



**Rail
Construction
Corporation**



a Subsidiary of
the Los Angeles County
Transportation Commission

Edward McSpedon, P.E.
Acting President/CEO

**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING JULY 23, 1990**

MEMBERS PRESENT

DAVID E. ANDERSON, CHAIRMAN
ERNEST CAMACHO, VICE CHAIRMAN
JUDITH HOPKINSON
ROBERT E. KRUSE
DONALD MCINTYRE
JAMES T. POTT

STAFF PRESENT

NEIL PETERSON, EXECUTIVE DIRECTOR, LACTC
EDWARD McSPEDON, ACTING PRESIDENT/CEO
AL SCALA, MANAGER OF CONTRACTS
ROGER DAMES, SR. CONTRACT ADMINISTRATOR
ROBIN MCCARTHY, MANAGER OF COMMUNITY RELATIONS - BLUE LINE
JOHN ADAMS, ACTING VICE PRESIDENT, CONSTRUCTION
LAURENCE WELDON, ACTING PROJECT DIRECTOR, BLUE LINE
DAVE SIEVERS, ACTING PROJECT MANAGER, GREEN LINE
DAVID BENJAMIN, SYSTEM DESIGN MANAGER-RAIL ACTIVATION
BARBARA NORRIS, SENIOR ADMINISTRATIVE SECRETARY
ILDA LICON, ADMINISTRATIVE SECRETARY

OTHERS

JACK JANNEY, INDEPENDENT CONSULTANT
TONY STEVENS, TRANSIT INSURANCE ADMINISTRATORS
JIM THOMPSON, TRANSIT INSURANCE ADMINISTRATORS
CHARLES STANLEY AND DAN GREENWOOD, TRANSIT SPONSORSHIP, INC.

CALL TO ORDER

CORRECTION OF MINUTES OF JUNE 25, 1990

CENTURY FREEWAY AFFIRMATIVE ACTION COMMITTEE (CFAAC)

Mr. Bob Pearman requested that the minutes of June 25, 1990, Page 6, 1st Paragraph, 3rd sentence be corrected to read:Mr. Pearman stated that Commission staff and CFAAC will meet sometime before the summer is over.....

APPROVAL OF MINUTES OF THE JULY 9, 1990 MEETING

The Board approved the minutes of July 9, 1990 with the following correction: Page 3, paragraph 3,Ms. Hopkinson requested that staff ensure that crossing guards be at the crossing at all times during school hours, until research has been done to determine if this is how the crossing guard issue will be handled permanently.....

CHAIRMAN'S REMARKS

Mr. Anderson requested that the RCC Board Members attend the reception on Wednesday, July 25 for UMTA Administrator Bryan Clymer.

PRESIDENT'S REPORT

Mr. McSpedon reported on the ridership on the Metro Blue Line. He stated that as of July 22, over 300,000 passengers have been carried on the line.

Mr. McSpedon updated the Board on the derailment of July 22, and its relevance to the Commission. He stated that the derailment occurred due to debris getting into the switch mechanism and discussed the steps needed to be taken in order to keep this from happening again.

Mr. McSpedon stated that our insurance underwriters from London will be in Los Angeles July 24 and will be given a presentation on the tunnel fire. Also, staff will be making a presentation on the fire to the State Transportation Commission.

Robin McCarthy reported on the school crossing guards, the training they receive and also on the training the children in the area receive from the crossing guards.

Ms. Hopkinson stated her concern that although the children are being educated, due to the fact that the trains are so quiet, wouldn't an audible warning be possible? Mr. McSpedon stated we are looking at the feasibility of audible devices at the intersections. Presently a gong is sounded at each crossing and we are working with LADOT to install audible bells at the intersections and to test other methods of warning.

CONSENT CALENDAR

The Board approved the consent calendar with the following exceptions: Mr. Pott asked that Item 5C(b) and 5D(a) be pulled for discussion and Ms. Hopkinson asked that Item 5B(a) be pulled for discussion and also asked for clarity on the Government Code Claims. Ms. Vida Brown, Transit Insurance Administrators, explained why these particular claims were vague, and stated that any specifics available for future claims will be included in staff's report.

