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REVISED
CONSTRUCTION COMMITTEE
FEBRUARY 20, 2002

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

PROJECT: EASTSIDE LIGHT RAIL TRANSIT PROJECT

CONTRACT: STATIONS/TRACKWORK/SYSTEMS

ACTION: APPROVE DESIGN-BUILD SOLICITATION

RECOMMENDATION

A. Adopt the following motion: The Board finds that awarding a Design-Build contract pursuant to Public Utilities Code Section 130242 will achieve for the MTA, among other things, certain private sector efficiencies in the integration of the design, project work, and components, including the construction of the stations, trackwork and systems elements, of the Eastside Light Rail Transit Project;

B. Authorize the Chief Executive Officer to solicit a Design-Build contract for Stations/Trackwork/Systems, pursuant to Public Utilities Code Section 130242; and

C. Authorize the Chief Executive Officer to approve and execute individual change orders up to 1% of the contract award price up to a total aggregate amount of 5% of the contract award price.

A and B requires 2/3 vote by the MTA Board. Approval of this item is conditional upon approval of the Final Supplemental Environmental Impact Statement/Final Subsequent Environmental Impact Report for the Eastside Corridor.

MERIT

MTA utilization of a Design-Build process is allowed under California Public Utilities Code Section 130242. This section requires that the MTA Board of Directors make the finding set forth in Recommendation A. The contract would be awarded by the Chief Executive Officer pursuant to Public Utilities Code Section 130051.9 (c).

BACKGROUND

The Eastside Light Rail Transit Project (Eastside LRT) as currently planned is a six-mile dual track light rail system with eight stations. The system originates at Union Station where it connects with the Pasadena Line, extending east to Beverly and Atlantic Boulevards. Two major contracts for the project will be issued: traditional Design-Bid-Build approach will be utilized for a high risk tunnel component and Design-Build approach for the combined stations, trackwork and systems elements.

In order to reduce the community impacts experienced on prior Metro tunneling, the MTA is specifying an earth pressure balance tunneling method with stringent controls incorporating high technology digital guidance systems and the type of tunnel liner system needed to withstand the unique seismic conditions of this project. A conventional Design-Bid-Build contracting approach is therefore the most effective way to ensure compliance with these risk reduction requirements and is the preferred approach specified by nearly all public works transit projects building tunnels.

The remaining scope of project work, the stations, trackwork and systems components are relatively low risk and more suitable for a Design-Build approach. Having one contractor responsible for both design and construction will significantly reduce the changes relating to final design documents. The Design-Build contractor will be able to more efficiently coordinate all design aspects and receive approval from other governmental agencies for the construction work of the underground stations, at grade civil, trackwork, mechanical/electrical systems and train control thereby relieving the MTA of the responsibility for changes/claims and schedule delays resulting from design omissions or flaws.

Public Utilities Code Section 130242 requires the award of a Design-Build contract to the lowest responsible bidder. To achieve this, the contractor for the stations/trackwork/systems contract will be selected utilizing the two-step sealed bidding method of procurement, in accordance with the guidelines set forth in the MTA Procurement Policy and Procedure Manual Section No. 736.

To effectively manage the project without costly schedule delays, staff believes that the historical method of processing change orders will contribute to potential delays because of the normal cycle time to process change orders. In a Design-Build delivery system, the normal process time compounds potential delays.

In order to be sure that the MTA's interests are fully protected, staff will insure that the change order process will comply with all requirements of MTA Procurement, including cost analysis, legal review and audit before any Change Order is executed.

FINANCIAL IMPACT

The adopted Long Range Transportation Plan assumes that this project will be 68.2% federally funded and 31.8% state and locally funded.

ALTERNATIVES CONSIDERED

The MTA Board may reject this recommendation. However, the cost and schedule benefits of a design-build process would not be realized.

COST/PRICE ANALYSIS

Price analysis will be conducted during evaluation of the bids.

SMALL BUSINESS PARTICIPATION

The Small Business Participation goal is to be determined before the solicitation is issued.

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