



**Rail
Construction
Corporation**



a Subsidiary of
the Los Angeles County
Transportation Commission

**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING AUGUST 13, 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
BEVAN DUFTY, PUBLIC AFFAIRS OFFICER II
ROBIN McCARTHY, MANAGER OF COMMUNITY RELATIONS
BARBARA NORRIS, SENIOR ADMINISTRATIVE SECRETARY
ILDA LICON, ADMINISTRATIVE SECRETARY

OTHERS

JOHN TAYLOR, TRANSCAL
NINA PHILLIPS, COUNTY COUNSEL

CALL TO ORDER

APPROVAL OF MINUTES OF THE JULY 16 AND JULY 23, 1990 MEETINGS

The Board approved the minutes of July 16 and July 23, 1990 as submitted.

CHAIRMAN'S REMARKS

Chairman Anderson stated his remarks pertained to items on the Agenda and will be made during the discussion of these items.

PRESIDENT'S REPORT

Mr. McSpedon reported on his trip to Sacramento to address the State Transportation Commission on two issues, the first being the CTC's allocation of \$27 million for the Metro Rail MOS-2 project for this fiscal year and the requirements imposed by the CTC and tied to the release of these funds. Among these requirements are that SCRTD/LACTC meet in joint session (this took place on Wednesday, August 8); that separate and distinct accounting of the \$27 million be implemented (this is being done); that quarterly reports on anticipated monthly expenditures be submitted (this is being done); that LACTC submit a revised project Management Plan for MOS-1 and a Project Management Plan for MOS-2 which reflect the RCC organization (these plans were delivered to CTC at the meeting).

The Commission was also briefed on the tunnel fire. Questions were primarily focused on any cost increases to the MOS-1 project or schedule delays. The CTC was advised that RCC does not currently anticipate either cost increases or schedule delays to the MOS-1 project attributable to the fire.

Mr. McSpedon reported on Senator Wilson's trip to L.A. Friday, August 10, at which time Mr. Wilson toured the Metro Blue Line.

Mr. McSpedon briefed the Board on the Joint Meetings between the LACTC and SCRTD. Mr. McSpedon stated that the Joint Boards agreed to sponsor a 1/2 cent sales tax on this year's ballot for transit. Mr. Pott asked that the Board be given a listing of the LACTC/SCRTD Board members.

CONSENT CALENDAR

The Board moved and approved the consent calendar with the following directives to staff:

1. Change Orders should be signed by the contractor, or it should be noted in staff's report that the contractor will sign before the RCC meeting date.
2. Staff reports shall contain more specific background information including a calculation of average hourly billing rates for professional service contracts.

GOVERNMENT CODES CLAIMS

The Board recommended that the Commission formally reject the claims of: Reine Dorian; Zeterino Uribe; and Manuel Martinez.

METRO BLUE LINE - HI-RAIL TRUCK RENTAL CONTRACT AWARD

The Board recommended that the Commission approve the rental of Hi-Rail Trucks from McCormick Morgan in the amount of \$63,269.

METRO BLUE LINE - CONTRACT R01-T01-C420 MC-5. UTILITY RELOCATIONS

The Board recommended that the Commission approve an increase to the current AFE amount by \$620,491 to a revised total AFE of \$2,940,491. This increase in AFE will enable staff to process pending and anticipated changes. The \$620,491 is included in the current budget and forecast for this contract. It is estimated that an amount of \$91,101 is recoverable from the City of Compton.

METRO BLUE LINE - CONTRACT R01-T01-C140. LACBD APPROACH, APPROVAL OF CHANGE ORDER NO. 141

The Board recommended that the Commission approve Change Order No. 141 in the amount of \$272,000. Sufficient contingency remains within the current AFE amount as presented to the Commission for approval on January 24, 1990, to cover the cost of this Change Order.

METRO RED LINE - CONTRACT NO. 3136, AMENDMENT NO. 11 - BOOZ ALLEN & HAMILTON FOR SYSTEMS ANALYSIS AND THE PROCUREMENT MANAGEMENT FOR PASSENGER VEHICLES

The Board recommended that the Commission authorize the Executive Director to execute Amendment No. 11 to Contract No. 3136 in the amount of \$1,624,575.

METRO RED LINE - CONTRACT A610/115 - TRACKWORK INSTALLATION

The Board recommended that the Commission authorize the Executive Director to approval Change Order No. 075A in the amount of \$1,430,600. and approve a contract time extension of 257 calendar days. The Board also recommended approval of an increase to the current AFE amount by \$2,632,000 to a revised AFE total of \$26,399,000. This increase will allow staff to process pending and anticipated change orders.

METRO RED LINE - CONTRACT NO. A-144, OPERATIONS CONSULTANTS, INC. - WATER TREATMENT PLANT, AMENDMENT NO. 1

The Board recommended that the Commission approve Amendment No. 1 in the amount of \$769,000 for the final seven months of operation. This expenditure is within the current AFE amount as presented to the Commission.

