



Board Report

File #: 2018-0576, File Type: Contract

Agenda Number: 26.

CONSTRUCTION COMMITTEE OCTOBER 18, 2018

SUBJECT: DIVISION 21 MIDWAY YARD, MAIN SHOP, BLOWDOWN MODIFICATION

ACTION: APPROVE USE OF DESIGN-BUILD CONTRACTING DELIVERY

RECOMMENDATION

CONSIDER:

A. FINDING that awarding a design-build contract 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 for Project 204094, Division 21 Midway Yard, Main Shop, Blowdown Modification; and

(REQUIRES A 2/3 VOTE OF THE BOARD)

B. AUTHORIZING the Chief Executive Officer to solicit and award low bid design-build contracts for renovations, improvements, and construction for Division 21 Midway Yard, Main Shop, Blowdown Modification, pursuant to Public Utilities Code Section 130242.

ISSUE

Metro is authorized to enter into design-build contracts pursuant to Public Utilities Code Section 130242. This section requires that the Board make the finding set forth in Recommendation A. This action is in conformance with Metro's typical business process and procedures for award of low-bid design-build contracts.

BACKGROUND

Project 204094 was created to address capital improvements at Division 21 Midway Yard, including the main yard and car cleaning platform. The proposed work is to upgrade various fixed infrastructure and equipment to meet Corporate Safety standards for shop equipment and to comply with environmental requirements. Responsibility for overseeing the improvements moved from Rail Fleet Services in Operations to Program Management in July 2018.

DISCUSSION

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.

California Public Utilities Code Section 130242 provides for award of a design-build contract to the lowest 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 resulting 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 procurement delivery system.

DETERMINATION OF SAFETY IMPACT

The Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

Adoption of design-build would not have an adverse financial impact. Project 204094 has an approved Life-of-Project (LOP) budget of \$1,024,000 with \$97,000 expenditure to date. FY19 budget includes \$300,700 for this project.

Impact to Budget

Project is funded with a combination of Federal and local sources, including Proposition C 40%, Proposition A 35%, some of which are eligible for bus and rail operations.

Since this is a multi-year project, the Project Manager, Cost Center manager, and Chief Program Management Officer will be responsible for budgeting the cost in future fiscal years.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Seeking approval to award design-build contracts supports Strategic Goal 1: Provide high quality mobility options that enable people to spend less time traveling. The planned improvement at Division 21 would optimize the reliability and performance of the Metro Gold Line by revitalizing Metro's transit assets. The proposed recommendations also support Strategic Goal 5: Provide responsive, accountable, and trustworthy governance because they will help Metro supplement and strengthen programs to address workplace safety, security, and employee wellness.

ALTERNATIVES CONSIDERED

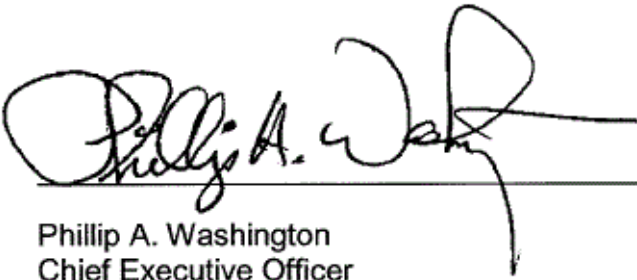
This work could be accomplished through separate design and construction contracts or through design services provided by agency staff and bid for construction. Staff does not recommend this approach. There are distinct and clear advantages to having a single contractor responsible for both design and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

NEXT STEPS

Staff will prepare design-build solicitation packages for the selected project.

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