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*Carried Over*

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OCTOBER 23, 1996



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Los Angeles County  
Metropolitan  
Transportation  
Authority

TO: BOARD OF DIRECTORS  
FROM: JOSEPH E. DREW, CHIEF EXECUTIVE OFFICER  
SUBJECT: APPROVE AMENDMENT FOR GENERAL ENGINEERING  
CONSULTANT CONTRACT FOR METRO RAIL  
PROJECTS

One Gateway Plaza  
Los Angeles, CA  
90012  
213.922.6000

**RECOMMENDATION**

Approve Amendment No. 1 to Contract No. E0070 with the Engineering Management Consultant (EMC) for program wide system activities, project preliminary design, final design, design services during construction and support during system start up.

Within Construction Committee Approval:  Yes  No

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

**ORGANIZATIONAL IMPACT**

Approval of Amendment No. 1 implements Arthur Andersen's recommendations and the Board's request for design services to be provided in smaller increments, for firm fixed price Contract Work Orders (CWO) and for more definitive cost plus fixed fee Contract Work Orders.

**BUDGET IMPACT**

There is no budget impact at this time. Staff will return to the Board in January with any required AFE increase and CWO implementation.

Potential for Cost Recovery:  Yes  No

**ALTERNATIVES CONSIDERED:**

The Board has the option to:

- a) disapprove these actions. General Engineering Consultant services will continue under the terms of the existing contract without providing increased accountability and liability for engineering services;
- b) instruct Staff to prepare a Request for Information and Qualification (RFIQ). Issue a revised contract as a RFIQ.

## EMC CONTRACT REVISION MATRIX

<u>Recommendation</u>	<u>Contract Language</u>	<u>Source of Recommendation</u>	<u>Status</u>
The contract does not provide for clear accountability for design work performed by the Contractor and the Contractor's Subcontractors.	Part B, <u>GENERAL CONDITIONS, PERFORMANCE OF SERVICES</u> , states "The Contractor shall be fully responsible to the AUTHORITY for all acts and omissions of its own personnel, and of Subcontractors, Suppliers and their employees."	The Board	In Contract
That the system of Advanced Work Authorizations be replaced by procedures that are provided for in, or added to, the professional services contracts.	Part B, <u>GENERAL CONDITIONS, CHANGES</u> , implements AB 1869 and sets forth change procedures in the contract.	IG	In Contract
We recommend that the MTA investigate opportunities to adjust the current cost-plus fee structure with more fixed component elements.	Part D, <u>COMPENSATION AND PAYMENT</u> , provides for fixed fee Contract Work Orders performed under Firm Fixed Fee agreements.	Arthur Andersen	In Contract
Contract Work Orders shall be for no more than 18 - 24 months in duration.	Part C, <u>SPECIAL PROVISION, ORDERING</u> , establishes a duration limit for Contract Work Orders.	Arthur Andersen	In Contract
Work orders will be specifically detailed so that all subsequent tasks performed during the period can be identified as included or excluded from the scope of the Contract Work Order.	Part A, <u>SCOPE OF SERVICES</u> , provides for detailed Project Implementation Plans for each segment of a Project. The details of the Project Implementation Plan will be used to establish the Contract Work Order under the contract.	Arthur Andersen	In Contract
Each Contract Work Order must be closed out within three (3) months of completion.	Part D, <u>COMPENSATION AND PAYMENT</u> , provides Contract Work Orders close-out within 90 days of final acceptance.	Arthur Andersen	In Contract
We recommend that the fee portion, which is added to the costs incurred by the EMC during preliminary engineering and design services during construction, be based upon a fixed-fee percentage negotiated between the parties of between 5% and 8%.	Part D, <u>COMPENSATION AND PAYMENT</u> , provides for cost reimbursement and fixed-fee payments for Contract Work Orders performed under a Cost Plus Fixed Fee agreement.	Arthur Andersen	Under Negotiation