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MINUTES/PROCEEDINGS

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

REGULAR BOARD MEETING BOARD OF DIRECTORS

MTA Headquarters
3rd Floor - Board Room
One Gateway Plaza, Los Angeles

Wednesday, June 26, 1996

Closed Session called to order at 11:17 a.m. Open Session called to Order at 1:38 p.m.

Directors/Alternates Present:

Larry Zarian/Jan Heidt
Richard Riordan
Yvonne Brathwaite Burke/Michael Bohlke
Richard Alatorre/Nate Holden
Michael Antonovich/Nick Patsaouras
James Cragin/Joseph Dawidziak
Deane Dana/Robert Arthur
John Fasana/Beatrice La Pisto-Kirtley
Richard Alarcon
Mel Wilson/Jackie Goldberg
Zev Yaroslavsky/Robert Abernethy

Chief Executive Officer - Joseph E. Drew
Board Secretary - Helen M. Bolen
Inspector General - Arthur Sinai
General Counsel - County Counsel

1. CLOSED SESSION

A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9 (a)

1. LACMTA v. Sumitomo Corp. of America, et al CASE NO. BC 136375

NO REPORT

2. Rescue Our Canyons, et al. V. LACMTA, et al., USDC Case No. CV 96-2078-JGD (RMCx)

APPROVED SETTLEMENT OFFER

3. Labor Community Strategy Center v. LACMTA USDC 94-5936 TJH

NO REPORT

4. Schumaker v. MTA BC126729 Hollywood Blvd. Litigation

NO REPORT

B. Conference with Real Property Negotiator concerning Price and or Terms of Payment - G.C. 54956.8

1. Metro Rail Project, Segment 3 East Side Extension (Red Line)
Boris & Polina Olshansky & S. Danielian Co., Inc.
Parcel No. ED-124
1750 E. First Street, Los Angeles, CA

APPROVED JUST COMPENSATION IN THE AMOUNT OF \$730,000 WITH THE CONDITION THERE ARE NO CLAIMS FROM THE FORMER OWNERS.

2. Metro Rail Project, Segment 3
East Side Extension (Red Line)
Royal Group
Parcel No. ED-125
101 South Boyle Avenue, Los Angeles, CA

APPROVED JUST COMPENSATION IN THE AMOUNT OF
\$163,000 WITH THE CONDITION THERE ARE NO CLAIMS
FROM THE FORMER OWNERS.

3. Metro Rail Project, Segment 3
East Side Extension (Red Line)
Mario De La Torre and Grace De La Torre
as Trustees of the De La Torre Family Trust
Parcel No. EE-272
234-236 N. Soto Street and 242 N. Soto Street
Los Angeles, CA

APPROVED JUST COMPENSATION IN THE AMOUNT OF
\$1,650,000

4. Metro Rail Project, Segment 3 East Side Extension
(Red Line) Yogash Kumar Patel
Parcel No. EE-273
2420 Cesar Chavez Avenue
Los Angeles, CA

APPROVED JUST COMPENSATION IN THE AMOUNT OF
\$950,000

5. Metro Rail Project, Segment 3
North Hollywood (Red Line)
City of Los Angeles Department of Recreation &
Parks
Parcel C3-756
Campo de Cahuenga Park
Los Angeles, CA

APPROVED PROPERTY EXCHANGE

6. Metro Green Line, Parcel AS-551
USA Investments, Inc.
6141 West Century Boulevard
Los Angeles, CA

APPROVED REAL ESTATE STIPULATED SETTLEMENT IN THE
AMOUNT OF \$19,500,000

C. Personnel Matters - G.C. 54957

1. Public Employee Performance Evaluation
 - a) Board Secretary

NO REPORT

D. Conference with Labor Negotiator - G.C. 54957.6

1. Oral Briefing: Labor Negotiators regarding PERS/
Social Security Issues with Unions

Agency Negotiator: Ronny Goldsmith

Unions: United Transportation Union
Amalgamated Transit Union
Transportation Communications Union
Teamsters
Transit Police Officer's Association

NO REPORT

2. FLAG SALUTE

3. PUBLIC COMMENT - Received from A. Miranda, J. Walsh, B. D'Amato, T. Roberts, P. Chiodo, E. Hennessy, H. Watts, D. Gabbard, E. Mann, M. Barnbaum, G. Salas, J. Whitebrook, B. Korar, J. Huddy, Mr. Snyderman, G. Comboianu, M. Lopez.

