



**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING AUGUST 12, 1991**

MEMBERS PRESENT

ERNEST CAMACHO, CHAIRMAN
ROBERT E. KRUSE, VICE CHAIRMAN
DAVID E. ANDERSON
JUDITH HOPKINSON
DONALD McINTYRE

STAFF PRESENT

EDWARD McSPEDON, PRESIDENT/CEO
TOM TANKE, EXECUTIVE VICE PRESIDENT, TECHNICAL OPERATIONS
ABDUL SESAY, RISK MANAGER
BARBARA NORRIS, EXECUTIVE SECRETARY

OTHER

AUGUSTIN ZUNIGA, COUNTY COUNSEL

1. CALL TO ORDER

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

PUBLIC HEARING (ITEMS 2 & 3)

- 2. METRO RED LINE, SEGMENT 2 - CONTRACT B221, WILSHIRE/NORMANDIE STATION AND LINE, SUBSTITUTION OF SUBCONTRACTOR INTRA-AMERICAN FOUNDATION AND DRILLING COMPANY, INC. (SUBCONTRACTOR) VS. TUTOR-SALIBA-PERINI J.V. (PRIME)**

Mr. McSpedon reported that the subcontractor has agreed to the substitution. Mr. Zuniga stated that the prime committed to substitute with a DBE firm. No action is required by the Board.



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3. METRO RED LINE, SEGMENT 2, CONTRACT B231 WILSHIRE/WESTERN STATION AND CROSSOVER, SUBSTITUTION OF SUBCONTRACTOR DEKOR NATIONAL GRANITE AND MARBLE INC. (SUBCONTRACTOR) VS. TUTOR-SALIBA-PERINI J.V. (PRIME)

Mr. McSpedon reported that an agreement has been reached on this item. The Prime has given the subcontractor a 2-week extension to obtain the required bonds. The subcontractor has agreed to be substituted should he be unable to secure contractually required bonding by the end of the 2-week period. No action is required by the Board at this time.

4. APPROVAL OF MINUTES

Mr. McIntyre moved, Mr. Kruse seconded to approve the minutes of the July 22, 1991 as submitted. Motion approved.

5. CHAIRMAN'S REMARKS

Mr. Camacho reported on a preliminary schedule for a tour of transit properties on the East Coast.

6. PRESIDENT'S REPORT

Mr. McSpedon reported the following:

- The LACTC tabled action on Contract C400, Construction of Maintenance Facilities at the July 24 meeting.
- The LACTC approved Contract B211 at its July 24 meeting. Subsequently, the second low bidder has filed a protest with UMTA protesting the Commission's action. The protest has been reviewed by UMTA's San Francisco office and forwarded to UMTA Headquarters in Washington, D.C. for final action.
- Contract H1200 is currently in negotiations under the provision of the State contract code giving LACTC authority to negotiate certain contracts that involve high technology, changing marketplaces, etc. A motion has been filed in the courts by one of the competitors and the judge has issued the RCC a Stay preventing award of this contract. A hearing date has been set for mid-October. Mr. McSpedon reported on the steps being taken to resolve this issue.
- The mock-up vehicle for the Metro Red Line has arrived in port and will be unveiled to the public shortly.

CONSENT CALENDAR, ITEMS 7 THRU 9

Mr. Anderson moved, Mr. McIntyre seconded to approve the consent calendar. Motion approved.

7. ESTABLISHMENT OF RCC SUBCOMMITTEE ON FINANCE AND BUDGET -
ADOPTION OF RESOLUTION

The Board adopted the Resolution establishing the Subcommittee on Finance and Budget.

8. CONTRACT R85-D0006, AMENDMENT - COOPERS AND LYBRAND, REVIEW OF
RCC ORGANIZATION STRUCTURE

The Board recommended the the Commission authorize the Executive Director to approve an amendment to add \$5,000 to Contract R85-D0006 for a new total contract ceiling amount of \$54,800.

9. METRO RED LINE, SEGMENT 1 - CONTRACT A175, CHANGE ORDER
NO. 116 TUTOR-SALIBA-PERINI. JOINT VENTURE

The Board recommended that the Commission approve Change Order No. 116 in the amount of \$838,759.35, bringing the total contract amount to \$29,776,735.35. This amount represents the final negotiated contract quantities and is within the contract forecasted values.

FIRST MEETING OF THE RCC SUBCOMMITTEE ON FINANCE & BUDGET

Mr. McIntyre stated that the RCC Subcommittee on Finance & Budget will be meeting on Monday, August 19 at 1:00.

REGULAR CALENDAR

11. PRESENTATION OF OWNER CONTROLLED INSURANCE PROGRAM (OCIP)
MANAGEMENT STUDY

At its meeting of July 22, the Board requested that staff return to the Board with formal recommendations on the OCIP.

Mr. Sesay and Mr. Ronald Rakich, Vice President, Warren, McVeigh & Griffin, Inc., reviewed staff's recommendations and the Pasadena Line OCIP Timetable with the Board.

Mr. Anderson commented that the action the Board took at its July 22 meeting requested that either the Board or a subcommittee of the Board be involved in reviewing the request for proposals. Mr. Sesay stated that the Board will be involved. Mr. Pott and Mr. Camacho will represent the Board in these discussions.

Ms. Hopkinson expressed her concern on extending the Sedgwick James/MTIA for one year when the results of the financial audit and opinion from outside legal counsel will be available in a month. Ms. Hopkinson asked why the timetable set for the Pasadena Line OCIP should take six months.

Mr. Rakich stated that there are two parts of the contract, the administration services which have been good, and the brokerage side which is where the criticism lies. To try and solicit administrative services at this point would be difficult, if not impossible. Mr. Sesay stated that if the findings show that the terms and conditions of the contract have been violated, the contract can be terminated. Ms. Hopkinson stated that trying to terminate a contract is also a difficult task.

Mr. McSpedon stated that the contract negotiations with the new terms and conditions will be completed within 3 weeks and should be back to the Board in September. The audit and legal review should be completed at that time, and the Board will have adequate information to make an informed decision whether not to proceed, to award a six month contract, or to go with a contract for a full year. Ms. Hopkinson asked that staff look at accelerating the timetable for the Pasadena OCIP. Mr. Sesay stated he didn't think this would be possible, but that he would review the process for anything that could be done.

12. PUBLIC COMMENT

The Board heard comments on several issues from Mr. John Walsh, URLA, who also reported that a newsstand rack is obstructing an emergency exit on southside of 7th Street.

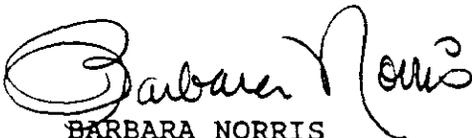
13. BOARD MEMBERS REQUEST FOR FUTURE ITEMS

Judith Hopkinson asked the status of the recommendation made by the Board on the Vermont/Sunset station design and the action of the LACTC at its July 24 meeting. Mr. McSpedon stated that the Commission took no action at the meeting since it was not agendized. The Board concurred that its previous recommendation be forwarded to the Commission's August 28 meeting.

Ms. Hopkinson inquired about a report mentioned in a letter from the Operating Engineers. Mr. Zuniga stated this report falls under attorney/client privilege and is not available. The Board asked that Mr. Zuniga follow up on this item.

ADJOURNMENT

The meeting adjourned at 3:05 p.m.



BARBARA NORRIS
Executive Secretary