



CONSTRUCTION COMMITTEE  
FEBRUARY 20, 2002

**PROJECT:** METRO RED LINE, SEGMENT 3, NORTH HOLLYWOOD EXTENSION

**CONTRACT:** C0326, UNIVERSAL CITY STATION FREEWAY OVERCROSSING AND SITE RESTORATION BRUTOCO ENGINEERING AND CONSTRUCTION

**ACTION:** CONTRACT MODIFICATION IN THE AMOUNT OF \$1,065,120 AND APPROVE AN INCREASE IN AUTHORIZATION FOR EXPENDITURE IN THE AMOUNT OF \$2,765,000

Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**RECOMMENDATION**

- A. Authorize the Chief Executive Officer to execute Change Order No. 73 to Contract No. C0326, Universal City Station Freeway Overcrossing and Site Restoration, with Brutoco Engineering and Construction, Inc. (BEC), to pay for extended overhead costs for compensable delays in the contract completion date between December 1999 and February 2001, in the amount of \$1,065,120, increasing the Total Contract Value from \$33,690,696 to \$34,755,816; and
- B. Approve an increase in the Authorization for Expenditure (AFE) to Contract No. C0326 to provide funding for Change Order No. 73 and for 26 other changes issued or executed within the Board-delegated authority in the amount of \$2,765,000, increasing the total current Contract No. C0326 AFE amount from \$33,861,816 to \$36,626,816.

Within Construction Committee authority:  Yes  No  N/A

**BACKGROUND**

Completion of Contract No. C0326 has been delayed by the following factors:

- **Fabrication of bridge structural steel as a "fracture critical member."** This was not expressly required by the C0326 Contract drawings, but was raised as a concern by BEC's steel subcontractor, based upon its familiarity with CalTrans bridge requirements. A decision on this issue delayed subcontractor acquisition of this long-lead item. In order to avoid further delays, the MTA directed BEC

- by contract modification to have the steel fabricated and tested to “fracture critical” specifications. Subsequent criteria review and analyses, and confirmation by CalTrans, determined that the steel need not be fracture critical; however, it had been procured, fabricated and tested to meet that standard. There was an overall schedule impact in resolving this issue and complying with the contract modification.
- **Ambiguities in the structural steel welding submittal requirements and Caltrans submittal and review requirements.** The Contract was not clear as to whether BEC’s structural steel subcontractor was required to submit a quality control plan prior to steel fabrication. In accordance with CalTrans quality assurance requirements, and in order to avoid concerns about weld quality, the MTA required advance submittal of a quality control plan. BEC’s compliance with this requirement delayed fabrication of the structural steel.
- **Delays to construction of concrete support structures.** These were caused by productivity impacts of pile welding requirements and testing; resolution of design inconsistencies in contract drawings; resolution of specification ambiguities; differing site conditions; and additional requirements imposed by the City of Los Angeles and CalTrans.

Staff determined that the above delays are compensable, and that the Contractor is entitled to a change under the terms and conditions of the Contract.

**FINANCIAL IMPACT**

Original Contract Award	\$27,891,956
Current Cumulative Contract Value	\$33,690,696
This Action	\$ 1,065,120
New Cumulative Contract Value	\$34,755,816

The funds for this action are available within the Board approved Metro Red Line, Segment 3, North Hollywood Extension budget of \$1,313,848,000. This recommended action will increase the current Contract No. C0326 Total Contract Value by \$1,065,120, and is included as part of the current Segment 3 budget forecast. The current status of the contract, including the impact of this recommended action, is shown in Attachment 1. This recommended action does not impact the Fiscal Year Budget or the Sources of Funds, either in the fiscal year, or over the life of the project.

Potential for Cost Recovery:       Yes       No      N/A

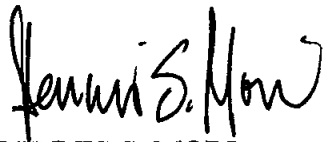
**ALTERNATIVES CONSIDERED**

The MTA Board may reject this action; however this will prevent compensation of the Contractor for additional costs merited by staff. The Contractor may pursue other remedies, up to and including litigation.

