

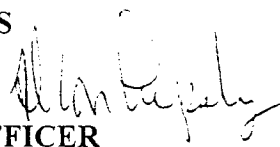


February 17, 1999

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

TO: BOARD OF DIRECTORS

FROM: ALLAN G. LIPSKY 
CHIEF OPERATING OFFICER

**SUBJECT: EXPEDITED CONTRACTING PROCEDURES TO MEET
ROD DATES ON RED LINE SEGMENTS 2B AND 3**

With the critical path to ROD now measured in days for Segment 2B and weeks for Segment 3 - North Hollywood, our normal procurement/contracting process will have to be selectively expedited in certain cases. Board policy has required staff to present change orders and contract modifications only after all of the terms are fully negotiated and approved by Estimating and Management Audit Services. Where Segment 2B or Segment 3 ROD is at risk, staff is now proposing to ask for approval of contract changes while the Estimating and Audit sign-off is in process. We understand that similar expedited Board approval procedures were previously followed as completion of Segments 1 and 2A approached.

In order to ensure continued adequate control of contract change orders and modifications by senior management and the Board, the following steps will be taken:

1. Before any change order or modification is executed, all approvals from Estimating and Audit will be obtained.
2. If the contractor will not agree to the price and/or terms approved by Estimating and Audit, a unilateral change order will be issued.

The final terms of any contract action will be reported to the Board. The following February Construction Committee agenda items are following this expedited process:

<u>Item No.</u>	<u>Description</u>
21	Change Order; Steiny & Co.
22	Change Order; Steiny & Co.
23	WACN; Tutor-Saliba-Perini