



**Rail
Construction
Corporation**



a Subsidiary of
the Los Angeles County
Transportation Commission

**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING FEBRUARY 25, 1991**

MEMBERS PRESENT

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

STAFF PRESENT

EDWARD McSPEDON, PRESIDENT/CEO
TOM TANKE, EXECUTIVE VICE PRESIDENT, TECHNICAL OPERATIONS
LAURENCE WELDON, PROJECT MANAGER, METRO BLUE LINE
ABDUL SESAY, LACTC RISK MANAGER
LES PORTER, LACTC DEPUTY EXECUTIVE DIRECTOR, FAST
JESSICA CUSICK, DIRECTOR, ART FOR RAIL TRANSIT
AUGUSTINE ZUNIGA, COUNTY COUNSEL
BARBARA NORRIS, EXECUTIVE SECRETARY

OTHER

KEN MURTHY, PROJECT MANAGER, MRTC
JOHN TAYLOR, TRANSCAL
ALAN PEGG, GENERAL MANAGER, SCRTD

CALL TO ORDER

The meeting was called to order at 2:10 p.m.

APPROVAL OF MINUTES OF THE JANUARY 14, 1991 MEETING

The Board approved the minutes of the January 30, 1991 meeting with the following correction:

Page 6, 3rd paragraph Mr. Pott asked that staff fix the Board Members meeting compensation per the agreement between the LACTC and SCRTD.....

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CHAIRMAN'S REMARKS

Mr. Anderson reported that the next meeting is scheduled for Wednesday, March 6 at 2:00 p.m. A workshop is being planned prior to the March 25 meeting for staff to brief the Board on the preparation of the 1991-92 RCC Budget.

Mr. Anderson noted the successful opening of the 7th/Flower Station serving the Blue Line, stating that it has made a significant difference in the quality of the service for the Blue Line passengers coming into downtown Los Angeles.

Mr. Anderson asked if any Board Member has concerns/comments on the issues in the December 12 memorandum from Jim Wiley, Manager of Real Estate regarding "Summary of Real Estate Acquisitions" a note be given to the Board Secretary listing concerns/comments.

Mr. Anderson expressed the Board's appreciation for the work done by the Independent Investigative Team which is being recognized under the President's Report.

PRESIDENT'S REPORT

Mr. McSpedon reported on the formal groundbreaking of the Metro Green Line on Monday, January 28.

The City of Los Angeles Department of Parks and Recreation approved an Agreement which grants the LACTC/RCC an easement into MacArthur Park to facilitate the start of construction on the contract for the Wilshire/Alvarado to Wilshire/Vermont tunnel section. L.A. City Council has to concur in the final form of the Agreement, however, the Parks Commission action gives RCC full authority to access the park, drain the lake and commence construction.

Mr. McSpedon reported that a luncheon for the construction workers on the 7th/Flower Station was held after the opening in appreciation for their efforts and long hours.

Mr. Pegg reported that although Sunday ridership has dropped somewhat, the weekly ridership on the Blue Line has increased significantly since the opening of the 7th/Flower Station. No exact figures are available at this time.

Mr. McSpedon recognized the professionals involved in the investigation of the tunnel fire in determining the events that lead to the fire, the most likely cause for the fire spreading so quickly, and more importantly developing the sound and implementable recommendations to improve the safety of all future tunnelling work and heavy rail construction work in the County. Mr. McSpedon

recognized the following individuals and agencies: Vladimir Khazak (Seattle Metro); Darold Pieper (Richards, Watson & Gershon); Dan Short (L.A. County DPW); Chief Robert Aaron (L.A. Fire Dept.); Donald Burke (Safety Consultant); Cully Carlson (Kellogg Corporation); Philip Helmes (Kellogg Corporation); Jack Janney (Wiss, Janney, Elstner, Associates, Inc.); Edward Opitz (Kellogg Corporation); W. Dixon Shay, (Kellogg Corporation); the Los Angeles County Department of Public Works; the Los Angeles Department of Transportation; the Los Angeles Fire Department; Southern California Rapid Transit District; and Caltrans.

