion to LRT; and
- the Project must coordinate and make accommodations for the East San Fernando Valley - Van Nuys terminus station

To achieve the Project goals, staff recommends a delivery method that accomplishes the following:

- Allows appropriate and efficient risk allocation;
- Encourages competition and allows selection of a qualified contractor for the full scope (including for technology elements);
- Establishes a collaborative relationship between Metro and the contractor to deliver quality design and construction that meets Metro's objectives, through collaborative development of work scope that may reduce the number of changes;
- Reduces contractor risk premiums and may reduce any claims over the life of the Project and offers avenues for Metro to mitigate risks and the impacts of risks that are retained by Metro;
- Optimizes management of interfaces with other Metro projects; and
- Enables development of an optimal technical solution in concert with the design development.

Upon completion of a project delivery evaluation process, staff determined that a PDB delivery method is appropriate for the Project. Progressive Design Build (PDB) is a delivery method where the contractor and their designer are brought in early to progress the design from approximately 30% to approximately 95%. Therefore, the contractor becomes knowledgeable about the details of the project, its risk and risk mitigation strategies. The contractor will provide cost estimates at each major milestone of the project.

The contractor (and their designer) are selected in a best value process that accounts for various

technical qualifications and pricing of components such as overhead and mark-ups. At the end of the design stage, the contractor will provide Metro with a detailed cost estimate that will become the basis for negotiations between Metro and the contractor. A contract will be awarded (subject to Board approval) if the final negotiated price is acceptable to Metro. If not, Metro will have the option to not award and package the design documents into a separate bid package. These off-ramps will be available to Metro through the course of the design process.

PDB works best on projects with sequence and schedule sensitivities and where design is complex, difficult to define, and/or subject to change. Those criteria exist on the Project due to the interfaces with other transit projects that are currently in the planning stages (and therefore are subject to design and schedule changes), unproven technology elements related to the crossing gates, and necessary interfaces with third party stakeholders. Utilizing the PDB delivery method will provide for the efficient management of risks, the selection of a qualified contractor to deliver a complex project, and the optimization of interface management between internal Metro departments, other projects, and third-party stakeholders. It is one of the strategies being applied by the Program Management Department to address project risks and current trends in the construction industry.

DETERMINATION OF SAFETY IMPACT

The recommended Board action will have no detrimental safety impact.

FINANCIAL IMPACT

Approval of the recommendation will allow staff to proceed with a competitive procurement process for a PDB project delivery method. Staff will plan for and utilize allocated fiscal year budgets to support the procurement and early phases of the PDB process, until such time as an agreed upon price or guaranteed maximum price (GMP) can be reached with the selected contractor. Upon completion of design and staff negotiations of an agreed upon price or GMP, a Life of Project (LOP) budget will be developed and staff will seek Board approval of the recommended LOP.

Impact to Budget

There is no impact to the FY21 budget as funding for the procurement of the PDB contract is included in FY21 budget projections.

Eligible Funds	Amount (\$)
Measure M	\$286 M
SB-1 Local Partnership Program (LPP)	\$75 M
TOTAL	\$361 M

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.

One of the Project's main objectives is to reduce end to end travel times on the G Line.

Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

The addition of safety features and the reconstruction of stations at Van Nuys and Sepulveda will improve the trip experience for users of the transportation system.

Strategic Goal 4: Transform LA County through regional collaboration and national leadership.

Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

ALTERNATIVES CONSIDERED

The Board may direct staff to pursue another method of Project delivery, such as Design/Build or Design/Bid/Build. This is not recommended, as the advantages of the PDB contracting method for the Project will most likely improve design quality, support efficiency and adherence to scheduled deliverables.

NEXT STEPS

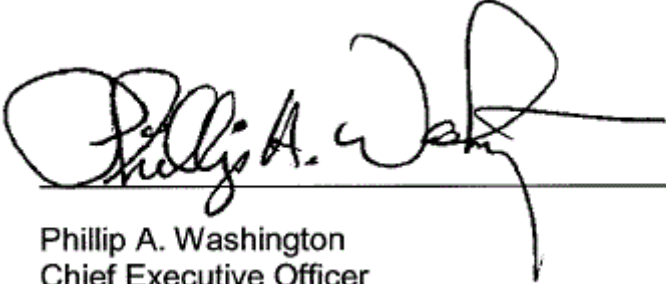
After approval of the staff recommendations, staff will continue the process of developing a PDB contract package and competitively procuring a PDB contract. A Request for Proposals (RFP) will be developed utilizing the methods outlined below, and staff will return to the Board with a recommendation to award a contract to a qualified proposer. Proposals submitted in response to the RFP will address two phases of the work, and would include (i) the fees associated with the phase one/ preconstruction services (stated as a lump sum dollar amount or schedule of rates with a GMP); and (ii) the design-builder's fee associated with the construction work, including the full amount of direct and indirect costs (including all labor and non-labor expenses) and the margin to be earned (not stated in the proposals as a lump sum dollar amount or GMP).

- Phase one will expressly set out the work that the contractor will perform for preconstruction services such as design and early works construction packages. Phase one will also establish the performance and outcome-based specifications for phase two.
- Phase two will develop the lump sum price or a GMP for all remaining construction work. In order to mitigate the disadvantage of awarding without full competition on the overall design-build contract price:

- the design-builder's fee and margin originally proposed will be retained in the phase two costing;
 - if Metro and the contractor cannot reach agreement on the phase two pricing and terms, Metro may exercise its right to "off-ramp" as described below, providing some leverage in negotiations;
 - the phase one specification will set out the form and frequency of cost estimating for phase two to provide for multiple checkpoints for Metro;
 - the progressive design build contract will set out the form of the price proposal for phase two and the information that the contractor is required to submit;
 - the progressive design build contract will set out a clear governance structure for managing the process during phase one, including establishment of working groups including members from Metro, the contractor team and any relevant third parties;
 - the process for establishing the phase two price will employ transparent open-book methods and the use of independent cost estimates to validate pricing;
- If a lump sum price or GMP for the phase two work is not agreed to between the parties, Metro will have an off-ramp available to it. Metro will have the right to use all designs prepared during phase one in subsequent procurements and may move to another procurement method for phase two work of the design package;
 - In order to optimize the schedule, early work packages for discrete scopes of work under phase two may be defined in respect of which Metro and the contractor may agree the firm pricing and Metro may issue a notice to proceed prior to issuance of the full phase two notice; and
 - Evaluation criteria employing objective selection criteria, including price, will be included in the RFP. The evaluation criteria will be structured to help ensure that that a qualified proposer with sufficient expertise in the technology to be utilized for the Project and with sufficient experience implementing a collaborative approach is selected.

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