



Metro

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
MARCH 16, 2009**

SUBJECT: CP#211001 CAPITAL IMPROVEMENT PROJECT FOR METRO BLUE LINE

**ACTION: APPROVE USE OF DESIGN-BUILD CONTRACTING DELIVERY
APPROACH FOR CP# 211001-METRO BLUE LINE TRACTION POWER
SUBSTATIONS REPLACEMENT PROJECT**

RECOMMENDATION

A. The Board finds that awarding design-build contracts pursuant to Public Utilities Code Section 130242(b) will achieve for us certain private sector efficiencies in the integration of design, project work, and components related to the replacement of twenty (20) existing traction power substations with new and more energy-efficient units as defined by the project listed on Attachment "A"; and

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to solicit and award design-build contracts for renovation, repair, and construction at our rail facilities, pursuant to Public Utilities Code Section 130242(a), (c), (d) & (e); and

ISSUE

In the last few years, Metro has experienced success with design-build construction contracts in the capital program. At its November 2007 meeting, 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 Metro Blue Line Traction Power Substations Replacement Project (CP# 211001).

POLICY IMPLICATIONS

Metro Blue Line Traction Power Substations Replacement Project (CP# 211001) was selected for Design-Build Contracting Delivery approach because:

- A single point of responsibility for both design and construction will increase efficiency;

- Staff project development resources are limited, so more budgeted projects can be accomplished by adding design-build capability;
- Agency risk for design is shifted to the design-builder, changes related to design are minimized;
- Metro will achieve schedule efficiency and significant time savings because design can proceed in parallel with construction;
- Metro will save administrative costs due to combining the solicitation process with design and construction, save construction management and engineering resources during the construction phase; minimize contract-generated changes to reduce contract closeout time.

OPTIONS

This work may be accomplished utilizing consultants to prepare separate designs or with designs prepared by staff for bid and construction. Staff does not recommend this approach because the scope and size of the listed project lends itself to the more streamlined design-build project delivery method.

FINANCIAL IMPACT

Funding for this project is expected from the American Recovery and Reinvestment Act of 2009. Specifically, \$14,000,000 is from the American Recovery and Reinvestment Act of 2009, Federal Section 5309 Fixed Guideway Modernization & Federal Section 5340 Growing States Fund, and \$56,000,000 from the American Recovery and Reinvestment Act of 2009 Federal Section 5307. The funding of \$16,025,887 has been included in the FY10 budget in cost center 3960 and CP# 211001 (Metro Blue Line Traction Power Substation Replacement Project). The approved Life-of-Project (LOP) for this project is \$82,200,000. This action will not affect the approved LOP. Since this is a multi-year project, the Project Manager and General Manager of Rail Operations are responsible for budgeting the future year costs.

BACKGROUND

Since 2002, Metro has 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 22 rail capital projects.

NEXT STEPS

A Design-Build contract solicitation and award for replacement of traction power substations on the Metro Blue Line will be pursued in FY09.

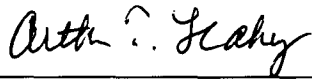
ATTACHMENTS

A. Metro Rail Capital Projects Delivery under Design/Build Contract.

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Michael J. Cannell
General Manager, Metro Rail Operations



Arthur T. Leahy
Chief Executive Officer

Attachment A

Metro Rail Capital Project under Design/Build Contract

Project No	Project Title	Project Description
CP 211001	Metro Blue Line Traction Power Substation Replacement Project	Removal of existing 20 Traction Power Substations and Replace with 20 new energy efficient Traction Power Substations in Metro Blue Line.