CONSENT CALENDAR

Mr. Pott requested that items removed for discussion the following items: 5Ab, 5Ac, 5Ad, 5Ba, 5C and 5D. Mr. McIntyre motioned, Mr. Camacho seconded to approve items 5Aa and 5Bb. Motion approved.

Metro Blue Line: Contract C325, Willow Station to 9th Street - Recommendation for Contract Acceptance

The Board recommended that the Commission:

1. Approve the acceptance of the subject contract complete as of December 4, 1989, and authorize the recording of the Notice of Completion;
2. Authorize the release of the contract balance of \$69,019.00 upon contract acceptance and the release of retention in the amount of \$95,138.40 less \$30,474.00 for third-party backcharges, thirty (30) calendar days after the filing of the Notice of Completion;
3. Approve the transfer of funds in the amount of \$113,213.00 to Project Reserve. This amount represents a surplus over the total obligated funds for Contract No. C325.

Metro Red Line: Contract B218, Building Demolition Change Order #01

The Board recommended that the Commission approve Change Order #02 which allows the contractor to proceed immediately with asbestos removal under field directed Cost-Plus Change Order adding \$59,900 and 37 days to the contract. This raises the contract price to \$123,900.

REGULAR CALENDAR - ITEMS PULLED FROM CONSENT CALENDAR

Metro Blue Line: Contract C415, Firestone Bridge - Change Order #27, and Increase in AFE

Mr. Pott expressed his concern on the increase in this contract over the original bid. He asked if any or all of the increase is due to the bridge collapse. Mr. McSpedon stated no and that the bridge collapse was covered by insurance. Mr. John Taylor reviewed with the Board the events responsible for the increase such as: construction of tie-ins to SPTC tracks; development of a new station plan; resequencing of trackwork, removal of hundreds of cubic yards of unsuitable material and placement of select fill, etc.

Mr. Anderson asked staff if according to staff's report, a larger change order will be coming to the Board for approval in the near future on this contract? Mr. McSpedon stated yes and that the Board will receive a briefing by staff before Board approval is requested.

Mr. Pott moved, Mr. Camacho seconded that the Board recommend the Commission approve Change Order #27 in the amount of \$814,904 and approve an increase to the current AFE amount by \$2,383,808 to a revised AFE of \$12,828,808. This increase in AFE will enable staff to process Change Order #27 and pending Change Order #28. Motion approved.

Metro Blue Line: Contract C420, MC-5 Utility Relocations - Increase in AFE

Mr. Pott moved, Mr. Camacho seconded that the Board recommend the Commission approve an increase to the current AFE amount by \$105,905 to a revised total AFE of \$3,330,345. This increase in AFE will enable staff to process the pending Change Order #11 (Final). Additional funding will come from the Metro Blue Line Project Reserve. Motion approved

Metro Blue Line: Contract H811, Traction Power Supply System - Change Order #045

Mr. Pott again expressed his concern on the increase and staff's need to control these increases beginning with the design phase. Mr. Taylor addressed the Board on the increases. Mr. Pott moved, Mr. Camacho seconded to recommend that the Commission approve Change Order #25 in the amount of \$637,920. Sufficient funds are available in the current AFE to cover the cost of this Change Order. Motion approved.

Metro Red Line MOS-1 and MOS-2 - Increase in AFE on Consultant Contracts

Mr. McSpedon presented staff's report stating that staff is asking to extend these contracts for an interim period with the expectation that the final contracts will be negotiated before June 30, 1991.

Mr. Pott expressed his concern on the basis of payments for the restructured contracts. He would like an explanation of the performance/incentive provisions. Also, he would like to know if the scopes of the contracts are being changed and asked that the Board be briefed on these changes.

The Board requested that staff meet with a working group of the Board to include Mr. Anderson, Mr. Pott and Mr. Camacho for a briefing on these issues. Staff is to return to the full Board at its March 25 meeting with additional information.

With this understanding, Mr. Kruse moved, Mr. McIntyre seconded that the Board recommended that the Commission authorize the Executive Director to execute amendments with Booz Allen Hamilton, Metro Rail Transit Consultants and PDCD within the approved AFE amounts and to extend the contract periods to June, 1991. Motion approved.