## ATTACHMENTS

- A. Procurement Summary
- B. Table of Changes within Board-Delegated Authority
  - 1. Contract Value Status Summary

Prepared by: Robert P. Sechler, Senior Contract Administrator  
Olga Cervantes, Contract Administration Manager



DENNIS S. MORI  
Interim Executive Officer, Construction



ROGER SNOBLE  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**Contract No. C0326 for Universal City Station  
Freeway Overcrossing and Site Restoration**

1.	Contract Number: <b>C0326</b>		
2.	Recommended Vendors: <b>N/A</b>		
3.	Cost/Price Analysis Information: <b>See Attachment A-1</b>		
	Bid/Proposed Price: <b>See Attachment A-1</b>	Recommended Price: <b>See Attachment A-1</b>	
	B. Details of Significant Variances are in <b>Attachment A-1</b>		
4.	Contract Type: <b>IFB, Fixed Price</b>		
5.	Procurement Dates:		
	A. Issued: <b>N/A</b>		
	B. Advertised: <b>N/A</b>		
	C. Pre-proposal Conference: <b>N/A</b>		
	D. Proposals Due: <b>N/A</b>		
	E. Pre-Qualification Completed: <b>N/A</b>		
	F. Conflict of Interest Form Submitted to Ethics: <b>N/A</b>		
6.	Small Business Participation: <b>See Attachment A2</b>		
	A. Bid Goal: <b>See Attachment A2</b>	Date Small Business Evaluation Completed: <b>See Attachment A2</b>	
	A. Small Business Commitment: <b>See Attachment A2</b>		
4.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: <b>N/A</b>	Bids/Proposals Picked up: <b>N/A</b>	Bids/Proposals Received: <b>N/A</b>
5.	Evaluation Information:		
	A. Bidders/Proposers Names: <b>N/A</b>	Bid/Proposal Amount: <b>N/A</b>	Best and Final Offer Amount: <b>N/A</b>
	B. Evaluation Methodology: <b>N/A</b>		
6.	Protest Information:		
	A. Protest Period End Date: <b>N/A</b>		
	B. Protest Receipt Date: <b>N/A</b>		
	C. Disposition of Protest Date: <b>N/A</b>		
7.	Contract Administrator: <b>Barbara Gatewood</b>	Telephone Number: <b>922-7317</b>	
8.	Project Manager: <b>Roger Dames</b>	Telephone Number: <b>922-7280</b>	

**BOARD REPORT ATTACHMENT A-1  
PROCUREMENT HISTORY**

**Contract No. C0326 for Universal City Station  
Freeway Overcrossing and Site Restoration**

A. Background on Contractor

Contract No. C0326 is a fixed price federally funded procurement for the Universal City Freeway Overcrossing and Site Restoration. On October 18, 1999, Contract No. C0326 was awarded to Brutoco Engineering and Construction, Inc. (BEC), in the amount of \$27,891,956. The Notice-to-Proceed was issued on December 23, 1999 with a contract completion date of March 17, 2001. The current forecast completion date is in June 2002; however, MTA Construction Management is pursuing alternative construction methods to improve upon this schedule.

B. Procurement Background

On June 20, 2001, Brutoco Engineering and Construction submitted a formal certified proposal for extended overhead resulting from delays. Staff prepared an Independent Cost Estimate, technical analysis, and Time Impact Analyses. Fact Finding Sessions were held in November 2001. As a result of fact finding, Brutoco reduced its original claim for time extension and extended overhead. Staff prepared negotiating positions, based upon evaluation of reasonable, allocable and allowable costs incurred from the delay. Negotiations were held in December 2001, and agreement was reached on days of time extension and amount of extended overhead.

C. Evaluation of Proposals

The MTA Project Office, Office of Procurement, and County Counsel have reviewed the facts underlying this change and concur that it has been merited under the terms and conditions of the Contract and Public Utilities Code §130243. The Management Audit Services Department (MASD) has performed the required audit of the Change Order, and all issues have been resolved.

