



**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING APRIL 16, 1990**

MEMBERS PRESENT

INTERIM BOARD:

JACKI BACHARACH
RAY GRABINSKI
WALTER KING

PERMANENT RCC BOARD:

DAVID E. ANDERSON
ERNIE CAMACHO
ROBERT E. KRUSE
DON McINTYRE
JAMES T. POTT
HERBERT L. CARTER

STAFF PRESENT

NEIL PETERSON, EXECUTIVE DIRECTOR, LACTC
EDWARD McSPEDON, ACTING PRESIDENT/CEO
AL SCALA, MANAGER OF CONTRACTS
JOHN ADAMS, INTERIM BLUE LINE PROJECT MANAGER
ROBERT CASHIN, MANAGER, HIGHWAYS/TSM
PAMELA SIMMONS, ACTING MANAGER OF CONTRACT COMPLIANCE
BARBARA NORRIS, SENIOR ADMINISTRATIVE SECRETARY

OTHERS

TOM TANKE, TRANSCAL

CALL TO ORDER

APPROVAL OF MINUTES

The minutes of the meeting of April 2, 1990, were approved as corrected:

Page 5, Paragraph 4, correct to read.....After further discussion, the Board asked that staff's report incorporate more detail on contracts under \$50,000 that the Board was not originally involved with, including amendments; and, for such amendments background information be provided on the rationale of why the base contracts were awarded.....

IMPLEMENTATION OF RAIL CONSTRUCTION BOARD

Mr. Anderson made a motion for the selection of Judith Hopkinson as the seventh member of the RCC Board. Mr. Anderson stated that Ms. Hopkinson is presently President of Berkeley Development Corporation. She also served on the Board of the California Transportation Commission. The motion was seconded and approved.

Mr. Pott motioned that Mr. Anderson be appointed as Chairman of the RCC Board. The motion was seconded and approved.

THIRD-PARTY ACTIONS AND CONTRACT CHANGE NOTICES

Mr. McSpedon reported on third-party actions and contract change notices (outline attached).

City of Los Angeles: Regarding establishing a rail liaison position within City Hall, Mr. Pott asked what dollar figure per day is expended due to the delay in responses from various City departments. Mr. McSpedon stated that we are spending at the rate of over \$2 million per day for the Blue Line and MOS-1.

CPUC: Mr. McSpedon clarified that Douglas Street is an at-grade crossing across the Santa Fe Railroad which will improve access to the Green Line station. This is supported by the City and opposed by the railroad.

FCC/SCG: Mr. Peterson stated that if time allows, this item will be discussed during the closed session as it involves litigation.

GOVERNMENT CODE CLAIMS: RACHEL PUSATERI/MERCURY INSURANCE COMPANY; KIMBERLY B. LAINSON; HOPE LUSTERIO; FREDERICK L. HEROLD; AND MANOLIS FAGOUDAKIS

The Interim Board recommended the Commission formally reject the claims of: Rachel Pusateri/Mercury Insurance; Kimberly B. Lainson; Hope Lusterio; Frederick L. Herold; and Manolis Fagoudakis

METRO BLUE LINE - CONTRACT C435, MID-CORRIDOR LRT AERIAL STRUCTURES - RECOMMENDATION FOR CONTRACT ACCEPTANCE

Mr. McSpedon reported on the background of this contract. Mr. Scala briefed the Board on the steps involved in closing out a contract.

Mr. Carter asked if the increase in cost was due to unanticipated conditions that came up. Mr. McSpedon responded yes. Mr. Carter also asked if there were problems with the original design. Mr. McSpedon responded yes and explained that this issue is considered under professional liability between staff and its consultants, and stated that he will give the Board a briefing on professional liability claims and insurance during an executive session.

Mr. Kruse asked how the Board is kept aware of change orders during construction. Mr. McSpedon explained that staff is delegated to approve individual change orders in an amount-not-to-exceed \$200,000 provided that the change does not exceed the authorized contingency amount and does not extend time on the project to impact the revenue operating date. All others come to the Board for action. Those change orders which come to the Board for action are accompanied by a summary status of all change orders approved to date. A quarterly report is given to the Board on each overall project which also includes a summary status of contract changes.

The Interim Board recommended that the Commission:

1. Approve the acceptance of the subject Contract complete as of July 22, 1989, and authorize the recording of the Notice of Completion.
2. Authorize the release of retention in the amount of \$367,394.09 thirty (30) calendar days after the filing of the Notice of Completion.

3. Approve the transfer of unexpended funds in the amount of \$1,057,073 to the Project Reserve. This amount represents a surplus over the total obligated funds for Contract No R01-T01-C435.

