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**OPERATIONS COMMITTEE
APRIL 17, 2008**

**SUBJECT: BAUCHET STREET STORAGE AND FACILITIES MAINTENANCE
STRUCTURE**

**ACTION: APPROVE USE OF DESIGN-BUILD CONTRACTING
DELIVERY APPROACH**

RECOMMENDATION

A. Find that awarding a design-build contract pursuant to Public Utilities Code Section 130242 will achieve for the Los Angeles County Metropolitan Transportation Authority (LACMTA) certain private sector efficiencies in the integration of the design, project work and components related to the construction of the proposed Bauchet Street Storage and Facilities Maintenance Structure in Los Angeles County; and

Requires 2/3 vote

B. Authorize the Chief Executive Officer to solicit and award a design-build contract for the construction of the Bauchet Street Storage and Facilities Maintenance Structure pursuant to Public Utilities Code Section 130242.

ISSUE

Staff is seeking to use the design/build project delivery system to construct the proposed Bauchet Street Storage and Facilities Maintenance Structure (Bauchet Street). Construction of the Bauchet Street project would accommodate Materiel bulk warehousing and several Facilities Maintenance functions into a central building within an expanded Metro Support Services Center (MSSC, formerly Regional Rebuild Center). The Bauchet Street project would allow these functions to vacate our South Park facility, to accommodate the pending sale to the City of Los Angeles.

Approval of this action would allow staff to proceed with a solicitation and contract award utilizing the Design-Build contract delivery approach pursuant to Public Utilities Code Section 130242. The Design-Build contract delivery approach is commonly used for industrial structures to expedite the design, engineering, and construction processes.

POLICY IMPLICATIONS

Awarding a design-build contract pursuant to Public Utilities Code Section 130242 would enable us to use a proven project delivery and procurement system that allows contracting for both design and construction services in a single contract. We have experienced success with design/build construction contracts and expect to achieve the same efficiencies in integrating the Bauchet Street project's design, project work and components.

OPTIONS

The Board could decide not to approve this action and direct staff to accomplish the project through separate design and construction contracts, or through design prepared by us and bid for construction. Staff does not recommend this approach. Staff believes that there are advantages to having a single contractor responsible for all design and construction work, primarily in the avoidance of certain project management, staff, administration and coordination costs, and reductions in the overall project schedule. If this project does not proceed, staff would be unable to timely design and build a building to accommodate the South Park facility relocation.

FINANCIAL IMPACT

The funds for the Bauchet Street project are included in the FY08 capital budget in cost center # 3341 and project #202246. Since this is a multi-year project, the Project Manager will be responsible for budgeting the costs in future years.

The original Life of Project (LOP) budget for the Bauchet Street project was approved by the Board in April 2007 in the amount of \$12,925,000. Staff developed the LOP using the best available estimates at the time for land acquisition and construction costs, as well as other project components. However, actual land acquisition cost was approximately \$600,000 more than the LOP estimate. In addition, our Estimating Department has provided a "Rough-Order-of-Magnitude" cost estimate which suggests that the actual costs of building the proposed project may exceed the Board approved LOP. Based on the estimates, staff conducted value engineering in an attempt to reduce costs of the project prior to bidding the design/build contract. Once we are in receipt of bids, staff will evaluate the bids and associated prices, and if required, return to the Board of Directors to seek an increase in the LOP.

BACKGROUND

We purchased two vacant parcels adjacent to the MSSC for construction of a new central warehouse building to be occupied by the Materiel and Logistics and Facilities Maintenance Departments. The lot located at 490 Bauchet Street was purchased in June 2007 and the lot located at 496 Bauchet Street was purchased in March 2008. Preliminary engineering has been completed to construct an approximately 75,000 square foot structure with 380 surface parking spaces to support the functions and service vehicles currently being operated out of South Park. The building will contain high-bay warehousing space for parts and bulk materials, administrative space, a state-of-the-art sign shop, and shop and storage space for

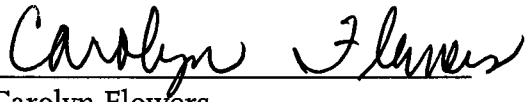
Property Maintenance and Stops & Zones. Upon completion, the properties will be efficiently integrated into the existing MSSC campus.

The Board approved the LOP budget for this project in April 2007. Preliminary engineering is complete and a Categorical Exemption, under the California Environmental Quality Act, will be filed prior to contract award. All design and construction documents have been submitted to Procurement and preparation of the bidding and solicitation documents is in progress. The Bauchet Street project will be designed and constructed to achieve Leadership in Energy and Environmental Design (LEED) certification.

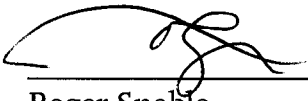
NEXT STEPS

Upon approval of this action, Staff will continue the design/build procurement activities, with an expected contract award date in August 2008.

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