



Metropolitan
Transportation
Authority

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Los Angeles, CA
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July 1, 2003

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE *Roger Snoble*
CHIEF EXECUTIVE OFFICER

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

**SUBJECT: BOARD REQUESTED MONTHLY UPDATE ON
CONTRACT MODIFICATIONS FOR SAN FERNANDO
VALLEY METRO RAPIDWAY CONTRACTS FOR
PERIOD ENDING MAY 2003**

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 May 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 reporting and 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.

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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.

STATUS

As of the May 2003 period end, Contract No. C0675 has initiated four changes and exercised Option E.6 - Fiber Optic Ducts within the City of Burbank. Contract No. C0676 has initiated four changes. Change Notice 1.00 for the "DWP Recycled Water Line" has been segregated from the contract contingency draw down. This DWP change item will be wholly reimbursed by the Los Angeles Department of Water and Power.

NEXT STEPS

Provide the MTA Board of Directors with the San Fernando Valley Metro Rapidway and Bikeway Contract Modification Report for the period ending June 30, 2003.

MTA staff will be reviewing a potential contract modification under Contract No. C0675 that has not been quantified, but may be required for the Project. This change will be greater than \$1 million dollars for the LADWP Recycled Water Pipeline, which will be 100% reimbursed by LADWP and tracked separately under Project No. 800116. Change orders categorized under Project No. 800116 will not draw down contract contingency.

ATTACHMENTS

- A. Design-Build Contract Modification Reporting & Approval Authority Matrix
- B. Contract No. C0675 Design-Build and Contract No. C0676 Los Angeles River Bridge Contract Modification Report

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

Contract Modification \$ Amount	Approval Authority	Comment
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 agendaize 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.

Current Contract Authorization for Modifications: \$15,630,454

Less Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
1.00	EXPANDED SPACE FOR PROJECT INTEGRATED OFFICE	Less Than One Million
3.00	DELETE WORK ASSOCIATED WITH PARKING LOT AT TYRONE AND BESSEMER AVENUES	Less Than One Million
4.00	DELAY ACCESS TO ROW & ASSOCIATED PROPERTIES EAST OF TUJUNGA AVE.	Less Than One Million
5.00	DELETE AERIAL PHOTOGRAPHY & WORK ASSOCIATED WITH SECTION 1380-DB-2.3	Less Than One Million
Total Pending Rough Order of Magnitude Cost:		\$83,000

Projected Remaining Authorization for Modifications after Disposition of Pending Changes: \$15,547,454

**ATTACHMENT B
SAN FERNANDO VALLEY METRO RAPIDWAY
CONTRACT MODIFICATION STATUS**

CONTRACT C0676, LOS ANGELES RIVER BRIDGE - BRUTOCO ENGINEERING AND CONSTRUCTION, INC.

Current Contract Authorization for Modifications: \$383,658

Less Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
2.00	FOUNDATION PLAN REVISION	Less Than One Million
4.00	ANTI-GRAFFITI REVISIONS	Less Than One Million
5.00	ADDITIONAL REMOVAL OF EXISTING CHANNEL LINING	Less Than One Million
Total Pending Rough Order of Magnitude Cost:		<u>\$42,000</u>

Projected Remaining Authorization for Modifications after Disposition of Pending Changes: \$341,658