



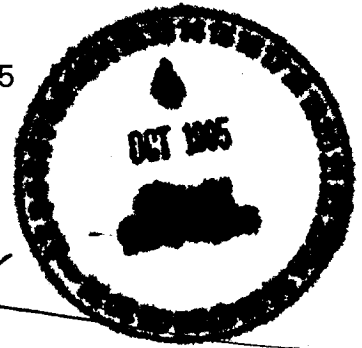
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TO: MTA BOARD OF DIRECTORS
FROM: STANLEY G. PHERNAMBUCQ
SUBJECT: PROFESSIONAL SERVICES CHANGE ANALYSIS

ISSUE

Phyllis Papen, and other Board Members, questioned whether the Engineering Management Consultant (EMC) is generating the bulk of the Consultant Change Requests (CCRs).

BACKGROUND

Since tracking of CCRs began in May 1991, 1,094 have been logged. The CCR process was established to ensure that changes in consultant scopes were documented, tracked and approved by the Project Manager. Thus far, 690 (63%) have been for the EMC and its predecessor organizations. Of the total \$274,800,000 worth of consultant changes submitted through July 1995, \$214,400,000 (78%) are attributable to the EMC and its predecessors. Approximately \$148 million worth of these EMC changes were for Planned Additional Scope.

The Planned Additional Scope, while comprising less than 5% of the total change volume, accounted for approximately 54% of the dollar value of changes. Planned Additional Scope refers to services which were anticipated or identified prior to or at the inception of a project, but not included in the initial award. An example would be issuing a work order for preliminary engineering, while recognizing that substantial additional work for final design, engineering services during construction, and start-up will be funded through subsequent amendments to the consultant contract.

Table 1 shows the type of change and the total dollar amounts attributed to the EMC, the Construction Managers and other consultants. The EMC has generated the highest dollar volume of CCRs and will continue to do so because of the way these contracts are managed.

**DISTRIBUTION OF CHANGE AMOUNTS BY CONSULTANT
(\$ MILLIONS)**

Table 1

TYPE OF CHANGE	EMC	CMS	OTHERS	TOTAL
SCOPE CHANGE	\$ 35.5	\$15.5	\$15.1	\$ 66.1
PLANNED ADDITIONAL SCOPE	148.4	0.0	9.4	157.8
IN PROCESS (CCRs)	30.5	11.0	9.4	50.9
TOTAL \$ IN CHARGES	<u>\$214.4</u>	<u>\$26.5</u>	<u>\$33.9</u>	<u>\$274.8</u>

Table 2, attached, show a historical distribution of CCRs by consultant for all projects.

The Construction Division has recently implemented a number of measures to strengthen management and control of the CCR process. This includes limiting Project Manager approval authority for advance work authorizations to \$100,000 with amounts between \$100,000 and \$200,000 requiring Executive Officer approval. A cumulative limit has been established for outstanding advance authorization amounts without additional Board approval.

Construction staff will continue to use the Incremental Scope Approval Technique to approve known scope requirements and corresponding funds as a proven method to closely manage the consultant's technical and cost performance. However, in the future, emphasis will be on issuing work orders for smaller portions of work to improve management control.

Staff involved in the CCR process have received comprehensive training on the new CCR procedures. A target CCR processing duration of 90 days has been established with procedural time limits for each step of the CCR approval process in order to bring consultant changes to the Board in a more timely manner.

DISTRIBUTION OF CCRs BY CONSULTANT

Table 2

PROJECT	PROJECT PERCENT COMPLETE	EMC/ TRANSCAL/ MRTC	CM	OTHERS	TOTAL
R01: Metro Blue Line (Transcal did all design and CM work)	100%	15	0	3	18
R23: Green Line	98%	95	43	8	146
R80: Metro Red Line Segment 1	100%	24	100	14	138
R81: Metro Red Line Segment 2	60%	215	139	9	363
R82: Metro Red Line Segment 3 (North Hollywood)	4%	159	16	12	187
R83: Metro Red Line Segment 3 (Mid-City)	0%	16	1	3	20
R84: Metro Red Line Segment 3 (East Extension)	0%	5	0	4	9
R05: Metro Blue Line (Pasadena)	3%	124	5	13	142
Systemwide & Other	0%	37	14	20	71
TOTALS		<u>690</u>	<u>318</u>	<u>86</u>	<u>1094</u>