Deloitte/Kelloqq Joint Venture (DKJV), Project Management Oversight Services - Amendment #10

This item was tabled by the Board. The Board authorized work to continue on MOS-1 and the Blue Line until the March LACTC meeting. Staff will return to the Board at its March 6 meeting with additional information on the roles/responsibility of DKJV. Staff will request action on this item at the Board's March 25 meeting.

Contract 90-AA001, Department of Fair Employment and Housing (DFEH)

Mr. Pott asked for clarification on Contract Compliance within LACTC and why DFEH is involved. Mr. McSpedon explained that the jurisdiction for discrimination/hiring complaints rests with the State. LACTC/RCC in turn would have to refer these cases to the State. In doing so, staff found that that State was so backlogged and understaffed that their ability to make timely findings was limited. The Rail Construction Committee and the LACTC at that time made a decision to provide financial assistance to the State agency to increase their resources, so that we could get a timely turn-around and attention for these important claims. This has proved to be an effective approach.

Mr. Anderson asked if we are already into this contract for this contract year. Mr. Porter stated yes it is from November 1, 1990 to October 31, 1991.

Mr. Anderson suggested to the Board that since this contract is already four months into the year, that the Board approve this contract until October 31, 1991. Staff should then consider seriously the proper way to handle this issue and address what exactly is LACTC's and DFEH's role and return to the Board before extending this contract any further.

Calvin McGee, DFEH, addressed the Board on DFEH's role.

Mr. Pott moved, Mr. Camacho seconded to approve staff's recommendation with the understanding that Contract Compliance staff return to the Board by early summer on how we are organized in the AA/EEO arena; what options are available; how this function should be handled after October 31, 1991; how it relates to our Contract Compliance issues relating to the DBE. The Board recommended that the Commission authorize the Executive Director to sign the agreement for EEO enforcement with DFEH to insure continued services for one year ending October 31, 1991, at a cost of \$322,420. Funding for this contract will come from the Capital Fund Systemwide. Motion approved.

METRO GREEN LINE: AWARD CONTRACT R23-T01-C110 I-105 TO COMPTON BOULEVARD SEGMENTAL BRIDGES

Mr. McSpedon presented staff's report. Mr. McIntyre moved, Mr. Kruse seconded that the Board recommend that the Commission authorize the Executive Director to award Contract R23-T01-C110 to Kiewit-Pacific Company, the lowest responsive and responsible bidder. The contract award will be for a total estimated contract price of \$7,321,537. A 10% contract reserve fund of \$732,163 is also recommended to cover the cost of changes and extra work, but will not be included in the contract. The Program Budget allocated for Contract C110 is \$10,062,000. Motion approved.

METRO RED LINE: PRESENTATION OF STATION DESIGN - MOS-2 CONTRACT B241

Mr. McSpedon introduced Anil Verma, design principal and George Stone, artist. Mr. Verma and Mr. Stone described the architectural theme for the station, special features and materials that will be used in the station finish.

Mr. Kruse expressed his concern on how items are structured that fall in the area of art and whether the artwork can be produced within an economical framework and be costed in order to meet the

percentage of construction cost designated for artwork in the contract. The Board concurred that the following issues need to be addressed:

- o how to stay in the guidelines that have been set regarding the percentage of total cost of construction contracts designated for artwork;
- o how to handle complications of contract administration;
- o how to best structure bids for art elements (whether to bid as a single contract, or package items that normally would not be part of a construction contract);
- o how the contract could be structured to address a situation where if the contract is on a critical path-- the artwork could be stopped (deferred) and the construction continued.

Ms. Cusick stated that the artwork on the Metro Green Line was a separate bid item in order to be able to scale back or pull from the contract if necessary. Specialized items are indicated in the contract as owner-provided in order to have an option of going to several manufacturers who specialize in that type of work.

Mr. Vladimir Khazak addressed the Board on the Seattle Tunnel Project which had an extensive amount of artwork integrated into the project. He stated this was a difficult arrangement as there is no industry standard integrating construction and artwork. He stated that the bid prices received ranged from very low to extremely high. Also, Mr. Khazak stressed that all structural support, electrical, airflow, etc. needs to be addressed during the design stage and before the bid goes out, as it becomes very costly to make changes after the bids have opened.

