

Transportation Committee

Meeting date: August 25, 2014

For the Metropolitan Council meeting of September 10, 2014

Subject: Authorization to Purchase Furniture and Information Technology Equipment for the Blue Line Extension Project Office

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures, Federal Transit Administration Circular 4220.1F Third Party Contracting Guidance

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Division/Department: Metro Transit / Blue Line Extension LRT Project Office

Proposed Action

Authorize the Regional Administrator to purchase office furniture and information technology (IT) equipment for the Blue Line Extension (Bottineau) LRT Project Office (BPO) in a total amount not to exceed \$1,755,000 for office furniture and IT equipment for Phase One of the project office mobilization through Project Development in 2014, 2015 and 2016. This authorization is contingent upon the Council receiving approval from the Federal Transit Administration for the BLRT Project to enter Project Development and Council approval of a future Capital Budget Amendment to authorize CTIB and HCRRA funding commitments.

Background

Metropolitan Council (Council) authorization is required to authorize the purchases greater than \$500,000. This Business Item is related to Business Item 2014-211 which requests the Council to authorize the Regional Administrator to execute a lease agreement for a permanent BPO.

The BPO will be mobilized in two phases. Phase One is the Project Development (PD) phase in 2014, 2015 and 2016 for approximately 100 to 110 staff. Phase Two will begin with the Engineering phase in 2016 and will require an expansion to accommodate an additional 20 to 30 staff. The total estimated staffing need is approximately 140 staff over the seven-year project period. Authorization for Phase Two expansion will be requested when necessary.

Estimates for office furniture are approximately \$330,000 to furnish the work station and meeting space needs for 100 to 110 staff in Phase One. Estimates for IT equipment are approximately \$1,425,000 to support Phase One staffing which includes initial network infrastructure costs, as well as computers and software for routine work, and specialized equipment to support complex engineering design.

Rationale

There are both organizational and cost avoidance benefits of a project office. The organizational benefits are gained by co-locating the public agencies and the consultants in one location with IT equipment that supports collaborative communication among engineering disciplines to resolve complex design issues, and in a location that is easily accessed by the public and stakeholders.

The cost-avoidance benefits are realized by lower field labor rates which the Council negotiates with consultants for the opportunity to co-locate their staff in the project office. BPO estimates that the investment of project office infrastructure (lease, office furniture, IT equipment) to co-locate the consultant staff will yield an estimated cost avoidance of \$4.1 million in the two-year Phase One for Project Development, and a total of \$17 million of cost avoidance over the seven year project period.

Examples of the specialized technical IT equipment that is needed to support engineering services are:

- Computer-aided design and drawing (CADD) software for specialized for civil, utilities, and architectural uses; Scheduling and Cost Estimation database software and traffic modeling software;
- High-resolution plotters and printers for design review;
- Specialized computer and network equipment to support the creating and sharing of large data files.

Four previous transitway projects (Blue Line/Hiawatha, Northstar, Central Corridor and Southwest) have demonstrated the positive benefits of investing in a project office for a major capital project as complex as a New Starts rail project. Therefore, due to the productivity and cost efficiency of a light rail transit project office, the purchase of office furniture and IT equipment is a cost-effective investment to support full functionality and peak productivity of the Blue Line Extension Project Office.

Funding

The BLRT Project has available funds from the Counties Transit Improvement Board (CTIB) and Hennepin County Regional Railroad Authority (HCRRA) which are contingent on the FTA's approval for the BLRT Project to enter Project Development. The availability of these funds is also contingent on the amendment of the Capital Budget to authorize the CTIB and HCRRA funding commitments, and on the execution of funding agreements with CTIB and HCRRA.

Known Support / Opposition

No known opposition.