METRO RED LINE - AUTHORIZATION OF EXPENDITURE - MOS-1

The Board recommended that the Commission approve AFE's totaling \$13,359,000 to revise existing MOS-1 contracts and cover new contract awards. A 10% contingency is included in each contract to cover future changes.

METRO RED LINE - FUNDING FOR SECOND MOS-1 FIELD OFFICE

The Board recommended that the Commission formally approve a 3 1/2 year lease with Major Properties Real Estate, at a rate of \$2.00 per square foot for 850 square feet of office space. The amount of funding needed is \$75,000 which covers the entire length of the lease.

METRO RED LINE - CONTRACT 3504 METRO TRANSIT INSURANCE ADMINISTRATORS, APPROVAL OF SYSTEMWIDE AMENDMENT NO. 1

The Board recommended that the Commission authorize the Executive Director to execute Amendment no. 1 to the subject Contract in the amount of \$1,508,595.

METRO BLUE LINE - CONTRACT R90-S19-MY005, LKG CONFIGURATION MANAGEMENT CONSULTANTS (LKG), AMENDMENT NO. 3

Al Scala presented staff's report on Contract R90-S19-MY005, LKG stating that since the RCC is now responsible for the Metro Red Line, a consistent method for handling and distributing bid documents must be adopted. Currently LKG handles distribution and sale of documents for the Metro Blue and Green Lines. Staff believes that charging LKG with the MOS-2 Line would create a more efficient and consistent process.

Ms. Hopkinson expressed concern that this contract was not competitively solicited. Mr. McSpedon explained that when the LKG contract went out for bids, there were two agency's and it was not anticipated at that time that MOS-1 and MOS-2 would be under the LACTC. The existing contracts were both competitively solicited originally and could currently remain with the individual firms, but it would be more cost-effective and efficient to charge LKG with all of the necessary work.

After further discussion, the Board moved and approved, with Judith Hopkinson opposing, to recommend that the Commission authorize the Executive Director to approve Amendment No. 2 in the amount of \$3,457,455, which includes \$3,058,840 for printing, postage and other direct costs. This amendment revises the total estimated contract price to \$6,358,963. The cost for Amendment No. 2 was originally included in the FY 90/91 budget for the MOS-2 Metro Red Line.

METRO BLUE LINE - CONTRACT C140, REQUEST FOR BINDING ARBITRATION

Al Scala presented staff's report. John Taylor reviewed with the Board issues and proposals on Contract C140 - Homer J. Olsen.

The Board recommended that the Commission authorize the Executive Director to enter into an agreement with Homer J. Olsen (HJO) allowing for resolution of this matter by binding arbitration. The Board further recommended that:

1. The arbitrator be a retired Los Angeles Superior Court Judge acceptable to both parties.
2. Costs of the arbitration be divided equally between the parties.
3. Each party shall have full discovery rights.
4. Each party may bring into the arbitration all claims issues relating to HJO's work on this project.

METRO RED LINE - CLAIMS CONSULTANT

The Board heard comments from the following:

Joe Callahan, High-Point Schaer - commented on High-Point Schaer's DBE program. He requested that the Board consider an early recommendation. Also, if the contract is re-solicited, the proposals be kept confidential, as it would be detrimental to High-Point Schaer if the proposals are made public and the competitors are able to view existing proposals.

Georgine Kabler, Kabler Construction Assoc., subcontractor to High-Point Schaer addressed the Board and expressed her concern that the Board make an early decision.

Mr. Scala presented staff's report and explained the schedule for re-soliciting the proposal. The Board discussed the options for expediting the proposal process, and directed staff as follows:

The Board recommended that the Commission reject all proposals and resolicit for the claims consultant contract as follows:

- (1) No member of the original Proposal Evaluation Committee shall serve on the committee assigned to review the new proposals, and
- (2) The existing proposals shall remain confidential until the new proposals are received, evaluated and a final award is authorized. Therefore, the following finding should be made:
"The Commission finds that public release of the existing proposals prior to the selection of a successful proposer would invalidate certain of the selection criteria by enabling new proposers to copy the work product of those proposers rated most highly in this solicitation. As a result the Commission would be unable to determine which proposers have the actual technical and professional expertise to properly administer the claims management function since it would be difficult to differentiate between original and derivative technical analyses and proposals. Accordingly, the Commission finds that the public interest served by not making the proposals public clearly outweighs the public interest served by disclosure of the proposals at this time and directs that the proposals not be made public until the selection of a successful proposer is made pursuant to the revised request for proposals."
3. Staff should take all reasonable steps to expedite the re-solicitation/evaluation of new proposals with the goal of going to the LACTC with an award recommendation in September 1990, including immediate issuance of a Notice of Intent to Issue an RFP;
4. The revised policy for evaluation of DBE efforts will continue to allow good faith efforts provided full documentation is submitted with the proposal.

