

**Metro**Los Angeles County
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metro.net**CONSTRUCTION COMMITTEE
JANUARY 15, 2015****SUBJECT: METRO RED LINE ESCALATOR REPLACEMENT/MODERNIZATION AT
PERSHING SQUARE****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

Increase the Life of Project (LOP) Budget for Capital Project (CP) 204133 Escalator Replacement/Modernization at Metro Red Line Pershing Square Station by \$8,256,000 from \$12,500,000 to \$20,756,000.

ISSUE

Metro has adopted a system-wide initiative to progressively replace escalators in underground stations with heavy duty escalators meeting the design standards developed by the American Public Transportation Association (APTA) as the escalator's life cycles end. APTA compliant escalators are being implemented at other transit agencies across the nation.

Frequent escalator failures have occurred and this replacement will improve the reliability of the equipment and avoid the inconvenience and discomfort to our passengers.

The Life-of-Project budget for five of the nine escalators at Pershing Square Station was established in 2012 but the original estimate was insufficient due to cost escalation and high market demand.

In June 2014, Metro issued Invitation for Bids (IFB) C1073 for the replacement of five (mezzanine to surface) escalators at Pershing Square. The project also included the addition of a new canopy over the single escalator at the Pershing Square Station portal as required by the State of California. In September 2014, Metro received two bids that exceeded the remaining LOP budget of CP 204133. As a result, staff requires an increase of \$8,256,000 to the LOP budget for CP 204133, Escalator Replacement/Modernization at Metro Red Line Pershing Square Station, from

\$12,500,000 to \$20,756,000 in order to award the construction contract to the lowest responsible and responsive bidder and to provide the necessary construction management support, professional engineering services and agency costs for a period of 28 months to project completion.

DISCUSSION

In May 2012, the Board approved CP 204133, Escalator Replacement/Modernization at Metro Red Line Pershing Square as part of the annual budget it adopted for FY13. The project was established with an LOP of \$12,500,000 which was largely based on a similar escalator replacement that had been completed at the Metro Red Line Civic Center Station.

Metro issued Invitation for Bids (IFB) C1073 in June 2014 and received two bids in September 2014 (shown in the table below) with two options for additional maintenance. Staff has excluded the options for additional maintenance from this project at this time as the bid prices are significantly higher than the current maintenance costs.

C1073 Bids		
Bidder	Bid Amount excluding Options	Percent Higher Than revised Metro ICE
Metro revised ICE	\$ 13,407,999	0%
Clark Construction Group	\$ 15,494,076	15.6%
S.J. Amorosa Construction	\$ 18,996,735	41.7%

Despite the fact that Metro received only two bids, staff believes the bids are reasonable, fair and represent current market conditions for several reasons:

1. Staff anticipated a low number of bids due to the stringent requirements for new APTA compliant heavy-duty outdoor escalators which could only be met by four pre-qualified escalator suppliers. Staff reached out to each of the four pre-qualified suppliers, Schindler, Otis, Kone, and ThyssenKrupp, and addressed their concerns by amending the IFB documents. The lowest bid is reasonable given the explosive growth in the current global market conditions, which is creating high demands on the vertical transportation industry; therefore, limiting interest by some manufacturers which attributes to the increase in costs.
2. Phasing the replacements of the escalators so that only one portal is closed at one time combined with the time constraints and limited access impacted the costs as contractors will have to work around existing canopies over two of the three station portals.

DETERMINATION OF SAFETY IMPACT

The Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

If recommendation is approved, funds will be budgeted under Project 204133, cost center 8510, account 53101 and 50316. Since this is a multi-year project, the Project Manager, Cost Center Manager, and Executive Director of Engineering and Construction will be responsible for budgeting the cost in future fiscal years.

The funding source consists of Prop A 35% Rail funds. These funds are an eligible source for rail operations.

ALTERNATIVES CONSIDERED

The Board may choose to not authorize an increase to the LOP Budget. This alternative is not recommended due to the following:

1. The rejection of the LOP increase would prohibit staff from capitalizing on the lowest responsive and responsible bid to replace the escalators with APTA compliant heavy-duty transit system escalators.
2. Metro reviewed and rejected the alternative of replacing a portion of the five existing escalators at Pershing Square in an attempt to conform within the existing LOP. However, the complexity of the construction sequences are such that it would be more logical and less disruptive to passengers to complete the replacement of all five (mezzanine to surface) escalators within the same contract.
3. By not proceeding with the contract award would result in additional maintenance such as escalating maintenance costs associated with the aging and deteriorating escalator equipment.
4. Rebidding the work would delay the project approximately six months as staff will need to repackage the solicitation, re-issue it, and go through another set of bid evaluations that may not result in a lower bid. Furthermore, one or both of the current bidders may not submit a second bid if the solicitation is re-issued.

NEXT STEPS

Upon approval of the additional funding, staff will proceed immediately with the award of Contract C1073, Metro Red Line Pershing Square Canopy Addition and Escalator Replacement.

ATTACHMENTS

Funding/Expenditure Plan for Project 204133

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FUNDING/EXPENDITURE PLAN

Project 204133 – Escalator Replacement/Modernization at Metro Red Line Pershing Square Station

Use of Funds	Inception – FY15	Remaining FY15	FY16	FY17	FY18	Capital Costs Total
Preliminary Design Phase						
Engineering Facilities & Systems	360,000	35,000	-	-	-	395,000
Other Metro Departments	205,000	5,000	-	-	-	210,000
Outside Consultants	1,000	-	-	-	-	1,000
Design Phase Total	566,000	40,000	-	-	-	606,000
Construction Phase						
Construction Contract C1073	-	500,000	4,500,000	5,000,000	5,000,000	15,500,000
Contract Modification Authority (CMA) for C1073	-	-	-	-	1,550,000	1,550,000
Design Support During Construction	-	20,000	180,000	200,000	220,000	620,000
Engineering / Submittal Review	-	20,000	180,000	200,000	220,000	620,000
Construction Management	-	35,000	315,000	350,000	385,000	1,085,000
Third Party	-	5,000	45,000	50,000	55,000	155,000
Additional Agency Costs: Project Control, Procurement, Safety, Labor Compliance, etc.	-	20,000	180,000	200,000	220,000	620,000
Construction Phase Total	-	600,000	5,400,000	6,000,000	8,150,000	20,150,000
Total Project Cost	566,000	640,000	5,400,000	6,000,000	8,150,000	20,756,000
Source of Funds						
Prop A 35% Rail Capital	566,000	600,000	5,400,000	6,000,000	8,150,000	20,756,000
Total Project Funding	566,000	640,000	5,400,000	6,000,000	8,150,000	20,756,000