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TO: MTA BOARD OF DIRECTORS
FROM: STANLEY G. PHERNAMBUCQ *SP*
SUBJECT: PASADENA BLUE LINE
TURNKEY IMPLEMENTATION ANALYSIS FINAL REPORT

ISSUE

Enclosed is the the Pasadena Blue Line Turnkey Implementation Analysis final report prepared by Booz•Allen & Hamilton Inc.

BACKGROUND

The report is the result of a study directed by the Board on August 16, 1995, to hire a consultant to develop a turnkey implementation plan for the Pasadena Blue Line. The objective of the consultant work was to determine the feasibility of turnkey and to develop the framework in which MTA can effectively implement a turnkey contracting process and enter into a contract with private entities to design, build, and, potentially, to operate and maintain the Pasadena Blue Line. And to respond to MTA Board direction to: "...develop an expedited schedule for awarding a turnkey contract for the completion of the Pasadena Line by [the year] 2000...."

This report is a companion to the February 28, 1996, Pasadena Blue Line Cost Containment agenda item to be presented to the MTA Board of Directors at its regular board meeting. The report identifies potential high risk issues including utility relocation, right-of-way acquisition, environmental mitigating and remedial measures, third party and outside agency cooperative agreements, cities' and Caltrans' requirements and approval processes during design and construction. Constraints that may affect the way in which a turnkey program is implemented were evaluated, including, legal and legislative, labor agreements, safety and security, certification and commissioning.

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Two bid scenarios are considered in the report: design/build and design/build/operate/maintain. Cost, schedule, management, and coordination aspects of the Pasadena Blue Line were analyzed in conjunction with (1) funding and finance—the extent of public and private financing options available in relation to MTA projected revenues and cash flows; (2) design issues—actions necessary to conclude design activities for turnkey contract packaging; (3) construction review—the status of construction and construction readiness of design documents; (4) operations and maintenance issue—impacts of privatization, legislative and regulatory, union and collective bargaining agreement, and (5) joint development potential to help offset construction and operation costs.