



**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING JUNE 24, 1991**

MEMBERS PRESENT

DAVID E. ANDERSON, CHAIRMAN
 ERNEST CAMACHO, VICE CHAIRMAN
 HERBERT L. CARTER
 JUDITH HOPKINSON
 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
 LARRY KELSEY, SR. CONTRACTS ADMINISTRATOR
 BARBARA NORRIS, EXECUTIVE SECRETARY
 BONNIE VERDIN, SECRETARY II

OTHER

AUGUSTINE ZUNIGA, COUNTY COUNSEL

1. **CALL TO ORDER**

The meeting was called to order at 2:00 p.m.

2. **APPROVAL OF MINUTES**


Mr. David J. Nosenzo, representing Homer J. Olsen stated that the minutes of the June 3, 1991 do not reflect accurate remarks made by himself, staff and the Board. Mr. Pott moved for approval of the minutes with modifications as may be necessary in order to accurately reflect that which what was spoken as exhibited on the tape. The Board directed the Board Secretary to review the tapes. Upon reviewing the tapes the Board Secretary determined that the only discrepancy is that the minutes on Items #10 and #11 do not reflect that Homer J. Olsen's claim is a package deal on Contracts C140 and C117. Motion seconded by Mr. Camacho and approved.



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 a Subsidiary of
 the Los Angeles County
 Transportation Commission

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3. CHAIRMANS REMARKS

Mr. Anderson stated that this being his last meeting as Chairman he would like to express his gratitude to each of the Board Members for their work effort and contributions made during the past year in the start-up phase. Mr. Anderson also thanked staff for their efforts to support the Board.

Mr. Camacho thanked Mr. Anderson for his leadership during the past year.

4. PRESIDENT'S REPORT

Mr. McSpedon reported on the APTA Conference held in Philadelphia and stated that the Board Secretary would provide a list of the papers presented at the conference to the Board and would provide copies of papers upon the Board's request.

Mr. McSpedon reported that the 1992 Rapid Transit Conference will be held in Los Angeles and will be jointly hosted by the LACTC and SCRTD. Preparations are in progress. Information on the dates will be sent to the Board.

The LACTC/RCC Joint Development Committee held its first meeting.

Bids were taken on June 6 for the last major facilities contract on the Wilshire leg of MOS-2. Staff will return to the Board at its July 8 meeting with an award recommendation.

Mr. Pott inquired about the LACTC Bond proceeds and availability of funds. Mr. Anderson asked that staff brief the Board on any outstanding issues at the next RCC meeting.

Mr. Pott asked for clarification as to when the Board will receive a report on the Pasadena Line, its limits, its probable costs and other pieces of information identified in the RCC Board's policies relating to transfer of projects.

Mr. Weldon stated that staff is working on a package on the Pasadena Project and should return to the Board at the beginning of August with a proposal to adopt the budget, scope and schedule.

CONSENT CALENDAR (ITEMS 5 THRU 12)

Mr. McIntyre asked what are the Special Vehicles in Item 5.
Mr. Taylor explained that these are all maintenance vehicles.

Mr. McIntyre asked that Item 10 should be heard before Item 6.

Mr. Pott asked that Items 6, 9, 10, 11 and 12 be pulled for discussion. Mr. McIntyre moved, Mr. Carter seconded to approve the remaining consent calendar Items 5, 7, and 8. Motion approved.

5. METRO BLUE LINE, CONTRACT P0852 - RERAILING TRUCK - ACCEPTANCE OF CONTRACT CLOSEOUT

1. Approve the acceptance of the initial scope of work complete as of November 21, 1989.
2. Authorize the recording of the Notice of Completion after delivery and acceptance of the flatbed/crane truck.
3. Authorize release of the final payment and retention upon acceptance of the final truck.
4. Approve the transfer of funds from the Project Reserve in the amount of \$43,371.28. This amount represents the budget deficit on Contract P0852.