4. CHAIR'S REMARKS

A. Acknowledgment of awards presented to MTA

Chairman Zarian presented Director La Pisto-Kirtley with from the California Contract Cities for her service as President.

Chairman Zarian said the MTA has received the 1996 President's Award from Los Angeles Conservancy for Angels Flight Railway. Also, the Downtown Breakfast Club has honored the MTA with awards for the Gateway Transit Center and Angels Walk.

B. Margett Bill AB 2495: EXECUTIVE MANAGEMENT COMMITTEE
RECOMMENDATION: Adopt a position of support

This item was discussed under Director Special Items. Director Antonovich made a motion to SUPPORT AB 2495. This motion failed on a 6-3 vote with Directors Antonovich, Arthur, Alarcon, Fasana, Wilson and Zarian voting 'yes' and Directors Yaroslavsky, Dawidziak and Holden voting 'no.'

C. Top to Bottom Organization Assessment

Chairman Zarian reported that responses to the RFP for a consultant to do a top to bottom organizational review of the MTA were received. He will appoint 3-4 members of the Board to an Ad Hoc Committee to work with staff and consultant. The work will take one to two years.

5. CHIEF EXECUTIVE OFFICER'S REPORT

A. Upcoming Events & Issues

L. Bohlinger, Deputy CEO, reported that effective July 1 Metrolink staff would no longer be MTA staff although some services would be contracted from the MTA.

She reported on the Gateway to Giving campaign during the month of June and the \$2,000 contribution by the Pacific Transportation Golf Association.

Four diesel buses were converted to alternative fuel, three to methanol and one to CNG.

6. DIRECTOR SPECIAL ITEMS

A. **Antonovich** - APPROVED motion to recommend to the Alameda Corridor Transportation Authority Board (ACTA) the adoption of an Ex-Officio member to the ACTA Board, to eventually become a voting member, representing the cities of San Gabriel and Pomona Valleys.

B. **Antonovich** - RECEIVED AND DISCUSSED a report on the safety bonus program.

C. **Antonovich** - REFERRED to Finance, Budget & Efficiency Committee the matter of the City of Los Angeles \$200 million delinquent payment for the MTA Red Line.

Staff reported an agreement had been reached with the City that would allow resolution of the issue and provide funding for Segment 3.

Director Holden said the City of Los Angeles staff may have jumped the gun volunteering matching funds. Any agreement must be brought before the City Council for approval and this has not occurred.

- D. **Antonovich** - Discussed bus driver and passenger security. Director Antonovich suggested forming a labor strategy committee, to include the Chairman of the Board, to review some of the issues that relate to discipline and contract negotiations.
- E. **Antonovich** - Discussed punitive action against an MTA contractor who denies State or MTA safety inspectors access to a construction site.

Director Antonovich asked if any penalty could be imposed on a contractor who denied officials access to a construction site. Staff responded that the current contract did not include any provisions for financial penalties. Director Antonovich requested a provision be drafted for future contracts that would impose a fine on any contractor who refuse State, Federal or safety officials access to a construction site. D. Kelsey, County Counsel, said this would be brought back to the Board.

- F. **Dana/Arthur**

APPROVED continued support of the MTA position on SB 457 and, if LOSSAN Board amends their position after review of any amendments, support the LOSSAN Board amended position; and, if no action is taken on this bill this year, request an interim hearing. This motion was approved with nine (9) Directors present.

