



OPERATIONS COMMITTEE
APRIL 16, 2009

SUBJECT: ATMS DATA CENTER IMPROVEMENTS DESIGN/BUILD APPROACH

ACTION: APPROVE USE OF DESIGN-BUILD CONTRACTING DELIVERY APPROACH FOR CP #202232 ATMS UPGRADE – ATMS DATA CENTER IMPROVEMENTS

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 the design, project work, and components related to the real property renovation, repair, and construction of the ATMS Data Center Improvements.

Requires Two-Third Vote

- B. Authorize the Chief Executive Officer to solicit and award a Design-Build contract for renovation, repair and construction of our facilities, pursuant to Public Utilities Code Section 130242(a), (c), (d) and (e).

SCOPE

The requested Design-Build contract approach will be used for facility improvements required in the Advanced Transportation Management System (ATMS) computer room. The data center supports all voice and data systems for the bus fleet. The facility improvements include heating, ventilation and air conditioning (HVAC), electrical power distribution updates, structural support modifications and fire suppression. The facility updates require high-rise facility design-build expertise that is best suited to third party contractors.

ISSUE

In the last few years, we have experienced success with design-build construction contracts in the capital program. At its November 2007 meeting, the Board approved use of the Design-Build Contracting Delivery Approach for capital projects. Staff is now seeking

authorization to continue the use of this delivery system for the ATMS Upgrade (CP #202232) which requires facility improvements to the Data Center.

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 facility structures to expedite the design, engineering and construction process.

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 service 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 ATMS Data Center project's design, project work and components. These efficiencies include the following:

- 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 Design-Builder; changes related to design are minimized;
- Agency will achieve schedule efficiency and significant time savings because design can proceed in parallel with some construction;
- Agency will save administrative costs due to combining the solicitation process with design and construction; save construction management and engineering resources during the construction phase; and minimize contract-generated changes to reduce contract closeout time

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 improvements needed to adequately meet the facility needs of the ATMS Data Center. Additionally, because the project scope is within the USG Gateway Building, specific high-rise requirements and timeliness of completion support the use of the Design-Build contracting process.

FINANCIAL IMPACT

Funding for this project has been included in the FY09 budget in cost center 3960, CP# 202232 (ATMS Upgrade). The approved Life-of-Project (LOP) budget for this project is \$12,107,000. 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 future year costs.

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 contract strategy.

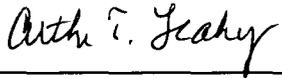
NEXT STEPS

A Design-Build contract solicitation and award for ATMS Data Center Facility Improvements will be pursued in FY09.

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