D. Cost/Price Analysis Explanation of Variances

The recommended amount has been determined to be fair and reasonable, based upon fact finding, clarifications, cost analysis, and pre-award audit performed by the Management Audit Services Department (MASD). The Proposal, Audit and Estimate used different assumptions for the various cost elements. Development of the Negotiated Amount and reconciliation of the Contractor's Proposal, MASD Audit, and MTA Estimate reflected actions ranging from decreasing the amount for disallowed markups, unsupported labor, material and equipment, reduction of overhead daily rates, and reduction of days of time extension, to increasing the amount for supported labor, material and equipment costs, recalculation of daily overhead rates using approved methodology, and contractor support of time extension. The Negotiated Amount is a \$830,835 (44 percent) decrease from the Contractor's Proposed Amount.

<b>PROPOSED AMOUNT</b>	<b>MTA ESTIMATE</b>	<b>NEGOTIATED AMOUNT</b>
<b>\$1,895,955</b>	<b>\$634,620</b>	<b>\$1,065,120</b>

**BOARD REPORT ATTACHMENT A-2  
SMALL BUSINESS PARTICIPATION  
AND LIST OF SUBCONTRACTORS**

**Contract No. C0326 for Universal City Station  
Freeway Overcrossing and Site Restoration**

Small Business Diversity (SBD) established a Disadvantaged Business Enterprise (DBE) participation goal of 18.59%. The contract was awarded October 18, 1999 and is approximately 84% complete. Current DBE attainment<sup>1</sup> based on the relevant contract amount<sup>2</sup> is 21.03%. Current DBE participation<sup>3</sup> based on the total actual amount paid-to-date to prime is 23.79%. The original DBE subcontractors have performed on the Contract as listed.

<b>Original Award Amount</b>	<b>\$ 27,891,956</b>
<b>Relevant Contract Amount<sup>2</sup></b>	<b>\$ 31,872,716</b>
<b>Total Actual Amount Paid to Date to Prime</b>	<b>\$ 24,647,192</b>

<b>Subcontractor</b>	<b>Commitment</b>	<b>Current Attainment<sup>1</sup></b>	<b>Current Participation<sup>3</sup></b>	<b>Current Status</b>
Calmex Engineering	3.07%	1.81%	2.05%	Performing
Bali Construction	4.00%	3.37%	3.81%	Performing
Ramirez Masonry, Inc.	0.67%	1.26%	1.42%	Exceeding
G & C Equipment	10.76%	14.37%	16.26%	Exceeding
D & N Concrete Pumping	0.09%	0.22%	0.25%	Exceeding
<b>TOTAL</b>	<b>18.59%</b>	<b>21.03%</b>	<b>23.79%</b>	<b>Exceeding the Goal</b>

<sup>1</sup>Current Attainment = Total Actual Amount Paid-to-Date to Subs ÷ Total Relevant Contract Amount

<sup>2</sup>Relevant Contract Amount = Original Contract Value + Contract Cost Modifications affecting DBE or SBE Scope of Work