METRO BLUE LINE - APPROVAL OF INCREASE IN AFE AND CHANGE ORDER NO. 19, CONTRACT C265 - MID-CORRIDOR STATIONS

Jacki Bacharach asked for clarification on the change order and cost plus change notice process. Mr. McSpedon explained the following steps:

- o First Step
 - A Request for Information (RFI) is received from the Contractor
 - or -
 - A Request for Change (RFC) is received from the Contractor or Owner
- o Second Step
 - RFI or RFC reviewed and change notice prepared
 - Engineer begins design work on change
 - Contractor prepares cost proposal
 - Owner prepares independent cost estimate
- o Third Step
 - Change is negotiated and approved
 - Change Order signed by contractor and owner
 - Change Orders over staff's delegated authority go to the Board for approval
 - Cost Plus Change Notice (CPCN) allows the Construction Manager to direct the contractor to proceed and be immediately compensated for his time while a final change order is being negotiated. Staff comes to the Board with those CPCNs within staff's authority, which staff feels upon completion of negotiations will exceed staff's delegated authority.

Mr. Scala briefed the Boards on the Authorization for Expenditure (AFE) process. Mr. McSpedon explained that with every contract recommended for award, a contingency to cover changes is also requested. The contingency is generally 10% of the contract award amount, but is judged on an individual basis and can be more or less than 10%. Mr. Scala stated when the sum of approved and/or pending change orders is going to exceed the authorized contingency, staff will go to the Board for additional money (an increase in AFE).

Mr. Scala also gave a detailed overview to the Board on the current AFEs and the impact on the budget and forecasted cost of the overall Metro Blue Line project.

Mr. Anderson asked if the forecasted cost has been approved by the Commission. Jacki Bacharach stated that the current budget of \$836 million was approved, but the forecasted cost of \$877 million has not been approved by the Commission. Mr. Anderson asked that the Board be kept apprised on the budget. Mr. McSpedon stated that this is done by quarterly reports to the Board, the next report is scheduled for July.

Mr. Scala proceeded to report on Contract C265, CO No. 19, involving construction of station superstructures.

The Interim Board recommended that the Commission:

1. Approve Change Order No. 19 in the amount of <\$341,211.>
2. Approve an increase to the current AFE amount by \$997,018 to a revised AFE of \$18,681,273. This increase in AFE will enable staff to process pending and anticipated changes.

METRO BLUE LINE - APPROVAL OF INCREASE IN AFE:

Contract C3270 - Long Beach Loop

Al Scala presented staff's report. Mr. Scala stated that due to the acceleration of the Overhead Catenary System (OCS) work, the eventual landscaping contractor on Contract C355 would be forced to perform work only when the system was de-energized (shut down) at night. Due to this fact it was decided that this work would be transferred to contract C3270 and have Herzog perform this work before the OCS system is energized. The funding would be deducted from the C355 contract and added to the C3270 contract.

Mr. McSpedon stated that since the contractor did not meet the February accelerated completion date he did not earn the full \$381,619 incentive bonus and this amount can be reduced by at least \$180,000.

The Interim Board recommended that the Commission approve an increase to the current AFE amount by \$950,000, to a revised AFE total of \$23,230,000. This increase in AFE will enable staff to process pending and anticipated changes.

Contract C258 - Trackwork Installation

Al Scala presented staff's report on Contract C258 which involves installation of owner-furnished transit T-rail, concrete ties, wood ties and special trackwork.

The Interim Board recommended that the Commission approve an increase to the current AFE amount by \$301,484 to a revised total AFE of \$14,570,134. This increase will enable staff to process pending and anticipated changes.

Contract H811 - Traction Power Supply System

Al Scala presented staff's report on Contract H811 - Traction Power Supply System which involves engineering, manufacturing, testing and delivery of prefabricated traction power substations needed to support operations for the Metro Blue Line.

The Interim Board recommended that the Commission approve an increase to the current AFE amount by \$549,267 to a revised AFE of \$18,918,567. This increase in AFE will enable staff to process pending and anticipated changes.

Contract H812 - Overhead Contact System

Al Scala presented staff's report on Contract H812 which involves manufacturing, testing, delivery and installation of overhead catenary systems for the Metro Blue Line.

The Interim Board recommended that the Commission approve an increase to the current AFE by \$609,700 to a revised AFE of \$14,350,000. This increase in AFE will enable staff to process pending and anticipated changes.

Contract H831 - Supervisory Control & Data Acquisition (SCADA)

Al Scala presented staff's report on Contract H831 which involves manufacturing, testing, delivery and installation of all SCADA equipment for the Metro Blue Line.

The Interim Board recommended that the Commission approve an increase to the current AFE amount by \$375,350 to a revised AFE of \$4,589,350. This increase in AFE will enable staff to process pending and anticipated changes.