- G. **Riordan** - Review of a policy for bus-eligible revenue.

On motion of Director Wilson, seconded and unanimously approved with eight (8) Directors present, the following action was taken:

ADOPTED an amended policy that all bus eligible revenue beyond FY 96-97 budget assumptions be dedicated to bus system improvements and that all such funds be placed in a bus system improvement fund subject to programming by the MTA Board.

On motion of Director Fasana, seconded and unanimously approved, the following motion was adopted:

APPROVED request for a report to the Executive Management Committee on a proposed policy concerning the impact of budget shortfalls on the Red Line.

H. Director Wilson made a motion, which was seconded and unanimously approved, to accept from Parsons-Dillingham colleagues of Leonard J. Pieroni the gift of a tree for the Wilshire/Vermont Station to stand as a living memorial to his contribution to the design and construction of a world-class rail system for the citizens of Los Angeles County.

7. APPROVED:

A. Minutes of:

1. May CAC Meeting;
2. Regular MTA Board meeting held May 22, 1996
3. Special MTA Board meeting held May 30, 1996

B. Consent Calendar: All items considered and approved without amendment by Committees: 8-10, 12-17, 20, 22-23, 25, 29-36, 38-43, 47 with Directors Alatorre, Alarcon, Arthur, Antonovich, Bohlke, Cragin, Fasana, Wilson, Yaroslavsky and Zarian present.

REAL ESTATE & ASSET DEVELOPMENT COMMITTEE

8. APPROVED ON CONSENT a **lease agreement with the State of California, Department of Transportation (CALTRANS) for real property** located at 111 West 19th Street, Los Angeles, for a monthly rental amount of \$5,451 per month plus annual rental adjustments based on the Consumer Price Index for a five year period from January 1, 1995 through December 31, 1999, with an option to extend for a term of five years at the election of the MTA.

9. APPROVED ON CONSENT a Cooperation Agreement with the City of Los Angeles Community Redevelopment Agency (CRA) for **development planning and a developer selection process** for MTA property at the Hollywood/Highland Metro Red Line Station.

OPERATIONS COMMITTEE

10. APPROVED ON CONSENT:
 - A. Rejection of non-responsive bids submitted by Sedona Manufacturing, Inc., Riverside, and Hehr International, Los Angeles, covering the procurement of bus windows, for non-compliance with the MTA's DBE requirements; and,
 - B. award of a contract to Plastech Transparencies, Irwindale, the lowest responsive, responsible bidder covering the procurement of bus windows for a total bid price of \$4,513,000.
11. APPROVED AS AMENDED a sole source contract to Flender Corporation, Elgin, IL, covering **repair and procurement of gearboxes** for Metro Blue Line (MBL) light rail vehicles (LRV), for a total estimated cost not to exceed \$926,694.
12. APPROVED ON CONSENT **procurement of 250 Neoplan USA Corporation (Neoplan) CNG buses**, spare parts, force account, and special test equipment for a total purchase price of \$87,355,044 and a total project budget of \$90,238,841.

Seven (7) principal members present

13. APPROVED ON CONSENT a contract amendment with General Railway Signal (GRS), Rochester, NY, for unanticipated additional costs associated with the **relocation of Transit Radio System (TRS) equipment to the Union Station Gateway (USG) headquarters building** at a cost of \$250,000.

14. APPROVED ON CONSENT award of contracts to the lowest responsive, responsible bidders under Bid No. 12-9512, covering the procurement of **40,000 bus passenger seat inserts and cushions** for a total bid price of \$1,323,221 as follows:
 - A. Sardo Bus & Coach Co., Gardena, covering the procurement of new passenger bus seat inserts for the Flxible series 1800, 2500-2900, RTS series 8200, Neoplan series 330, TMC series 1200-1500, and 2000, for a total bid price of \$1,265,771; and,
 - B. American Seating, Grand Rapids, Michigan, covering the procurement of new bus seat insert cushions for the RTS series 8200 and Neoplan series 3300, for a total bid price of \$57,450.