<sup>3</sup>Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime



**BOARD REPORT ATTACHMENT B  
TABLE OF CHANGES EXECUTED  
WITHIN BOARD-DELEGATED AUTHORITY**

**Contract No. C0326 for Universal City Station  
Freeway Overcrossing and Site Restoration**

<b>CO No.</b>	<b>Description</b>	<b>Amount</b>
1.00	CN 8.00/01 Upgrade Structural Steel Girders	
15.00	CN 4.01 Electrical Tie-in From C0321 Station	
44.00	CN 31 Revise Lankershim Median and Curblines Drawings	
51.00	CN 43 Revise Work at Lankershim and Bluffside	
54.00	CN 128 Revised Select Backfill Limits at MSE Walls 1,2,7,8 & 9	
55.00	Cn 7.00/01 Revisions to Retaining Wall at Campo de Cahuenga	
56.00	CN 15.00 Caltrans Conditions of Permit	
57.00	CN 49 Provide Resources to Stabilize Soil	
58.00	CN 60 Power Service Relocations at County Park-and-Ride	
59.00	CN 81 Raising Station Appendages to Grade	
60.00	CN 90 Additional K-Rail	
61.00	CN 104.01 Increase Height of Bluffside Wall	
62.00	CN 123.01 DWP Water Line Protection Structure	
63.00	CN 132.00 Removal of Concrete Slab in Pavement Struct. Section	
64.00	CN 14 Bus Plaza Alignment Grading and Drainage Revisions	
65.00	CN 21 Delete Vineland Avenue Median	
66.00	CN 116 Drainage Modifications	
67.00	CN106 Additional Reinforcing Work	
68.00	CN 33 Revised Street Lighting Drawings	
69.00	CN 23.01 Revised Wall Along Bluffside Drive	
70.00	CN 42 Bid Item Quantity Adjustment – Concrete Manholes	
71.00	CN 44 Further Revisions to Interim Traffic Signaling	
72.00	CN 83 Trim Grass/Weeds at Park-and-Ride Lot	
	WACN 101 Electrical Modifications on CalTrans ROW	
	WACN 102 Increase Bid Quantity for Item 2528 Conc. Sidewalk	
	WACN 119 Revisions for MSE Retaining Walls on City ROW	
<b>TOTAL</b>		<b>\$1,729,965</b>

# ATTACHMENT 1 CONTRACT VALUE STATUS SUMMARY

R82 METRO RED LINE - SEGMENT 3 - NH  
CHANGE ORDER C0326-C0-73.00

Only shows cost allocated to R82

**CONTRACTOR:** BRUTO CO ENGINEERING AND CONSTRUCTION, INC. / UNIV CITY STA FWY OVERCROSSING & SITE RESTORA  
**ACTION DESCRIPTION:** REVISE MILESTONE 1 DATE

## CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1.	CUMULATIVE AWARD AMOUNT:[1]	\$27,891,956.00	<i>(Includes \$0.00 in Planned Scope Amendments)</i>
2.	PREVIOUSLY EXECUTED CHANGES:	\$3,340,880.36	
3.	CURRENT VALUE: (1+2)	\$31,232,836.36	
4.	AUTHORIZED WACN/LNTP'S (NTE):	\$1,392,740.00	
5.	OBLIGATED VALUE: (3+4)	\$32,625,576.36	
6.	VALUE OF THIS ACTION:	\$1,065,120.00	
7.	NEW VALUE (IF APPROVED): (5+6)	\$33,690,696.36	

Contract Work Order Value Status Reviewed by MTA Procurement:



## CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

### AFE INCREASE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$33,861,816.00	
9.	NEW VALUE: (Line 7)	\$33,690,696.36	
10.	REMAINING AFE: (8-9)	\$171,119.64	\$0.00 For this action
11.	OTHER PENDING CHANGES (merited)	\$1,462,537.74	
12.	REMAINING AFE VALUE (w/Changes: 10-11)	(\$1,291,418.10)	\$1,291,418.10 For all merited changes (projected cost)
13.	ALLOWANCE FOR OTHER POTENTIAL CHANGES:	\$1,473,581.90	
14.	REMAINING AFE VALUE (w/Allowance: 12-13)	(\$2,765,000.00)	\$2,765,000.00 For all merited and undefined changes

## CUMULATIVE BUDGET STATUS

### BUDGET VARIANCE (Initial to Current)

15.	INITIAL BUDGET: (PBCR # 0 ,7/30/93) [2]	\$25,594,000.00	
16.	CURRENT BUDGET:	\$30,891,057.00	\$5,297,057.00 Initial to Current Budget
17.	NEW VALUE (IF APPROVED): (Line 7)	\$33,690,696.36	
18.	REMAINING BUDGET: (16-17)	(\$2,799,639.36)	
19.	OTHER PENDING CHANGES (merited) (Line 11)	\$1,462,537.74	
20.	REMAINING BUDGET w/Changes (18-19)	(\$4,262,177.10)	

Contract Budget Status Reviewed by MTA Program Control:

DATE:

[1] - Award Amount includes initial award and Planned Scope Amendments

[2] - PBCR = Project Budget Change Request