



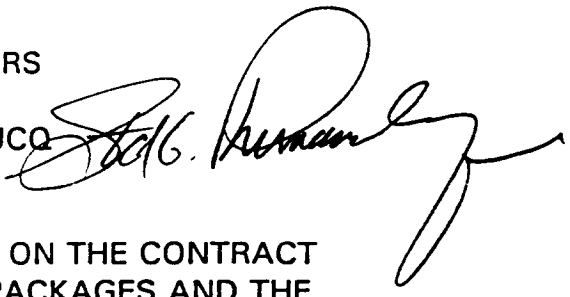
September 19, 1995

Los Angeles County
Metropolitan
Transportation
Authority

8 West Seventh Street
Suite 300
Los Angeles, CA 90017

213.972.6000

Mailing Address:
P.O. Box 194
Los Angeles, CA 90053

TO: MTA BOARD OF DIRECTORS
FROM: STANLEY G. PHERNAMBUCO 
SUBJECT: METRO RED LINE
THE STOPPING OF WORK ON THE CONTRACT
B251 REPROCUREMENT PACKAGES AND THE
RESULTING IMPACT ON COST AND SCHEDULE

ISSUE

This is to inform the MTA Board members of the Construction Division's need to issue "Stop Work Notices" to both the Engineering Management Consultant (EMC) and Parsons-Dillingham (PD) resulting from the Construction Committee's failure to act on the Consultant Change Requests (CCRs) necessary to fund the consultants' work on the B251 Reprourement Work Packages. Copies of the "Stop Work Notices" are attached.

BACKGROUND

The impact of this 14 day minimum delay (between the September 14, 1995 Construction Committee and September 27, 1995 MTA Board meeting) is estimated to be as follows:

- If the MTA Board approves the CCRs at its September 27, 1995 meeting the estimated cost impact is \$5,600 per day for additional tunnel maintenance under the B290 contract.
- If the MTA Board delays approval of the CCRs beyond September 27, 1995, the repair of the sinkhole will become the critical path for the Segment 2 Revenue Operations Date (ROD). This will impact all of the follow on construction and systems contracts resulting in a delay to construction a minimum of 30 days. The B251 Reprourement Plan approved by the MTA Board on July 6, 1995 noted that delays in this B251 completion process that impact ROD have an estimated cost impact of approximately \$173,000 - \$200,000/day in addition to the already incurred extra tunnel maintenance costs.
- In a contract termination scenario, the MTA is obligated to mitigate the work completion costs and schedule to the greatest extent possible.

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Impact of Stopping Work on B251 Plan
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To the extent that the MTA incurs additional expense due to its failure to responsibly mitigate the completion schedule, the additional expenses are most likely unrecoverable from any other party; including Shea-Kiewit-Kenny (SKK), the bonding surety, the Builder's Risk insurance, the Third Party liability insurance or the Full Funding Grant Agreement, which involves the Federal Transit Authority, the State of California and the City of Los Angeles.

In addition to the above estimated cost impacts there are additional serious issues such as the delay to completing the final tunnel lining along Hollywood Boulevard and the replacement of all the wooden wedges past Vine Street with steel struts. The constructed tunnel is not a permanent structure and cannot be maintained indefinitely.

Finally, a primary consideration in the B251 completion plan was to maintain a schedule that attempts completion of the final tunnel lining prior to the winter rainy season and avoid additional water inflows into the construction tunnel.

If the investigations currently underway indicate any culpability by the EMC or PD, appropriate avenues of recovery exist that will allow MTA recovery to proceed without any serious impact to the completion of Segment 2 with the resultant severe financial impact to the MTA.

Attachments:

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September 14, 1995

Los Angeles County
Metropolitan
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Mr. Milan Kadlec
Project Manager - Segment 2
PB/DMJM Engineering Management Consultant
707 Wilshire Boulevard, Suite 2900
Los Angeles, CA 90017

West Seventh Street
Suite 300
Los Angeles, CA 90017

SUBJECT: Contract E0070
Engineering Management Consultant (EMC)
Stop Work on Work Packages B251A thru B251H for
Vermont/Hollywood Tunnel Contract No. B251

213.972.6000

c: B. Goodwin(EMC),C. Stark(818/06/02),S.
Lotterman(818/05/03), Girish Roy (818/06/08) F. Origel

Mailing Address:

P.O. Box 194
Los Angeles, CA 90053

Dear Mr. Kadlec,

In accordance with the Construction Committee action on September 14, 1995, the EMC is directed to stop work by close of business today on all effort related to work packages B251A thru B251H and the B251 Contract Re-packaging.

This stop work shall remain in effect until written notice is provided by the MTA directing otherwise.

Should you have any questions or concerns regarding this stop work notice, please contact Mr. Fred Origel at (213) 244-6817.

Sincerely,

STANLEY G. PHERNAMBUCQ
Executive Officer
Construction



September 14, 1995

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Los Angeles, CA 90017

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Mailing Address:
P.O. Box 194
Los Angeles, CA 90053

Mr. George Morschauser
Construction Manager
Parsons-Dillingham
523 West Sixth Street, Suite 400
Los Angeles, CA 90014

**SUBJECT: CONTRACT NO. 3369
STOP WORK NOTICE
ADVANCE WORK AUTHORIZATION NO.'S 295 - 302**

c: R. Barton (PD), H. Fuks (818/06/02), S. Lotterman (818/05/03),
K. Meiers (818/05/03), C. Stark (818/06/02), Chron, Contract

Dear Mr. Morschauser:

Based upon the action taken today by the MTA Construction Committee you are hereby directed to stop all work on Advance Work Authorization No.'s 295 - 302 by the close of business today.

Should the MTA Board vote to approve the continuance of services you will be notified in writing to proceed with the work identified in the aforementioned AWA's.

Should you have any questions or concerns, please do not hesitate to contact Mr. Kurt A. Meiers at (213) 244-6981.

Sincerely,

STANLEY G. PHERNAMBUCQ
Executive Officer
Construction