**METRO BLUE LINE - CONTRACT H836, SAFETY & SECURITY
COMMUNICATIONS SYSTEM**

Mr. McSpedon reported on Contract H836 which involves installing a safety and security communications systems for the Metro Blue Line. This CPCN is necessitated because the Contractor was not afforded access to a substantial number of Project facilities in accordance with the original contract schedule.

The Interim Board approved CPCN No. 020A in the amount of \$99,000. Sufficient contingency remains with the current AFE amount to cover the cost of this CPCN.

STATUS REPORT ON WHEEL/RAIL INTERFACE

At the April 2, 1990 RCC meeting staff reported that TransCal representatives were in Pueblo, Colorado meeting with the Association of American Railroads (AAR) to show them the field testing results, including the videos, taken on the wheel/rail interface.

Tom Tanke updated the Board on the specific areas of concerns, current status, actions taken and solutions sought (see attached).

Mr. Carter asked if the 1" guard rail height above running rail is based on American Railway Engineering Association (AREA) standards. Mr. Tanke responded that it is based on European standards and that the AREA standard is flush top. Mr. King asked what the maximum speed is on tight curves. Mr. Tanke stated that the maximum would be 10 MPH, the normal being about 5 MPH.

Mr. Pott asked that AAR and TransCal put in writing for the benefit of liability exposures to the LACTC, that the solution that TransCal has to the problem of the wheel gage not adhering to industry standards, will provide for a safe, efficient and reliable operation. Mr. Tanke stated that the AAR has already stated this in writing and TransCal is in the process of doing the same. Mr. Carter asked what the timeframe for the modifications for the wheel flanges. Mr. Tanke stated that this is not a dangerous condition, and that when the wheels come in for routine service they'll be re-ground to the AAR1B profile. Mr. Carter asked for a time and cost impact for doing the modifications immediately.

METRO BLUE LINE DBE/WBE STATUS REPORT THROUGH DECEMBER, 1990

Pamela Simmons presented staff's report on the attainment to-date of the Commission approved goals of 18% DBE and 5% WBE participation.

Mr. Camacho stated that he didn't feel staff's report gave an actual percentage of the DBE/WBE participation. Ms. Simmons responded that this is due to the contingency bid amounts on the overall contract and also change orders not being incorporated in the figures. Mr. Peterson stated that a column would be added to staff's report which will reflect the actual construction dollars paid out to date to the prime contractors, so that a truer percentage of DBE/WBE participation would be shown.

Mr. McSpedon briefed the Board on the efforts taken to promote DBE/WBE participation, i.e., the 2-day Construction Contractor's Conference held in 1985. Contractors were invited from all over the country and information was given on the Blue Line: what contract opportunities would be available; what type of work; workshops on the agency's contractual and DBE/WBE requirements, etc. This conference provided an opportunity for subcontractors to network with prime contractors to develop working relationships. Mr. McSpedon stated that another workshop, specifically for the Green Line and MOS-2, is being slated for this year, sometime around June.

Mr. Carter asked if staff's report reflects figures reported by the prime contractor, or on-site inspections done by staff. Ms. Simmons responded that staff verifies the contractor's utilization of DBE/WBEs by on-site inspections and also by reviewing the primes' DBE monthly reports. Mr. Carter expressed his concern that the DBE certification process is a bonafide process. Ms. Simmons explained the certification process used by LACTC is in accordance with U.S. Department of Transportation certification procedures under 49CFR, Part 23 and is done by staff.

Mr. Grabinski stated that the burden of responsibility for notifying DBE/WBE should not only lie with the LACTC. He stated that there are many minority groups and agencies that have a better outreach and they should be utilized and share the burden of responsibility. This can be done by having a minority conference and have representatives of these group kept abreast of the opportunities available.

**ACCELERATED FUNDING OF ANDERSON FREEWAY/LIGHT RAIL TO INSURE
ON-TIME DELIVERY**

Bob Cashin reported on the cash flow problem that Caltrans was having in matching the Federal Highway funds needed for this year to keep the freeway and rail construction on schedule. LACTC and Caltrans staffs have developed an alternative approach which does not require a loan, but instead accelerates the dates of payment for rail projects on the Green Line which the Commission has already committed to fund. These monies will enable Caltrans to meet the State match to the Federal funds. Mr. Cashin explained that this is a contingency plan in the event that SB111 and SB108 are not passed.

TRACTION POWER SUBSTATION FIRE REPORT

Mr. McSpedon reported to the Board on the April 2 fire at the Willow Street Traction Power Substation in Long Beach.

EXECUTIVE SESSION

The Board adjourned to an Executive Session.

ADJOURNMENT