

MINUTES



LOS ANGELES COUNTY TRANSPORTATION COMMISSION 403 West 8th St., Suite 500, Los Angeles, CA 90014 (213) 626-0370

RAIL CONSTRUCTION COMMITTEE MINUTES OF MEETING FEBRUARY 5, 1988

MEMBERS PRESENT

JACKI BACHARACH, CHAIRWOMAN
 MARCIA MEDNICK
 WALTER KING
 JOHN LA FOLLETTE
 RAY GRABINSKI
 CHARLES ABBOTT

APPROVED AS
SUBMITTED

STAFF PRESENT

RICK RICHMOND, EXECUTIVE DIRECTOR
 PAUL TAYLOR, DEPUTY EXECUTIVE DIRECTOR
 ED McSPEDON, DIRECTOR, DESIGN & CONSTRUCTION
 AL SCALA, MANAGER, CONTRACTS

OTHERS

DAVID COHEN, SPECIAL COUNSEL
 CHARLES REAM, DELOITTE HASKINS & SELLS

CALL TO ORDER

APPROVAL OF MINUTES

The Committee approved the minutes of the January 22, 1988 and January 27, 1988 meetings were approved as submitted.

REPORT ON THIRD-PARTY ACTIONS AND CONTRACT CHANGE NOTICES

Ed McSpedon report on third-party actions and contract change notices (outline attached). Paul Taylor announced that LACTC has been awarded the Government Agency Award for 1988 by the Black Business Association of Los Angeles as "the agency voted most responsive to the interest of minority business enterprise."

CHANGE ORDER FOR CONTRACT R01-T01-C2125 - RAILROAD RELOCATION

Al Scala presented staff's recommendation. The Committee recommended the Commission approve Change Order #6 in the amount of \$202,221 to decrease the current contract amount from \$42,283,707 to \$42,081,486.

AWARD CONTRACT C4700 - TPSS CIVIL SITEWORK

Al Scala presented staff's recommendation. The Committee recommended the Commission authorize the Executive Director to award Contract No. R01-T01-C4700 to Coleman Industrial Construction, the lowest responsive and responsible bidder. The contract award will be for a total estimated contract price of \$926,800. A 10% contract reserve fund of \$94,625 is also recommended to cover the cost of changes and extra work. Award is contingent upon resolution of any bid protest timely-filed.

AWARD CONTRACT C140 - LA-CBD APPROACH

Al Scala presented staff's recommendation. Jim Ehlers and George Kieffer, representing Herzog Contracting Corp., addressed the Committee concerning Homer J. Olsen's intent and good faith to meet DBE/WBE requirements. Edward Allison, representing Homer J. Olsen, responded.

The Committee recommended the Commission authorize the Executive Director to award contract No. R01-T01-C140 to Homer J. Olsen, Inc., the lowest responsive and responsible bidder. The contract award will be for a total estimated contract price of \$26,472,740. A 10% contract reserve fund of \$2,647,260 is also recommended to cover the cost of changes and extra work. Award is contingent upon resolution of any bid protest timely-filed.

REPORT ON INVESTIGATION OF CHARGES AGAINST HERZOG CONTRACTING CORP.

Paul Taylor reviewed the eight complaints received by LACTC alleging employment discrimination by Herzog. He indicated that staff interviewed and assisted the complainants; ordered Herzog to

open its employment records and to respond to each of the specific allegations for review by LACTC's special counsel; and commissioned auditors to review all of Herzog's hiring and employment records.

David Cohen discussed what is required of contractors and LACTC in the areas of affirmative action and non-discrimination; he indicated that Herzog appears to have satisfactory reasons for the personnel actions described in the complaints. Chuck Ream described his firm's systematic evaluation of Herzog's data to determine significant trends or patterns. He concluded that Herzog's work force complies with requirements for minority participation in the aggregate.

Paul Taylor concluded the presentation with staff's consideration of the results of the evaluations presented by Messrs. Cohen and Ream. On contract C2125, he recommended no action be taken against Herzog in the absence of a finding of violation of affirmative action/non-discrimination requirements. On future contracts, he indicated that contractors will be reminded of LACTC's desire for employment of as many Los Angeles County residents as possible. Finally, staff will provide all information presented today to the state department of Fair Employment and Housing and the federal Equal Employment Opportunity Commission.

Committee members asked questions about LACTC's options and its role in investigation of complaints by the state and federal agencies empowered to investigate and adjudicate all complaints of employment discrimination.

The Committee heard testimony from Gary Fields of the Labor Research Group, George Kieffer, representing Herzog, Sanford Jossen, representing five of the complainants and C. E. Corbett of Westminster Neighborhood Association.

The Committee discussed the staff report and testimony presented. John La Follette moved that the Committee report to the Commission that there is no evidence of discrimination and that no further action is warranted. Others preferred to report that the evidence presented does not support action at this time. John La Follette withdrew his motion. Members did not conclude there was action warranted by LACTC. The Committee asked that the results of our investigations be provided to the state and federal agencies empowered to investigate and adjudicate all complaints of employment discrimination. The Committee asked staff to discuss with all contractors recommendations on ways to increase hiring of local workers, which the Committee felt to be the matter on which LACTC has an option to act at this time.

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CLOSED SESSION - PARCEL R01-R21-AS73, KURTZMAN

Jack La Follette took the chair from Jacki Bacharach, who abstained from consideration of this matter. Jerrold Faden, representing the Kurtzman family, addressed the Committee. The Committee held a closed session to consider acquisition of Parcel R01-R21-AS73 - Kurtzman.

OTHER BUSINESS

Paul Taylor informed the Committee that the Griffith Company had filed a protest over award of contract C325; he said the Committee would be informed of staff's resolution of the protest in the near future.

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