GOVERNMENT CODES CLAIMS

The Board recommended that the Commission formally reject the claims of: Harry Rosenblatt & Sons, Inc.; Bertha Jenkins; Morrison Robinson; Sheila Henderson; Wifleton Roberts; Charlotte Henderson; Dale Roberts; Willie D. Henderson; Caroline Castellanos; Antonio Ramirez; Stanisha Suniga; Daniel Mass Jr.; Randolph Woodmore; Clifton Marrow; Janisha Townsend; Jamaar Daniels; Flozelle Hill; Tracy Henderson; Francisco J. Luna; Georgetts Shenouda; Sweet Donaldson; Teresa Johnson; Albert Johnson; Mervey S. Shenouda; Mary Sabri Shenouda; Rougdi Shenouda; Eid G. Shenouda; Embrick Bowen; Michelle Bowen; Sabri Senouda; Maurine Henderson; Marco Luna; Martha Luna; Erica Luna; Maricruz Luna; Marco A. Luna, Jr.; Kathleen Jones; Crispin Falcon; Miquel Gasca; Juan Gallardo; Edward Harris III; Georgia Pierzina; Terrie Pierzina; Patricia Morris; Olee Morris; Robert Jennings; Charles F. Jackson

METRO BLUE LINE - AWARD CONTRACT C4710 - MISCELLANEOUS CONSTRUCTION SERVICES

The Board recommended that the Commission authorize the Executive Director to award and execute a contract with O'Keefe Engineering Inc., for an amount of \$133,000, and to authorize a 10% (\$13,300) Contract Reserve fund for a total commitment amount of \$146,300.

METRO RED LINE - AUTHORIZATION OF EXPENDITURE (AFE) - MOS-1

The Board recommended that the Commission approve AFE's in the total amount of \$207,388,000 for completion of the MOS-1 contracts originally issued by SCRTD. This amount will allow LACTC payment for the awarded work for which payment has not yet been made and will include for each contract a 10% contingency on that remaining amount for future changes.

CONSENT CALENDAR DISCUSSION

METRO BLUE LINE - CONTRACT MC006, CHANGE ORDER #3 - VEHICLE LEASING

Mr. Scala presented staff's report and stated that this amendment is for an extension for the remainder of the Blue Line project. At the end of this extension, an RFP will go out for leasing vehicles on the Metro Green Line. Ms. Hopkinson moved for approval without the reserve contingency and with the understanding that staff will return to the RCC with the RFP before it is sent out and that the Board concurs in staff's evaluation as to what approach will be used in leasing the vehicles.

The Board recommended that the Commission approve Change Order No. 3 in the amount of \$109,166, and also approve an increase to the current AFE amount by \$69,446. This increase in AFE will enable staff to process payments until expiration of the lease agreement.

METRO RED LINE - CLAIMS CONSULTANT CONTRACT AWARD

The Board heard comments from the following:

Mr. Joe Callahan, High Point Schaer
Mr. E. W. Moon, Valles & Moon, subcontractor to High-Point Schaer
Ms. Georgine Kabler, Kabler Construction Assoc., subcontractor to High-Point Schaer

Al Scala and Roger Dames presented staff's report on the Claims Consultant contract award.

The Board moved and approved a motion requesting additional details from staff concerning the proposal evaluation process before acting on staff's recommendation, and the appointment of a committee to review with staff the evaluation process in greater detail. The Board directed staff to return to the RCC with a report on the Claims Consultant contract award at its August 13 meeting.

METRO GREEN LINE - CONSTRUCTION MANAGEMENT CONTRACT AMENDMENT

Mr. Pott asked for specific information on why the contract amount increased from \$1.4 million to \$35.3 million, and whether this assignment was solicited on the basis of a small undertaking or was it solicited to be the prime CM on the entire Green Line.

Ms. Hopkinson stated that she would like staff to return to the Board with information on the DBE goals. She also asked that the hourly rate of consultants be reflected in staff's report. Ms. Hopkinson also asked how the subcontractors office equipment is purchased.

Mr. McSpedon stated that the solicitation was for the Construction Manager for the entire Green Line project.

The incentive approach was to make sure the business objectives of the consultant do not get in the way of project performance. The incentive agreement ties the consultant fees directly to the construction cost of the project.

Al Scala addressed the budget by stating that all subcontractors office equipment belongs to the LACTC. The \$33 million budget was approved in 1989 and was a preliminary estimate. When the scope of work was defined it was agreed with the CM that the dollar figure would be \$35.3 million.

The Board recommended that the Commission authorize the Executive Director to execute Amendment No. 4 to the subject contract in the amount of \$31,830,243 bringing the not-to-exceed amount to \$35,344,460.

METRO BLUE LINE - BUDGET ADOPTION

Mr. McSpedon presented staff's report stating that the current budget on the Metro Blue Line is \$836 million with a current forecast of \$877 million based on the financial planning of the LACTC. The Commission has not taken a formal action on the forecasted amount to date. A recommendation is being presented today to recommend that the LACTC formally adopt the forecasted budget.

Laurence Weldon reported to the Board on the remaining actions needed to close out the Blue Line project.

Mr. Kruse stated that separate projects within the Blue Line, Green Line, etc. should be defined separately, as these separate segments of a project will be brought for action at different periods.