15. APPROVED ON CONSENT award of a sole source contract to Penn Machine Company, Johnstown, PA, covering the procurement of **tire kits for Blue Line rail cars** for a two-year period for a total estimated cost of \$196,560.

16. APPROVED ON CONSENT a **Support Services, Prepaid Fare Reimbursement and Interagency Transfer Agreement with LADOT** for FY 1997; form of Agreement subject to approval of Counsel.

PLANNING AND PROGRAMMING COMMITTEE

17. APPROVED ON CONSENT:

- A. the **Fiscal Year FY 1997-2000 Countywide Short Range Transit Plan (SRTP)**;
- B. the bus operator certifications and findings as mandated by State and Federal law;
- C. the FY 1997 bus transit fund estimates and allocations; and,
- D. attaching the FY 1997-2000 Countywide SRTP as an amendment to the FY 1997-2003 RTIP.

18. Director Antonovich made a motion to approve item 18, amended to include the Technical Advisory Committee findings. This motion was approved with seven (7) Directors present.

APPROVED:

- A. funding for the **Support for Homeless Re-Entry (SHORE) Program** on a month to month basis;
- B. a total of \$517,000 from Proposition C Interest funds to be programmed in the fiscal year 1996-1997 MTA Budget to provide SHORE funding for fiscal year 1996-97; and
- C. continue funding for the Los Angeles County Token Program for the Indigent General Relief Token Program on a month to month basis until a comprehensive policy for funding social service transportation programs is adopted.

19. Alternate Rail Technology (ART)

- A. DEFERRED Alternate Rail Technology (ART) vehicle specification development until after adoption of the Long Range Plan;
- B. DEFERRED completion of ART technical and financial feasibility studies in the Harbor Subdivision, Santa Clarita and Route 10/60 Corridors, and a financial feasibility and update of station and yard locations study for the North San Gabriel Valley Corridor, deferring local commitment of one-third of study costs requirement (a maximum \$280,000 MTA share), including Director Fasana's request to look at a refund to the cities of Burbank and Glendale;
- C. APPROVED receipt of all funding scenarios for the full ART implementation, with no commitment to a specific corridor or technology and consideration of ART implementation in an appropriate corridor in the Long Range Plan Update;
- D. DEFERRED completion of an Operational Refinement Study to consider Union Station capacity improvements to allow for operation of ART at a cost not-to-exceed \$100,000; and,
- E. DEFERRED potential emergency ART applications analysis;

Director Fasana made a motion to approve items B and C only, which motion was seconded and discussion ensued.

Director Burke asked about a report back on other technology currently being used. She asked about using this technology on other corridors that may be further along. Director Burke expressed concern about taking these funds for a project that is not in the LRP but is in the second decade. She recommended deferring commitment to a specific corridor and approving funds for D and E. Director Yaroslavsky made a motion to defer the item, except C until after the LRP, which motion was not seconded.

Director Burke asked if this was a demonstration project and was told that the technology is a demonstration but not the project.

Upon question, staff stated funds would be from Proposition C 10% commuter rail. Director Yaroslavsky suggested the motion include a provision that there is no commitment to any specific corridor or technology.

Public comment received from E. Givens, V. Gill, N. Kvarda, P. Moser and B. Lundgren.

Director Burke made a motion to approve C, as amended, to make no commitment to any corridor or technology and, defer the balance of the issues until after adoption of the Long Range Plan. This motion was seconded by Director Yaroslavsky and approved with Directors Alarcon, Dawidziak, Yaroslavsky, Burke, Holden, Zarian, Wilson, Fasana, Antonovich and Arthur present.

Public appearance from E. Givens, V. Gill, N. Kvarda, P. Moser.