7. METRO BLUE LINE, CONTRACT H831, SCADA, ACCEPTANCE OF CONTRACT CLOSEOUT

1. Approve the acceptance of the Metro Blue Line portion of the subject contract one hundred percent complete as of May 29, 1991, and authorize the release of \$145,293.
2. Authorize the immediate release of the contract balance of \$157,963.20 upon acceptance of closeout and release the retention balance of \$244,778.43 thirty (30) calendar days after the filing of the Notice of Completion.
3. Authorize the transfer of \$251,084 from the Project Reserve to the Metro Blue Line portion of this Contract H831.
4. Authorize the transfer of \$375,380.75 representing the contract balance of items to be executed under the Metro Green Line.

8. METRO BLUE LINE, CONTRACT P0851, HI-RAIL TRUCKS, APPROVAL OF CHANGE ORDER NO. 10 AND ACCEPTANCE OF CONTRACT CLOSEOUT

1. Approve Change Order No. 10 in the amount of \$239,251.21 to adjust the final contract value as per the negotiated settlement between LACTC and Road Machinery and Supplies Co.

2. Approve the acceptance of the subject contract complete as of May 31, 1991, and authorize the filing of the Notice of Completion.
3. Approve the transfer of funds in the amount of \$27,681.57 to the Project Reserve. This amount represents the surplus over the total obligated funds for Contract P0851.

Motion approved.

CONSENT CALENDAR - DISCUSSION ITEMS

Mr. Pott expressed his concern on the final closeout amount on Items 10, 6, 9, 11, and 12 and the original bid amount and stressed the need for staff to find a way to reduce the potentials for these overruns. After further discussion the Board took the following actions:

10. METRO BLUE LINE, CONTRACT C415, FIRESTONE BRIDGE, CHANGE ORDER #28

Mr. McIntyre moved, Mr. Camacho seconded to recommend that the Commission approve Change Order #28 in the amount of \$2,130,807. Motion approved.

6. Metro Blue Line, Contract C415, Firestone Bridge, Acceptance of Contract Closeout

Mr. Pott moved, Mr. McIntyre seconded to recommend that the Commission:

1. Approve the acceptance of the subject contract complete as of October 20, 1989.
2. Retain \$127,120 until pending third-party insurance issues are resolved.
3. Approve the transfer of funds in the amount of \$1,301,683 to the Project Reserve.
4. Authorize the filing of the Notice of Completion.

Motion approved.

9. METRO BLUE LINE, CONTRACT H811, TRACTION POWER SUPPLY SYSTEM, ACCEPTANCE OF CONTRACT CLOSEOUT

Mr. Pott moved, Mr. McIntyre seconded to recommend that the Commission:

1. Approve the acceptance of the subject contract one hundred percent complete as of June 5, 1991, and authorize the filing of the Notice of Completion.
2. Authorize the release of the contract balance of \$1,044,197.46 immediately upon acceptance of closeout and release of retention balance in the amount of \$84,338.90 upon completion thirty (30) calendar days after the filing of the Notice of Completion.
3. Approve the transfer of funds in the amount of \$877,875 from the Project Reserve. This amount represents a deficit over the total obligated funds for Contract H811.

Motion approved.

11. METRO RED LINE, SEGMENT 1 - CONTRACT A141, TUTOR-SALIBA/S.J. GROVES

Mr. Pott moved, Mr. Camacho seconded to recommend that the Commission approve Change Order #117 in the amount of \$1,271,328.93. Motion approved.

12. METRO RED LINE, SEGMENT 1 - CONSTRUCTION/PROCUREMENT CONTRACT AUTHORIZATION FOR EXPENDITURE

Mr. McSpedon explained that when the Segment 1 contracts were transferred, staff asked for an AFE approval from the Board which included the current contract amounts plus 10% of the unexpended balances.

Since that time an audit and forecast has been done and we have a bottom line forecast total cost on each of the contracts. Staff is asking to adjust the AFE's to match the forecast. This will enable staff to keep the project moving by not having to go before the Board for each and every small change order. This action moves unallocated contingency funds to individual contracts, but does not change the bottom line budgeted for the construction on Segment 1 as approved by the Board.

Mr. Kruse moved, Mr. McIntyre seconded to recommend that the Commission authorize new expenditure levels for active construction/procurement contracts. Motion approved with Mr. Pott and Mr. Carter voting no.

14. OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

Mr. Pott moved, Mr. Carter seconded that the RCC Board take a position on the insurance program and recommend to the LACTC that the following should be implemented forthwith:

1. A competitive selection process should be engaged immediately for designer and construction-related insurance provisions for the Pasadena Blue Line. Existing brokers and insurance carriers should be informed that they are welcome to compete in the process on the same basis as other potential candidates.
2. Staff should be instructed to prepare the relevant documents identified above, including scope, types of coverage, additional brokerage services, a list of potential candidates, screening, selecting, and negotiating factors, and other professional and business factors which will influence the process. These relevant documents should be presented to the RCC Board of Directors in a summary report for appropriate subsequent recommendations to the LACTC.
3. Decisions on the timing of issuance of the approved insurance proposal documents for the Pasadena Blue Line should be held in abeyance until those documents have been approved and the present uncertainties regarding rail capital construction schedules are clarified.

Mr. Porter stated that staff will return to the Board at the July 22 meeting with staff's assessment of the existing OCIP relation with MTIA and also on-going coverage for the entire program. Mr. Porter will return to the Board at its August meeting on the Pasadena RFP.

Mr. Pott's motion was approved by the Board.

15. METRO RED LINE, SEGMENT 1 AND 2, CONTRACT 2297/E0002, METRO RAIL TRANSIT CONSULTANTS (MRTC), AMENDMENT NO. 5

Mr. McSpedon presented staff's report. Mr. McIntyre moved, Ms. Hopkinson seconded to recommend that the Commission authorize the Executive Director to execute Amendment No. 5 to the subject contract in the amounts of \$3,000,000 for Segment 1 and \$11,918,740 for Segment 2. Motion approved.

16. **METRO BLUE LINE, TRANSIT CONSULTANTS OF SOUTHERN CALIFORNIA (TRANSCAL I), CONTRACT MC005 AMENDMENT NO. 2**

Laurence Weldon presented staff's report. Mr. Carter moved, Mr. McIntyre seconded to recommend that the Commission authorize the Executive Director to execute Amendment No. 2 to the subject contract for an amount not to exceed \$2,964,507.

17. **METRO RED LINE, SEGMENT 1 CONTRACT A144, AUTHORIZATION TO ENTER INTO A DEMOLITION DISPOSAL CONTRACT**

Larry Kelsey presented staff's report. John Adams stated that in addition to the unsolicited bid from Resource Innovations, Inc., another unsolicited bid has been presented to staff which is \$15,000 below the first unsolicited bid. Staff has conferred with County Counsel on this issue as to what the policy is on these unsolicited bids. County Counsel stated that the Board can delegate the President to negotiate with the proposers.

Mr. Pott moved, Mr. Carter seconded to recommend that the Commission authorize the President to negotiate the award of a contract in the not-to-exceed amount of \$150,000 to one of two proposers who have submitted unsolicited bids to the RCC to dismantle and dispose of all equipment, piping and components comprising the groundwater treatment facilities from its current location adjacent to Union Station. Motion approved.

18. **METRO GREEN LINE, AWARD CONTRACT P1800**

This item was held over from the June 3 RCC meeting when staff recommended against A & K Railroad Materials, Inc., the lowest bidder on grounds of non-responsiveness and non-responsibility. Mr. Anderson stated that the Board would hear comments in the following order:

- 1) Staff will explain the basis for their recommendation;
- 2) Legal Counsel will speak on the legal issues involved;
- 3) Mr. Mack will speak on the DBE issues;
- 4) Paul L. Smart, Western Regional Manager; Morris Kulmer, President; Bernard S. Kamine, Counsel; representing A & K Railroad Materials, Inc; and
- 5) John Pit, representing Bethlehem Steel Corporation.

After a lengthy discussion by the Board to determine whether A & K Railroad Materials, Inc. did demonstrated a good faith effort to meet the goals, Mr. Carter moved, Mr. Kruse seconded to reject staff's recommendation and recommend that the Commission authorize the Executive Director to award Contract P1800 to A & K Railroad Materials, Inc., the lowest bidder.

The contract award will be for a total amount of \$6,199,569. Motion approved 4-3 with Mr. Camacho, Ms. Hopkinson and Mr. Pott voting no.

Mr. Kruse stressed the fact that staff should communicate to the Commission the Board's position and how the Board arrived at this decision. Mr. Anderson stated that this would be done.

