

MAY 9, 2003



**TO:** BOARD OF DIRECTORS

**THROUGH:** ROGER SNOBLE  
CHIEF EXECUTIVE OFFICER

**FROM:** DENNIS S. MORI  
INTERIM EXECUTIVE OFFICER  
CONSTRUCTION PROJECT MANAGEMENT

**SUBJECT:** BOARD REQUESTED MONTHLY UPDATE ON  
CONTRACT MODIFICATIONS FOR SAN  
FERNANDO VALLEY METRO RAPIDWAY  
CONTRACTS

Metropolitan  
Transportation  
Authority

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### ISSUE

With the February 2003 adoption of the Project Budgets for the San Fernando Valley Metro Rapidway and Bikeway Projects, the MTA Board of Directors requested that a monthly update for the two major construction contracts showing all executed and pending Contract Modifications and remaining Contract Modification authority value be sent to the Construction Committee for their information. The attached San Fernando Valley Metro Rapidway Contract Modification Report reflects the status of the two construction contracts as of the end of April 2003.

### RATIONALE

On February 27, 2003, the MTA Board of Directors approved the adoption of the budgets for Project 800112, San Fernando Valley Metro Rapidway for a baseline value of \$329,500,000 and Project 800114, San Fernando Valley Bikeway for a baseline value of \$8,100,000. Within these budgets, the MTA Board authorized the Chief Executive Officer to execute contract modifications for Contract No. C0675 Design/Build up to \$15,109,502 and Contract No. C0676 Los Angeles River Bridge up to \$383,658 subject to project budget and funding limitations and subject to the reporting, approval and individual contract modification dollar limitations set forth in Attachment A. The additional sums and the authority to approve and execute contract modifications were not included as part of the contract award values for Contract Nos. C0675 and C0676. The additional sums allow the MTA and the Contractors to negotiate contract modifications in a timely manner to ensure that the cost and schedule benefits of a Design/Build process are realized.

5/12/03

In order to protect the MTA's interests, and to comply with applicable law, staff will process contract modifications in accordance with all requirements of MTA Procurement policies, including cost analysis, legal review and audit (when applicable) before any contract modification is executed. Attachment B provides contract modifications and remaining contract modification authority values for Contract Nos. C0675 and C0676.

### **NEXT STEPS**

Provide the MTA Board of Directors with the San Fernando Valley Metro Rapidway and Bikeway Contract Modification Report for the period ending May 31, 2003.

MTA staff will be reviewing several potential contract modifications that have not been quantified but may be required for the Project. The first one is potentially greater than \$1 million dollars for LADWP Recycled Water Pipeline, which will be 100%, reimbursed by LADWP and tracked separately under Project No. 800116. The second one is for changes required for additional community impact mitigation betterments. There potentially could be several contract modifications all under \$1 million dollars in this category.

### **ATTACHMENTS**

- A. Design/Build Contract Modification Reporting & Approval Authority Matrix
- B. Contract C0675 Design/Build and Contract C0676 Los Angeles River Bridge Contract Modification Report

**ATTACHMENT A  
DESIGN-BUILD CONTRACT MODIFICATION  
REPORTING & APPROVAL AUTHORITY MATRIX**

<b>Contract Modification \$ Amount</b>	<b>Approval Authority</b>	<b>Comment</b>
Up to \$1,000,000	Chief Executive Officer	Chief Executive Officer approves and executes Contract Modification under his authority.
>\$1,000,000	Construction Committee/ MTA Board of Directors	Chief Executive Officer executes after Construction Committee recommendation and final approval by the full MTA Board of Directors.
> \$1,000,000	MTA Board of Directors	For time critical Contract Modification, staff may agenda an item to the full MTA Board of Directors without prior recommendation from the Construction Committee. Chief Executive Officer executes after MTA Board of Directors approval.
For all contract modifications regardless of value  The total cumulative change amount will not be greater than the Board approved not to exceed amount for Contract Modifications.	Merit review by County Counsel and Office of Procurement subject to Public Utility Code Section 130243	Staff will issue a monthly update of all executed and pending Contract Modifications and remaining Contract Modification authority value to the Construction Committee for their information.

ATTACHMENT B  
SAN FERNANDO VALLEY METRO RAPIDWAY  
CONTRACT MODIFICATION STATUS

CONTRACT C0675, SAN FERNANDO VALLEY METRO RAPIDWAY - SHIMMICK-OBAYASHI, J.V.

**Initial Contract Contingency:** **\$15,109,502.00**

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**Less Executed Modifications:**

<u>Change Notice #</u>	<u>Description</u>	<u>Amount</u>
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**No Modifications Executed**

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**Less Pending Modifications:** (Exact value of individual items not shown to preserve confidentiality of MTA negotiation positions)

1.00	EXPANDED SPACE FOR PROJECT INTEGRATED OFFICE	Less Than One Million \$
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Total Pending Rough Order of Magnitude Cost:	TBD*
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**Projected Remaining Contingency after Disposition of Pending Changes:** **TBD\***

\* NOTE: Pending cost not shown when only one item is listed to preserve confidentiality of MTA negotiation positions

ATTACHMENT B  
SAN FERNANDO VALLEY METRO RAPIDWAY  
CONTRACT MODIFICATION STATUS

CONTRACT C0676, SAN FERNANDO VALLEY METRO RAPIDWAY - BRUTOCO ENGINEERING AND CONSTRUCT

**Initial Contract Contingency:** **\$383,658.00**

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**Less Executed Modifications:**

<u>Change Notice #</u>	<u>Description</u>	<u>Amount</u>
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**No Modifications Executed**

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**Less Pending Modifications:** (Exact value of individual items not shown to preserve confidentiality of MTA negotiation positions)

1.00	DWP RECYCLED WATER LINE	Less Than One Million \$
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2.00	FOUNDATION PLAN REVISION	Less Than One Million \$
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Total Pending Rough Order of Magnitude Cost:		<u>\$182,811</u>
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**Projected Remaining Contingency after Disposition of Pending Changes:** **\$200,847**