20. APPROVED ON CONSENT: RECEIVED AND FILED Citizens' Advisory Council report containing a recommendation to initiate steps to **reduce the current cost projections for the proposed infrastructure improvements and operating plans** of the Los Angeles, Glendale, Burbank demonstration ART line.

21. APPROVED MTA funding for the **School Bicycle Safety and Transit Education Programs** for FY 1996-97 in the amount of \$400,000.

The Planning & Programming Committee did not support staff recommendation.

Director Alarcon made a motion, which was seconded, to approve staff recommendation.

Public comment from T. Bower, LAUSD, and P. Hines, Safe Moves in favor of the motion.

Director La Pisto-Kirtley spoke in favor of the motion and the positive results of the program.

24. APPROVED freezing the Pasadena Blue Line (PBL) scope of work with a report back in 60 days on resolution of outstanding community issues and adoption of the final budget by September, 1996.

Appearance of Councilman M. Hernandez, E. Buelna from Congressman X. Becerra's office, B. Mabie from Senator R. Polanco's office, Councilman P. Little, Councilman W. Emory, N. Possert, in favor of the Pasadena Blue Line. Against were J. Barker, R. Begley, R. Burgles and R. Garcia. Also in support were J. Muntz, D. Ching, and R. Zelada.

EXECUTIVE MANAGEMENT COMMITTEE

25. APPROVED ON CONSENT a contract amendment with William A. Mercer Inc., Los Angeles, covering an increase in the scope of work for **actuarial services related to the MTA's proposed change in retirement plans** for an additional amount not-to-exceed \$300,000.
26. APPROVED award of five separate unit rate contracts to Boyle Heights Industrial Medical Clinic, Downtown/East Los Angeles; Facey Occupational Medicine Center, Northridge; Health First Medical Group, Downey, Irwindale Industrial Clinic, Irwindale; and Long Beach Medical Clinic, Long Beach covering **FTA drug and alcohol screens, medical examinations and physicals for MTA employees and job candidates**, for a five year period, with a cumulative total for the first year not-to-exceed \$480,000 and a five year total not-to-exceed \$2,931,200.

Counsel commented on the resolution of protests filed.

Public comment from Dr. Taherpou, H. Mizban and B. Cooper.

27. APPROVED the following position on state legislation:
- A. SB 1505 (Kopp)- OPPOSE UNLESS AMENDED TO HOLD MTA HARMLESS.

CONSTRUCTION COMMITTEE

28. **Withdrawn by Staff** Contract Work Order (CWO) No. 5 to Contract No. MC022 with Kabler Construction for **construction management services for Maintenance of Way (MOW)** facility on the Metro Red Line.
29. APPROVED ON CONSENT:
- A. Contract Work Order (CWO) No. 6 to Contract No. MC021 with Anil Verma and Associates for **storm drain/sanitary sewer cross connect on the Metro Red Line**, Segment-1 and Segment-2A in the amount of \$281,200; and
 - B. an increase to the AFE in the amount of \$281,200, for a revised total AFE amount of \$1,201,010.

Director Antonovich voted 'No'

30. APPROVED ON CONSENT:
- A. Work Authorization Change Notice (WACN) No. 99 to Contract No. B241 with Tutor-Saliba/Perini, J.V., for **concrete reinforcing steel quantity overrun** at the Vermont/Beverly Station of the Metro Red Line, Vermont/Hollywood Corridor in the not-to-exceed amount of \$904,020, which increases the total contract value to \$42,980,398 and is within the Authorization for Expenditure (AFE) amount of \$45,053,313; and,
 - B. execution of the subsequent change order.