19. METRO RED LINE STATION DESIGN POLICIES

Mr. Anderson asked that Ms. Hopkinson and Mr. Pott meet with selected SCRTD Board Members to discuss the policies before returning to the RCC Board at which time the RCC Board will forward the policies to the Commission.

The Board reviewed the policies and directed staff to make the suggested modifications as noted by the Board:

1. Pg. 55, Parking - emphasize free parking
2. Pg. 58, Fare Collection, second bullet - add to end of sentence if it should be determined that the barrier free system is appropriate
3. Pg. 11, Platform Edge, first bullet, change to read to assure reasonable safety for able-bodied as well as handicapped users.....
4. Modify document to provide for the acceptance procedure for donated art to involve a committee which would make a recommendation through the RCC Board to the LACTC for accepting donated artwork.

Mr. John Walsh addressed the Board on this issue.

Mr. Kruse moved, Mr. Camacho seconded to recommend that the RCC Board accept the station design policies as submitted and direct staff to submit them to the SCRTD for review comments on those items relevant to rail operations and maintenance. Staff will then return to the Board with proposed SCRTD modifications, if any, for final RCC adoption and recommendation to LACTC for approval.

20. METRO BLUE LINE, CONTRACT C140, GOVERNMENT CODE CLAIM, HOMER J. OLSEN

Mr. David J. Nosenzo addressed the Board on this issue, stating that the claim was not filed just for Contract C140, but also for Contract C117.

Mr. Pott moved, Judith Hopkinson recommended that on an emergency basis the Board recommend that the Commission formally reject the claim of Homer J. Olsen, Incorporated on Contracts C140 and C117. This item as revised requires a two-thirds vote of the RCC to include the claim on Contract C117 which was not included in staff's report, but is part of the claim attached to the report. This revision will require a two-thirds vote of the Commission. Motion approved unanimously.

21. RCC PRINCIPLES, ROLE OF ENGINEERING MANAGEMENT CONSULTANT (EMC) AND CONSTRUCTION MANAGEMENT CONSULTANT (CM)

This item was held over the the July 8 RCC Board meeting.

JOINT DEVELOPMENT COMMITTEE MEETING

Judith Hopkinson reported on the first RCC/LACTC Joint Development Committee meeting held last week.

22. METRO GREEN LINE, MEMORANDUM OF UNDERSTANDING BETWEEN LACTC AND CENTURY FREEWAY AFFIRMATIVE ACTION COMMITTEE (CFAAC)

Mr. Carter moved, Mr. Camacho seconded to recommended that the Commission authorize the Executive Director to execute the Memorandum of Understanding between the Commission and CFAAC for a twelve-month period, beginning July, 1991. Total cost of services incurred under the MOU shall not exceed \$84,500. Motion approved.

23. ESTABLISHMENT OF AD HOC AND PERMANENT STANDING RCC FINANCE & BUDGET SUBCOMMITTEE

Mr. Anderson appointed an Ad Hoc RCC Finance and Budget Subcommittee consisting of Donald McIntyre as Chairman, Judith Hopkinson, and David Anderson. The Board will take the necessary steps to move forward with the process of amending the existing ByLaws to form a permanent standing committee.

24. PUBLIC COMMENTS

The Board heard comments from Mr. John Walsh.

25. BOARD MEMBERS REQUEST FOR FUTURE ITEMS

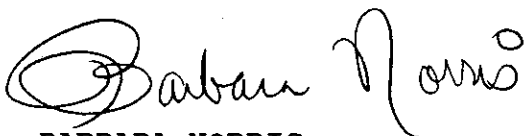
Mr. Pott inquired on the status of the DBE procedures.

26. EXECUTIVE SESSION

The Board adjourned to an Executive Session to discuss Real Estate Matters on Parcels AS506, AS523, AS524 and AS532, Takashi Yasutake, DBA T-Y Nursery, Inc; Parcels AS521 and AS527, TRW Foundation; Potential Litigation on Parcel C140/C117 Homer J. Olsen; Potential Litigation on Del Amo Bridge.

ADJOURNMENT

The Meeting adjourned at 7:20 p.m.

A handwritten signature in cursive script that reads "Barbara Norris". The signature is written in black ink and is positioned above the printed name and title.

BARBARA NORRIS
Executive Secretary