The Board asked that staff consider the issues and return to the Board at its March 25 meeting with an analysis and recommendations on how these issues should be addressed.

RCC SUPPORT OF COMMUTER RAIL IMPLEMENTATION

Ed McSpedon gave the Board a briefing on the background of the Commuter Rail Program explaining that RCC has been asked by the Commuter Rail Section to provide services in areas where RCC has expertise. These will include:

- 1) Project Management
- 2) Contracts
- 3) Rolling Stock
- 4) Maintenance Facility
- 5) Fare Collection

- 6) Radios
- 7) Public Affairs
- 8) Communications and Signals
- 9) Utility Relocations/Local Jurisdiction Issues
- 10) PUC Applications
- 11) Integrated Testing/Pre Revenue Operations
- 12) Union Station

RCC will also appoint a project manager who will coordinate all RCC commuter rail work and interface with the Commuter Rail Project Manager. This will initially be a 1/4 time effort.

The Board authorized staff to proceed to negotiate a budget for RCC support services for the first phase of Commuter Rail consistent with the scope contained in staff's report.

Mr. Pott moved, Mr. McIntyre seconded, that staff return to Board on the organization, deficiencies and the also the budget agreed to by RCC and Commuter Rail. Motion approved.

BRIEFING ON RISK MANAGEMENT

Mr. Sesay reported that a letter was sent on January 22, 1991, to our Risk Management Consultant (MTIA) requesting items necessary to perform the review on the OCIP program

Mr. Sesay has received no response to this request--although MTIA has requested an extension to respond and has also requested an increase in funds to cover the cost of responding to Mr. Sesay's request.

Mr. Camacho asked what the alternatives are if MTIA doesn't respond

Mr. Sesay stated he would like an opportunity to meet with MTIA one more time and recommended giving MTIA 15 working days to respond to staff's request, but does not recommend any additional funds.

Mr. Sesay addressed some of the problems that would be involved in changing brokers at this time.

Jim Pott recommended RCC inform LACTC that RCC's efforts to assess the effectiveness and cost of the OCIP are being thwarted and RCC is unable to assess the program. Mr. Pott stated that either RCC or LACTC/Fast needs to report on the alternative options available in order to evaluate the needs of the insured.

Mr. Porter reported that the Executive Director of the LACTC has spoken to Mr. Wally Ryland, MTIA, and it is expected that we will receive the necessary cooperation from MTIA.

The Board concurred to give the consultant 15 days to fully comply with staff's request. If full compliance is not received, the RCC will inform LACTC of its inability to evaluate the OCIP.

Mr. Camacho asked if it is necessary to have all of this data before we proceed with with an internal financial audit? Mr. Porter stated no and that he would direct our internal contract audit group to proceed immediately.

Mr. Anderson reiterated that the LACTC Fast Group, specifically the Risk Management Section, is our staff support for this endeavor.

PUBLIC COMMENTS

The Board heard comments from John Walsh.

BOARD MEMBERS REQUEST FOR FUTURE ITEMS

Mr. Pott asked for information on the Pasadena Blue Line regarding release of cost and schedule information that's not ready. Mr. Anderson will look into initiating discussion on this matter

Mr. Pott asked that staff return to the Board on the status of the Administrative Policy issues.

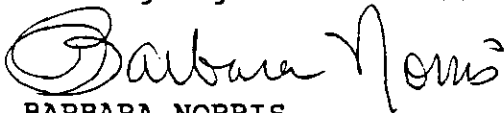
EXECUTIVE SESSION

The Board adjourned to an Executive Session to discuss:

- o Real Estate Matters
 - Metro Red Line, Parcel A1-037 Maier Brewing Company
 - Metro Red Line, Parcel B2-143, Kim Il Young and Myeong Ki
 - Metro Green Line Parcel AS513T Kathleen Feuerstein; AS530 National Medical Enterprises; AS531 Continental Development Corporation; AS534 Rockwell International; AS535 Farr Company
- o Pending Litigation: Parcel A165; Parcel A610

ADJOURNMENT

Meeting adjourned at 6:00 p.m.



BARBARA NORRIS
Executive Secretary

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