



Metro

Metropolitan Transportation Authority

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June 1, 2004

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: RICHARD THORPE
CHIEF CAPITAL MANAGEMENT OFFICER

SUBJECT: BOARD ADVISORY FOR CEO TO INCREASE CH2MHILL
CONSTRUCTORS, INC.'S (CCI) TOTAL EN069 CONTRACT NOT TO
EXCEED VALUE BY \$1,800,000

ISSUE

At the February 2004 meeting, the Chief Executive Officer (CEO) was delegated authority to increase the EN069 contract value by \$1,800,000 for unknown environmental waste handling services that may impact the Metro Orange Line. This is to advise the Board that it is necessary for the CEO to exercise the delegated authority.

BACKGROUND

In December 2000, the MTA Board awarded a five-year contract, with three one-year options, to CH2M Hill Constructors, Inc. (CCI) under Contract No. EN069 for Environmental Waste Handling Services. In February 2004, the MTA Board authorized \$2,480,000 for known or suspected hazardous and contaminated waste handling services through FY04; and an additional Not-to-Exceed amount of \$1,800,000 of delegated authority to the CEO for unknown environmental waste handling services that may impact the Metro Orange Line Project. The last Board action authorized increases to the previous total Not-to-Exceed Contract Value from \$7,850,000 to \$12,130,000.

At present, the Orange Line Project (800112), Contract No. C0675 Design/Build contractor is proceeding with critical grading activities on an accelerated basis which has resulted in additional amounts of surplus contaminated soil requiring testing, removal and disposal. Based on current expenditure rates and estimates of additional excess contaminated soils that need to be exported as part of the Orange Line Project, it is necessary to exercise the CEO's delegated authority at this time. Any delay in an MTA response will significantly

increase MTA's potential liability for Contractor monetary claims of delay to schedule completion milestones plus MTA agency and consultant costs that could run to as much as \$30,000 per day of delay.

NEXT STEPS

Through this Board notification, the CEO will then authorize an increase to the EN069 contract value in the amount not to exceed \$1,800,000. Environmental Compliance and Services Department (ECSD) staff will closely monitor the CCI's budget and schedule using existing project management controls. Funds will be obligated when Task Orders are issued within the new contract value.

Staff will also estimate the total quantity of excess contaminated soils for the entire Orange Line Project. Staff will request an increase in the EN069 contract's not to exceed value for environmental waste handling services for Fiscal Year 2005 based on new estimated quantities of excess soil from the Metro Orange Line Project at the June 2004 Board meeting.

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