Director Antonovich voted 'No'

31. APPROVED ON CONSENT:

- A. Amendment No. 13 to Contract Work Order (CWO) No. 3 to Contract No. E0070 with Engineering Management Consultant (EMC) for incorporation of Consultant Charge Notice (CNN) Nos. 365.02, 397.00, 460.00, 481.00, 482.00, 485.00, 486.00, and 487.00 for **design services and support during construction for Metro Red Line, Wilshire and Vermont/ Hollywood Corridors** in the amount of \$841,326, which increases the total contract value to \$86,838,344; and,
- B. an increase to the Authorization for Expenditure (AFE) in the amount of \$841,326, for a revised total AFE amount of \$88,228,979.

32. APPROVED ON CONSENT credit Amendment No. 26 to Contract No. 3369 with Parsons-Dillingham (PD) covering **construction management services on the Metro Red Line, Wilshire and Vermont/Hollywood Corridors**, for a credit amount of \$712,960, decreasing the total contract value to \$161,849,836.

Director Antonovich voted 'No'

33. APPROVED ON CONSENT authorization to Engineering Management Consultant (EMC) to **award subcontracts** on the East Side Extension for crossover structural engineering design services to:
- A. Inca Engineers for the 1st/Boyle station on a cost reimbursable basis for an estimated value of \$200,000; and,
 - B. Martin and Huang, Intl.,/D'Leon for the 1st/Lorena station on a cost reimbursable basis for an estimated value of \$200,000.

34. APPROVED ON CONSENT authorization to Engineering Management Consultant (EMC) to award a subcontract to CHCG Architects for **architectural/engineering services on the 1st/Boyle Station** of the Metro Red Line, East Side Extension for a firm fixed price of \$2,545,320.

35. APPROVED ON CONSENT:

- A. Contract Work Order No.13 to Contract No. CM001 with LKG-CMC Inc., for **configuration management services on the Metro Red Line**, East Side Extension in the amount of \$939,698; and
- B. an increase to the Authorization for Expenditure (AFE) in the amount of \$975,029, for a revised total AFE amount of \$1,025,029.

Director Antonovich voted 'No'

36. APPROVED ON CONSENT:

- A. Amendment No. 4 to Contract Work Order (CWO) No. 22 to Contract No. E0070 with Engineering Management Consultant (EMC) covering **engineering services on the Metro Red Line, Mid City Extension** in the amount of \$856,574 and Amendment No. 2 to CWO No. 27 in the amount of \$87,966, increasing the total contract value to \$36,191,258;
- B. Amendment No. 5 to CWO No. 22 to Contract No. E0070 with EMC for engineering management services on the Metro Red Line, Mid City Extension in the amount of (\$27,450,374) and Amendment No. 3 to CWO No. 27 in the amount of (\$397,672), which **decreases** the total contract value to \$7,397,666; and a **decrease** in the AFE in the amount of (\$28,793,592), which decreases the total AFE amount to \$7,397,666;
- C. Amendment No. 2 to CWO No. 4 to Contract No. CM001 with LKG for configuration management services in the amount of (\$855,801), **decreasing** the total contract value to \$3,535; and a **decrease** in the AFE in the amount of (\$979,204), which decreases the total AFE amount to \$3,535;
- D. the decommitment of Authorization for Expenditures (AFE's) for:
 - 1. Contract No. EN041 with BKK Landfill for landfill services in the amount of \$4,209,700;
 - 2. Contract No. EN032 with IT Corp., for waste handling services in the amount of \$2,653,000;
 - 3. Contract No. MS048 with Universal Reprographics for printing services in the amount of \$148,800;
 - 4. Work Order No. F0104 with the City of Los Angeles for project coordination in the amount of \$396,000;
 - 5. Work Order No. F0208 with the County of Los Angeles for drawing reviews and safety services in the amount of \$21,000; and,
 - 6. Work Order No. F0808 for engineering, design and construction with Pacific Bell in the amount of \$180,000;
- E. the decommitment of funded line items for:
 - 1. MTA project administration in the amount of \$1,559,000; and,
 - 2. MTA Owner Controlled Insurance in the amount of \$19,292,000.

