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CONSTRUCTION COMMITTEE  
JANUARY 15, 2009

**PROJECT: METRO ORANGE LINE EXTENSION**

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

**RECOMMENDATION**

A. The Board finds that awarding a design-build contract pursuant to Public Utilities Code Section 130242(b) will achieve certain private sector efficiencies in the integration of the design, project work and construction of the Metro Orange Line (MOL) Extension Project.

Requires two-thirds vote.

B. Authorize the Chief Executive Officer to solicit a design-build contract for the construction of the MOL Extension Project pursuant to Public Utilities Code Section 130242(a), (c), (d) and (e);

C. Delegate to the Chief Executive Officer to:

1. Award a design-build contract for the construction of the MOL Extension Project pursuant to Public Utilities Code Sections 130051.9(c) and 130242(a), (c), (d) and (e);
2. Approve Contract Modification Authority for the design-build contract in an amount not to exceed 10% of the contract price; and
3. Execute individual contract modifications for the design-build contract not to exceed \$1,000,000.

Approval of these items is conditional upon approval of the Canoga Transportation Corridor Final Environmental Impact Report (Metro Orange Line Extension).

## RATIONALE

The MOL Extension Project is a four-mile extension of the MOL extending from the existing Canoga park-and-ride lot to the Chatsworth Metrolink Station. The Project includes: busway, new station platforms at the Canoga park-and-ride lot, new stations at Sherman Way (with park-and-ride), Roscoe Boulevard, Nordhoff Street, and the Chatsworth Metrolink Station; bikeway and transportation enhancements/greenway; and an over-crossing/grade-separation over active railway tracks at Lassen Street, providing direct access into the Chatsworth Metrolink Station. It is anticipated that the design-build delivery approach will be used for the majority of the project scope of work. To provide flexibility, we may also consider preparing separately, design-bid-build contracts for constructing other portions of the project scope of work.

Utilization of a design-build process is allowed under California Public Utilities Code Section 130242(a). Awarding a design-build contract will achieve certain private sector efficiencies in the integration of the design and construction of the MOL Extension Project. This Section requires that the Board make the finding set forth in Recommendation A.

Under Recommendations A and B, 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, may result in a lower total project cost. Another benefit is a reduction in the number of changes and claims from multiple prime contractors. Also, there will be additional efficiencies in project management, administration and coordination.

Under Recommendation B, Public Utilities Code Section 130242(a) requires the award of a design-build contract to the lowest responsible bidder. To achieve this, the design builder will be selected utilizing a sealed bidding method of procurement, in accordance with the guidelines set forth in our Procurement Policy and Procedure Manual and State law.

In addition, under Recommendation B, we are requesting 10% of the future design-build contract price be authorized to cover unknown, but anticipated contract modifications. Having the additional sums available will allow us to negotiate the contract modifications with the design builder in a timely manner. As was previously approved for the original Orange Line Project, we are requesting the Chief Executive Officer to have authority to execute individual contract modifications for a design-build contract in an amount not to exceed \$1,000,000.

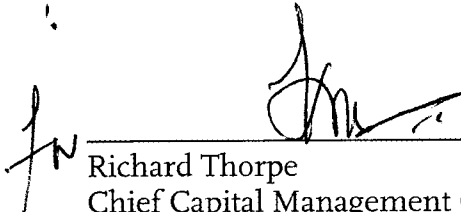
## FINANCIAL IMPACT

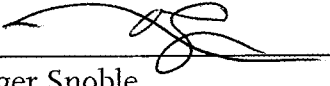
Funds for this action are included in the budget under Cost Center 8510, Construction, under Capital Project 800119 Metro Orange Line Extension. This action is within the approved life-of-project budget of \$223.1 million. Since this is a multi-year project, the Chief Capital Management Officer and Project Manager will be responsible for budgeting future year's costs.

## ALTERNATIVES CONSIDERED

The Board may reject the recommendations. However, the cost and schedule benefit of a design-build process would not be realized.

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