



CONSTRUCTION COMMITTEE
FEBRUARY 20, 2002

Metropolitan
Transportation
Authority

**SUBJECT: METRO RED LINE, SEGMENT 3 NORTH HOLLYWOOD
UNIVERSAL CITY STATION PEDESTRIAN TUNNEL
UPDATE**

One Gateway Plaza
Los Angeles, CA
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ACTION: RECEIVE AND FILE

Phone: 213.922.6000

RECOMMENDATION

Receive and file the following report on the status of the real estate Right of Entry Agreement with Universal Studios and the bidding of construction Contract No. C0322 for the Universal City Station Pedestrian Tunnel.

ISSUE

At the January 24, 2002 Board Meeting, staff was requested to report on the status of ongoing negotiations with Universal Studios, Inc. for a Right of Entry Agreement and the subsequent impact on the procurement schedule for construction Contract No. C0322 for construction of the Universal City Station Pedestrian Tunnel.

The Right of Entry Agreement was executed on January 31, 2002, and the procurement process for construction Contract No. C0322 has resumed.

BACKGROUND

The Pedestrian Tunnel is part of MTA's obligation under the 1994 Memorandum Of Understanding (MOU) between MTA and MCA (now Universal Studios, Inc.), which required that MTA design and construct a subterranean pedestrian tunnel under Lankershim Boulevard, from the Universal City Metro Rail station to the east of Lankershim Boulevard, with two entrance portals on Universal Studios, Inc. property. A design was prepared for a two-portal entrance and on October 19, 1999, two bids were received from Brutoco Engineering & Construction, Inc. and G. B. Cooke, Inc. that were substantially higher than the Engineer's Estimate. On January 5, 2000, MTA's CEO approved the rejection of both bids and the re-solicitation of construction Contract No. C0322 at a later date. Subsequent meetings were held with Universal Studios, Inc. and the City of Los Angeles Department of Transportation (LADOT), to consider possible cost reduction measures.

In May 2001, the MTA Board approved in closed session an amendment to the 1994 MOU, which revised the design of the pedestrian underpass, by deleting one of the entrance portals on Universal Studios, Inc.'s property, widening the pedestrian tunnel under Lankershim Boulevard, providing an additional escalator and stairs in the remaining entrance portal, and constructing a right turn lane on westbound Universal Terrace Parkway at Lankershim Boulevard within Universal Studios, Inc.'s property. Universal Studios, Inc. and LADOT agreed to these revisions, and the Engineering Management Consultant (EMC) completed a revised design in the fall of 2001. Finally, in lieu of paying cash for the real estate rights, which MTA needed to acquire from Universal, Universal has exclusive advertising rights in the pedestrian tunnel for the first five years after the tunnel is opened.

Concurrent with the redesign of the pedestrian tunnel, negotiations were being conducted with Universal Studios, Inc. for the exact terms of a Right of Entry Agreement governing the construction restrictions applicable to the temporary construction easements needed for MTA to construct the revised project on Universal Studios, Inc.'s properties.

On October 19, 2001, construction Contract No. C0322 was advertised for bids with a bid due date of November 26, 2001. At the time the contract was advertised, it was anticipated that the Right of Entry Agreement would be executed within a short period, and that Universal Studios, Inc. would allow MTA consultants on site to complete remaining preconstruction activities, such as drilling borings for environmental sampling of soil and water and a dewatering pump test. In spite of intense efforts to negotiate a satisfactory Right of Entry Agreement, a satisfactory agreement could not be finalized in 2001. Consequently, the November 26, 2001 bid due date was suspended pending resolution of Right of Entry issues.

Subsequent to the January 24, 2002 Board meeting, staff was able to finalize negotiations for the final Right of Entry agreement which was executed by both parties on January 31, 2002. On February 1, 2002, MTA issued Addendum No. 2 to the construction Contract No. C0322 bid documents, to incorporate various changes to drawings and specifications and to include for reference the executed Right of Entry Agreement that imposes work restrictions on both MTA and its construction contractor. Addendum No. 2 also revised the bid due date to March 22, 2002.

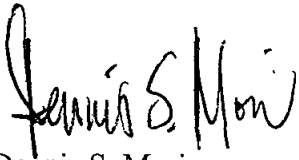
NEXT STEPS

Subsequent to execution of the Right of Entry Agreement, staff coordinated the details of granting an MTA environmental consultant access to the Universal Studios, Inc. property on the southeast corner of Lankershim Boulevard and Universal Terrace Parkway. Work activities proposed for the site included drilling of soil borings for soil and water quality sampling and the performance of a dewatering pump test. An initial boring was drilled on February 3, 2002. As a result of the information obtained from this boring on the depth of bedrock, the location of two additional borings was established. These borings were drilled on February 9, 2002, and controlled dewatering pumping tests will be concluded in late February. A report containing the results of the soil and water testing and the pump test results will be prepared and issued to

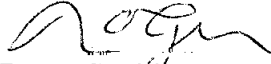
bidders via Addendum No. 3 by early March. This information should allow bidders to more accurately price their soil disposal, water treatment, and dewatering costs, and lessen their bid contingencies which should result in lower bid prices.

Based on receiving bids on March 22, 2002, staff projects a June 4, 2002 construction Notice-To-Proceed and contract substantial completion by February 29, 2004. If the bids are opened and the bid amounts are beyond the Segment 3 North Hollywood Project budget, staff will advise the Board of the alternatives for additional funding requirements prior to the award of the construction Contract No. C0322.

Prepared by: Roger F. Dames, Deputy Project Manager - Construction



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Interim Executive Officer, Construction



Roger Snoble
Chief Executive Officer