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Metropolitan Transportation Authority

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**CONSTRUCTION COMMITTEE
JUNE 19, 2014**

PROJECT: SOUTHWESTERN YARD PROJECT (DIVISION 16)

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

RECOMMENDATION

The Board finds that awarding design-build contracts pursuant to Public Utilities Code Section 130242 (a) will achieve private sector efficiencies in the integration of the design, project work and components of the Southwestern Yard Project (Division 16). (Requires Two-Thirds Vote)

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 the Recommendation.

DISCUSSION

In December 2010, the Board adopted a Maintenance Facility Consolidated Development Strategy for the Crenshaw/LAX Transit Project, Metro Green Line and its related extensions. Subsequently the Board adopted in April 2011, the Arbor Vitae/Bellanca site near LAX as the Locally Preferred Alternative Maintenance Facility Site. This maintenance facility will be used by the Crenshaw/LAX Transit Project, the Metro Green Line, and South Bay Green Line Extension.

The major Metro Measure R capital projects have successfully utilized the design-build contracting delivery approach to minimize agency risks, achieve schedule efficiency and significant time savings to reduce administrative and construction costs. Staff is seeking authorization to continue the use of this delivery system for the Southwestern Yard Project.

The design-build contracting delivery approach was selected based on the following considerations:

- A single point of responsibility for design and construction will decrease the time and improve the management efficiency on the implementation of the project;
- Metro will have the benefit of an integrated team that provides engineering, construction management and administrative resources, resulting in cost savings;
- Staff project development resources are limited, so more budgeted projects can be accomplished by adding design-build capability; and
- Metro's design risks are shifted to the design-builder, while changes related to design are minimized.

Utilization of a design-build process is allowed under Public Utilities Code Section 130242 (a), which provides for award of a design-build contract to the lowest responsive and responsible bidder or to a contractor chosen by a competitive bidding process that employs objective selection criteria in addition to price. 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. This approach delivers the project ahead of a traditional design-bid-build approach and therefore, should result in a lower total project cost. Other possible benefits include a reduction in the number of changes and claims from multiple prime contractors, additional efficiencies in contractor's innovation, project management, administration and coordination, design features not achievable through the design-bid-build method. Prior to award of a design-build contract pursuant to Public Utilities Code Section 130242 (a), the Board is required to make the findings set forth in the Recommendation.

Approval of this action would allow staff to proceed with a solicitation utilizing the design-build contracting deliver approach pursuant to Public Utilities Code Section 130242 (a).

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

There is no financial impact resulting from this action. Funding is identified in FY14 and requested FY15 budgets to support continued activities for the Southwestern Yard development activities under project 860003, Cost Center 8510 and various accounts. Since this is a multi-year project, the Executive Director will be responsible for budgeting future years.

Impact to Budget

The sources of funds for this project are capital funds identified in the adopted Long Range Transportation Plan and updated by Board action in June 2013. One source of funding is Proposition A35%, which is eligible for rail operations. The other funds are not eligible for bus and rail operating expenditures.

ALTERNATIVES CONSIDERED

This work could be accomplished utilizing consultants to prepare separate designs or with designs prepared by staff for bid and construction. Staff does not recommend this approach. Staff believes that there are distinct and clear advantages to having a single contractor responsible for both design and construction work, primarily in the avoidance of certain project management, staff, administration and coordination costs, as well as reductions in contract cost and overall project schedule. The scope and size of the Southwestern Yard Project lends itself to the more streamlined design-build project delivery method.

NEXT STEPS

Design-build contract solicitation and award for the Southwestern Yard Project will be pursued in FY15. Pursuant to the Board adopted Metro Acquisition Policy Statement, staff will return to the Board for award of the low bid contract.

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