The Board recommended that the Commission approve an increase to the Metro Blue Line budget by \$41.0 million, to a revised total budget of \$877.3 million. Further, the Board recommended approval to allocate the Metro Blue Line budget to separate projects, to segregate follow-on costs associated with the MC-5 railroad relocation and the Florence/Graham Park & Ride.

METRO GREEN LINE - PROJECT UPDATE

Mr. Anderson explained that this item is a review and update only and no action is required at this time.

Mr. Dave Sievers presented an overview of the Green Line project covering the project history, system characteristics, operating parameters; funding sources; project status; current estimates; cost reduction; and schedule.

RCC ORGANIZATION

Mr. Anderson asked that this issue be discussed before continuing on with the Green Line project update. The Board concurred and proceeded to discuss the principles for the LACTC/RCC organization.

The Board approved in concept the draft policies as presented and directed a subcommittee to meet and resolve the remaining issues with the LACTC Executive Director.

CONTINUATION OF THE METRO GREEN LINE - PROJECT UPDATE

Manuel Padron gave an overview on the operation scenario of the project.

David Benjamin reported on the vehicle procurement of the Green Line covering the history, basic system criteria, vehicle procurement status, viable options for vehicle procurement, and a proposed plan for procurement.

Mr. Anderson stated that a subcommittee of the Board will be appointed at the next meeting to meet with staff on vehicle procurement.

PUBLIC COMMENT

The Board heard comments regarding the Metro Red Line EIR from Mr. John Walsh.

METRO RED LINE - INDEPENDENT INVESTIGATIVE TEAM - CONTRACT A130

Mr. McSpedon updated the Board on the IIT. In response to the Board's inquiry on whether Kellogg Corp. has any interest in MOS-1 projects, he stated that after researching any possible relationships that might have existed with any of the principles involved in the incident, Kellogg is involved in a claims issue representing Kewitt and Perini vs. the State of Pennsylvania. This contract is currently inactive, but could be reactivated or resolved. Mr. Carlson stated that this commitment requires them to fulfill those services. Mr. Carlson is not directly involved in this issue.

Mr. McSpedon stated that the leader of the Independent Investigation Team (IIT) is Darold Pieper, Esq. of the firm of Richards, Watson & Gershon (RWG). He will be primarily assisted by Mr. C.V. Carlson Jr., Deloitte/Kellogg Joint Venture. In addition the RWG will retain the services of a special independent consultant, Mr. J. R. Janney, P.E. who has extensive experience in fire investigations, such as MGM Grand Hotel in Las Vegas, etc. Mr. Janney's function will be to provide an independent overview of the activities of the IIT.

Mr. McSpedon stated that according to the way the investigation is going at this time, the estimated cost of this effort is in the range of \$250,000 in direct labor and \$30,000 in expenses. Staff will keep the Board apprised of the total cost to complete this investigation.

The Board adopted staff's proposal to add a task to Contract R01-L001 - Richards, Watson & Gershon (RW&G) to proceed with investigation with a not-to-exceed amount of \$250,000. No other action is required by the Board.

UPDATE ON TUNNEL FIRE

John Adams updated the Board on the tunnel fire and what has been remediation has been accomplished to date.

Mr. Bob Campbell and Mr. Dick Kunz reported on the proposed remediation schedule.

STATION SPONSORSHIP PROGRAM

Mr. Charles Stanley and Dan Greenwood, Transit Sponsorship, Inc. presented a report on a long-term source of financing for current and future rail projects. This program is in direct response to the President's National Transportation Policy, published in March 1990. The funding source would be guaranteed from the private sector for the benefit of the Rail Construction Corporation.

The Board recommended that staff look at contracting proposal from TSI negotiate further with Transit Sponsorship Inc. (TSI) and return to the RCC with a more specific recommendation.

Mr. Anderson informed Mr. Stanley that current policies established for station design before the the RCC was established would make it impossible to implement this program and would require significant changes in current policy.

OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

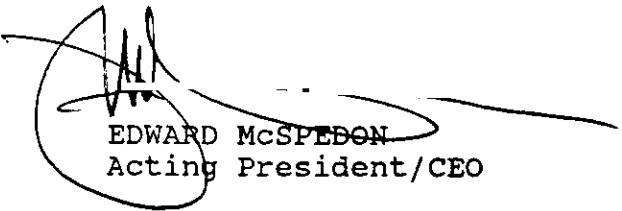
Mr. Jim Thompson and Tony Stevens, TIA, gave an overview on the background and benefits of the OCIP.

EXECUTIVE SESSION

The Board adjourned to a closed session to discuss:

- Real Estate Matters
- Acquisition R90-R01-AA002, USA Investment
- Personnel Matters
- Potential Litigation - Contract A130

Meeting adjourned.



EDWARD McSPEDON
Acting President/CEO

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