



Board Report

File #: 2016-0944, File Type: Contract

Agenda Number: 27

CONSTRUCTION COMMITTEE JANUARY 19, 2017

SUBJECT: CAPITAL IMPROVEMENT PROJECTS PROCUREMENT SUPPORT

ACTION: APPROVE USE OF DESIGN-BUILD PROJECT DELIVERY METHOD

RECOMMENDATION

CONSIDER:

- A. FINDING that awarding contracts for a design-build delivery, pursuant to Public Utilities Code Section 130242 (a), will achieve certain private sector efficiencies in the integration of design, project work, and components related to real property renovation, improvements, and construction work at Metro transit facilities in Los Angeles County as defined by the projects listed in Attachment A; and

(REQUIRES 2/3 VOTE)

- B. AUTHORIZING the Chief Executive Officer to award design-build contracts for **renovations, improvements, and construction at Metro transit facilities related to projects** listed in Attachment A.

ISSUE

Metro is authorized to enter into contracts pursuant to Public Utilities Code Section 130242 utilizing the design build project delivery method (design build) . This section requires that the Board make the finding set forth in Recommendation A.

DISCUSSION

Staff periodically presents to the Board an updated list of projects for which it seeks approval to use design-build contracts. In FY17 staff is working on projects not previously approved to contract for construction services utilizing design-build.

California Public Utilities Code Section 130242 provides for award to the lowest priced responsive and responsible bidder. 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. Other possible benefits include additional efficiencies in project management, administration, and

coordination. The design-build approach delivers the project ahead of a traditional design-bid-build project delivery method thus result in a lower total project cost. Staff has experienced success with design-build construction contracts in the Capital Program and is seeking additional opportunities to expand the use of this project delivery method.

DETERMINATION OF SAFETY IMPACT

The Board action will not have any impact on safety standards for Metro.

FINANCIAL IMPACT

Adoption of a design-build for certain projects would not have an adverse impact to the budget. Projects using the design-build either have or will have approved life-of-project (LOP) budgets. Funds for the selected projects are included under the respective projects in FY17 budget.

Historically, the adoption of design-build on small capital improvements at Metro's facilities has resulted in competitively priced bids and cost savings to the agency. Examples of improvements that have benefited from using design-build include bus washer replacements; hoist replacements; lighting and security upgrades; piping and plumbing upgrades; Heating, Ventilation, and Air Conditioning (HVAC) upgrades; Transit Passenger Information System (TPIS) and Close Circuit Television (CCTV) upgrades; and building expansions.

Impact to Budget

All projects are funded with a combination of Federal and local sources, including TDA Article 4, Proposition C 40%, and Proposition A 35%. The permeable concrete project will be funded by an existing grant through State Water Quality Assessment Board. The funds have been specifically set aside for these uses as part of the Capital Program. Approval of this action will not impact the bus and rail operating budget.

Since these are all multi-year projects, the Project Manager, the Cost Center manager, and the Chief Program Management Officer will be responsible for budgeting the cost in future years.

ALTERNATIVES CONSIDERED

This work could be accomplished through separate design and construction contracts, or through design services provided by agency staff and bid for construction. Staff does not recommend this approach. There are distinct and clear advantages to having a single contractor responsible for both design and construction, primarily in the avoidance of certain project management, staff, administration, and coordination costs.

NEXT STEPS

Staff will prepare design-build packages for the selected projects.

ATTACHMENTS

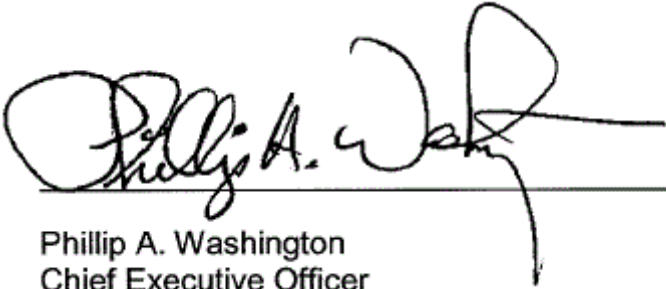
Attachment A - Projects Proposed for Design-Build Approach

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