Directors Alatorre/Holden, Antonovich/Patsaouras, Alarcon indicated a Conflict of Interest

37. CARRIED OVER Amendment No. 11 to Contract No. MC008 with O'Brien-Kreitzberg & Associates (OKA) for construction management services on the Metro Green Line.

38. APPROVED ON CONSENT:

- A. Change Order No. 9 to Contract No. C0090 with Morrison-Knudsen Co., for **ancillary construction on the Metro Green Line** in the amount of \$967,896, which increases the total contract value to \$5,099,216; and,
- B. an increase to the Authorization for Expenditure (AFE) in the amount of \$9,326, for a revised total AFE amount of \$5,105,000.

Directors Riordan, Holden indicated a Conflict of Interest

39. APPROVED ON CONSENT increasing the Authorization for Expenditure (AFE) for Contract No. H1310 with California Neon Products **for signage and graphics on the Metro Green Line** in the amount of \$95,292, for a revised total AFE amount of \$2,204,831.

Director Alatorre indicated a Conflict of Interest

40. APPROVED ON CONSENT authorization to Engineering Management Consultant (EMC) to increase subconsultants contracts covering **urban design/community outreach services for the Pasadena Blue Line** (PBL) with:

- A. HNTB Corporation at a cost of \$50,000; and,
- B. Zimmer, Gunsul, Frasca Partnership at a cost of \$50,000.

Director Antonovich/Patsaouras indicated a Conflict of Interest

41. APPROVED ON CONSENT:

- A. Amendment No. 2 to Contract No. SS002 with U.S. Guard, Inc. for **security guard services on Metro Rail Projects** in the amount of \$3,731,000, which increases the total contract value to \$7,572,000;
- B. an increase to the AFE in the amount of \$3,731,000, for a revised total AFE amount of \$7,572,000; and,
- C. up to a one-year extension.

42. Consider the Chief Executive Officer's report containing a recommendation to approve an increase to the Authorization For Expenditure for Contract No. E0110 with Booz-Allen & Hamilton for **system engineering and analysis for Metro Rail Projects** in the amount of \$2,552,800 for a revised total AFE amount of \$2,752,800.

FINANCE & BUDGET COMMITTEE

43. APPROVED ON CONSENT contract amendment with bd Systems, Inc., Torrance for a **reduced level of information system services** at a cost not-to-exceed \$1,000,000 for a total revised contract amount of \$10,945,000, covering a three-month extension.

Director Holden indicated a Conflict of Interest

44. ADOPTED:

- A. the **FY 1997 MTA Budget**; and,
- B. Reimbursement Resolution authorizing the expenditure of funds for capital construction and acquisition activities prior to the issuance of bonds for the specific activities.

7 principal members present

NOTE: Motion under Item 6G relates to FY 1997 budget.

45. Consideration of items not on the posted agenda.

NONE

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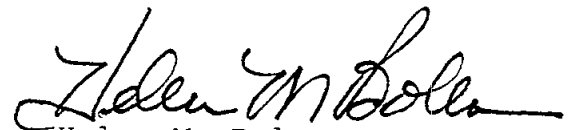
47. APPROVED ON CONSENT establishment of **Proposition A and C Local Return Capital Reserve** accounts for the City of Hawthorne.

48. APPROVED award of a contract to American International Group (AIG), New York, NY, insurers to provide **workers' compensation and general liability insurance** for the benefit of MTA, its contractors and subcontractors working on Metro Red Line Segments II and III, with an option to provide such insurance on other rail construction projects, for an estimated cost of \$13,252,911 for FY 1997.

49. WITHDRAWN BY STAFF request of the prime contractor, Hertz Claim Management (HCM), to **amend the Third Party Administrator Contract to replace the current DBE subcontractor**, FU-GEN, Inc.

The meeting adjourned at 5:15 p.m.

Prepared by: Rhodona Enright



Helen M. Bolen

MTA Secretary