METRO RED LINE - CONTRACT A130, YARD ACCESS, COST PLUS CHANGE NOTICE (CPCN)

Al Scala presented staff's report on Contract A130. The Board approved issuance of a cost plus change notice in the amount of \$650,000 to support reconstruction of the fire damaged tunnel.

METRO RED LINE - CONTRACT A165 - 7TH ST. STREETSCAPE

Robin McCarthy presented staff's report explaining that this contract includes \$25,000 for restoration of city streets impacted during construction. This restoration is to be a "replacement in kind." The 7th Street Merchants Association in conjunction with the Central City Association has proposed the Streetscape project and has received all necessary approvals from the City of Los Angeles. This project is a betterment and has a cost estimate of \$300,000.

Mr. Fred Zepeda, representing the 7th Street Merchants Association, addressed the Board on the Association's contribution to the Streetscape project which would consist of the design of the streetscape, annual maintenance of the trees and cost of the electricity, estimated at a cost of \$25,000 annually.

Ms. Carol Schotz, representing the Central City Association addressed the Board on the Association's efforts in the streetscape program.

Mr. McIntyre asked if any there would be any cash contribution towards the \$300,000 from the Associations? Mr. Zepeda stated no.

Mr. Pott asked about the AFE recently approved for this contract and would monies be available under this AFE. Mr. McSpedon stated that although this is a desirable enhancement, it is not funded as part of the MOS-1 project which is already over budget. The referenced AFE allows for \$25,000 to be used for restoration at this site.

After further discussion, the Board recommended that the Commission authorize funding of the Streetscape Project and authorize its inclusion in Contract A165 with the understanding that staff will make attempts to find the funds within the framework of the A165 contract. Also staff is directed to meet with the downtown merchants and the City to discuss cost-sharing in this effort.

METRO RED LINE - CONTRACTS FOR LEGAL SERVICES OF MORGAN LEWIS & BOCKIUS IN CONNECTION WITH CLAIMS ON ASSIGNED MOS-1 CONSTRUCTION CONTRACTS

Nina Phillips presented staff's report on the above-mentioned item referred to the RCC from the Legislative & Administrative Services Committee (LASC).

The Board expressed concern on keeping the legal services of this firm on all claims, other than existing construction claims litigation, without reviewing this contract. Mr. Anderson stated that staff should return to the Board before September 1 with alternatives for continued use of the firm of Morgan, Lewis & Bockius. The Board concurred.

The Board recommended that the Commission enter into a contract with Morgan, Lewis & Bockius for legal services related to existing construction claims litigation on assigned MOS-1 contracts for a period from September 1, 1990 to December 31, 1990 for a not-to-exceed amount of \$340,000.

PAYMENT APPROVAL FOR ACQUISITION OF CHANNELS FOR LIGHT RAIL COMMUNICATIONS SYSTEM

Mr. Peterson requested that the Board address this issue. The Board moved and approved unanimously to add this item to the Agenda. Mr. Peterson presented staff's report which recommends approval of the expenditure of \$275,000 as a settlement with the Southern California Gas Company and the trustees of the Taylor Bus System to secure an agreement whereby SCRTD would receive licenses for five pairs of 900 megahertz channels for its Light Rail communications system.

Mr. Frank Haddon, Assistant Director of Facilities Maintenance, SCRTD and Mr. Daniel Brenner, Legal Consultant, SCRTD, reported on the background on the radio channels.

This item was brought to the RCC for information only. This item was approved for recommendation by the Finance and Programming Committee at its August 10, 1990, meeting as this would come out of the operating budget. The RCC Board supported the Finance and Programming Committee's recommendation.

Mr. Anderson asked that the Board address the RCC Organization after the Executive Session. The Board concurred.

PUBLIC COMMENTS

Mr. John Walsh addressed the Board on the Metro Red Line.

EXECUTIVE SESSION

The Board adjourned to a closed session to discuss:

Real Estate Matters

- B2-113 Chase and Socorro Rhee, Trustors et al of the Rhee Trust

Personnel Matters

CONSIDERATION OF PERSONNEL APPOINTMENTS

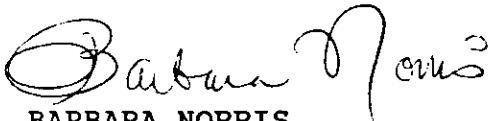
Mr. Anderson announced that Mr. Edward McSpedon has been appointed President of the Rail Construction Corporation by a unanimous vote of the Board.

RCC ORGANIZATION

Mr. Anderson reported on the principles of the LACTC/RCC Organization which have been the result of input from Board Members and Neil Peterson, Executive Director of the LACTC.

The Board moved to approve the Principles on a 6-month trial basis, with the understanding that Mr. McSpedon and Mr. Peterson will work with the Board to clarify any areas that are not clearly defined in the present principles.

MEETING ADJOURNED.



BARBARA NORRIS
RCC Board Secretary

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