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**CONSTRUCTION COMMITTEE
JUNE 19, 2008**

SUBJECT: DIVISION 21 IMPROVEMENTS PHASE II

ACTION: SOLICIT DESIGN-BUILD CONTRACTS FOR RAIL FACILITIES CAPITAL PROJECTS

RECOMMENDATION

A. The board finds that awarding design-build contracts pursuant to Public Utilities Code Section 130242(b) will achieve certain private sector efficiencies in the integration of the design, project work and components related to the real property, renovation, repair and construction of Division 21 Improvements - Phase II in Los Angeles County ; and

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to solicit a design-build contract for renovation, repair and construction of Division 21 Improvements Phase II pursuant to Public Utilities Code Section 130242(a), (c), (d) & (e).

ISSUE

In the last few years, we have experienced success with design-build construction contracts in the capital program. At previous meetings, the Board approved use of Design-Build Contracting Delivery Approach for several capital projects. Staff is now seeking authorization to continue the use of this delivery system for Division 21 Improvements Phase II (CP 204053).

Staff is seeking to use the design-build project delivery system to modify the existing track connection from the carwash, modify the existing storage building to make it suitable for car body repairs, grinding and buffing, and construct a new replacement storage building.

Approval of this action would allow staff to proceed with a solicitation 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(a) 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 and allow the project to achieve certain private sector efficiencies in the integration of the design, project work and other related components. We have experienced success with design-build construction contracts and expect to achieve the same efficiencies in integrating the Division 21 project's design, project work and components.

OPTIONS

The Board could decide not to approve this action and the project could be accomplished through separate design and construction contracts, or through designs prepared by us and bid for construction. However, staff believes that there are advantages in utilizing the design-build project delivery system to facilitate the timely delivery of the additional facilities required to accommodate the addition of the new P2550 light rail vehicles that are being purchased and delivered to Division 21 for service on the Pasadena Gold Line, and the Eastside Extension and Exposition Lines which will add new service beginning in 2009 and 2011 respectively.

FINANCIAL IMPACT

The funds for Division 21 Improvements - Phase II are included in the proposed FY '09 capital budget in cost center 3960 and project 204053. Since this is a multi-year project, the Project Manager and Chief Capital Management Officer is responsible for budgeting the cost in future years consistent with the Board adopted total life-of-project (LOP) budget.

Once we are in receipt of bids, staff will evaluate the bids and associated prices, and if required, return to the Board to seek an increase in the LOP.

BACKGROUND

Since 2002, we have successfully used the design-build contracting strategy to minimize agency risks, achieve schedule efficiency and significant time savings to reduce administrative and construction costs. The Board has previously authorized the design-build contracting strategy for approximately 20 rail capital projects.

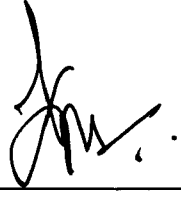
NEXT STEPS

Design-Build contract solicitation for Division 21 Improvements Phase II (CP 204053) will be pursued in FY '09.

ATTACHMENTS

None

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