



**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING AUGUST 26, 1991**

MEMBERS PRESENT

ERNEST CAMACHO, CHAIRMAN
ROBERT E. KRUSE, VICE CHAIRMAN
JAMES POTT
JUDITH HOPKINSON
DONALD McINTYRE

STAFF PRESENT

EDWARD McSPEDON, PRESIDENT/CEO
TOM TANKE, EXECUTIVE VICE PRESIDENT, TECHNICAL OPERATIONS
LAURENCE WELDON, PROJECT MANAGER, METRO BLUE LINE
BARBARA NORRIS, EXECUTIVE SECRETARY

OTHER

AUGUSTIN ZUNIGA, COUNTY COUNSEL

1. CALL TO ORDER

The meeting was called to order at 1:50 p.m.

EXECUTIVE SESSION

The Board adjourned to discuss Metro Blue Line, Contract C117/140 - Government Code 54945.9(a).

2. APPROVAL OF MINUTES

Mr. McIntyre moved, Mr. Kruse seconded to approve the minutes of the August 26, 1991 as corrected:

Page 4, 5th paragraph, 2nd sentence Mr. Zuniga stated this report falls under attorney/client privilege and is not available at this time, but he would look into getting copies to the Board..... Motion approved.



**Rail
Construction
Corporation**

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Leading the Way to Greater Mobility

a Subsidiary of
the Los Angeles County
Transportation Commission

3. CHAIRMANS REMARKS

Mr. Camacho had no remarks at this time.

4. PRESIDENT'S REPORT

Mr. McSpedon reported the following:

- Del Amo Station condition has been corrected.
- Regarding the B211 contract protest to UMTA by the second low bidder, staff received a letter from UMTA last week rejecting the protest and upholding the RCC/LACTC action in July. The attorney for the contractor sent a letter advising that the contractor wishes to discontinue the protest and concede the decision.
- First pair of Metro Red Line cars have arrived in Pueblo, Colorado.
- Engineering Management Consultant Proposals are due today (8/26).
- The action taken by the Board on Vermont/Sunset at its July 22 meeting supporting that this is an opportune site for joint development is scheduled to go before the LACTC at its Wednesday, August 28 meeting. The Board also wanted the LACTC to be aware of the cost of design and the added cost of construction if the design is changed and the need to identify additional funding,
- Contract C400 Yards and Shops tabled at the LACTC's July 24 meeting is scheduled to go before the LACTC at its Wednesday, August 28 meeting.

CONSENT CALENDAR, ITEMS 5 THRU 10

Mr. Pott asked that items 5, 9 and 10 be pulled for discussion. Mr. Kruse moved, Mr. McIntyre seconded to approve the remaining calendar. Motion approved.

6. METRO BLUE LINE - CONTRACT C117, FLOWER STREET SUBWAY. CHANGE ORDER #35 AND RECOMMENDATION FOR CONTRACT CLOSEOUT

The Board recommended that the Commission:

- o Approve Change Order #35 in the amount of \$389,822 to provide labor and materials necessary to perform stock piling of retained back fill at a storage yard.
- o Approve a 14 calendar day time extension to the existing contract completion date, to a revised completion date of October 22, 1989.

- o Approve contract acceptance of the subject contract complete as of January 19, 1990. The Notice of Completion was filed with L.A. County Recorder's office on March 17, 1991.
 - o Authorize the release of the contract balance of \$389,822 upon contract acceptance and to release contract retention funds in the amount of \$611,634.
 - o Approve the waiver of liquidated damages; the waiver of all insurance claims, 3rd party betterment assessment charges; and all Government Code claims as agreed per the Mutual Settlement Agreement between Homer J. Olsen and the Commission concerning this contract.
 - o Approve transfer of funds in the amount of \$214,781. to the Project Reserve. This amount represents a surplus over the total obligated funds for Contract R01-T01-C117.
7. METRO BLUE LINE, CONTRACT C140, LACBD APPROACH, CHANGE ORDERS #134.154.155: INCREASE IN AFE; RECOMMENDATION FOR CONTRACT CLOSEOUT

The Board recommended the the Commission:

- o Approve Change Order #134 in the amount of \$1,923,355 for the L.K. Comstock claim.
- o Approve Change Order #154 in the amount of \$3,0312,516 for the Homer J. Olsens' end of job claim as negotiated by the RCC staff.
- o Approve Change Order # 155 in the credit amount of <\$292,240> for all pay items deleted from the contract.
- o Authorize an increase in the Authorization for Expenditures for the sum of \$1,407,128 million to cover all costs associated with this claim.
- o Approve the release of the contract balance including the retention amount of \$612,838, held in escrow as securities at the Bank of California.
- o Approve the acceptance of the subject contract complete as of April 7, 1990. The Notice of Completion was filed with L.A. County Recorder's office on March 27, 1991.
- o Approve the waiver of liquidated damages; the waiver of all insurance claims, 3rd party betterment assessment charges; and all Government Code claims as agreed per the Mutual Settlement Agreement between Homer J. Olsen and the Commission concerning this contract.

- o Approve transfer of funds in the amount of \$2,192,872 to the Project Reserve.

8. METRO RED LINE, SEGMENT 1 - CONTRACT A141. CIVIC CENTER STATION. CHANGE ORDER #094.1

The Board recommended that the Commission approve Change Order #094.1 in the amount of \$763,592.65 for a total contract value of \$78,311,238.30. This amount represents the costs associated with PC-109, the Contractor's claim for extra work related to excessive soil loads on the Civic Center Station excavation support system and for installation of an intermediate (b) level of support struts. Included in this amount is a lump sum of \$195,000 for costs incurred by Wagner Construction and reimbursed in a previous cost plus change notice.

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

5. METRO RED LINE SEGMENT 1 - WILSHIRE/ALVARADO. CONTRACT A187. CHANGE ORDER #019 AND INCREASE IN AFE - TUTOR SALIBA CORPORATION

Mr. Pott moved, Ms. Hopkinson seconded to recommend that the Commission approve Change Order #019 in the amount of \$516,093 for a total contract value of \$15,732,044. The Board also recommended that the Commission approve an increase to the AFE amount by \$517,000. This change order is within the contract forecast.

9. METRO RED LINE. SEGMENT 1 - CONTRACT A175, CHANGE ORDER #114

The Board tabled this item to the September 9 RCC meeting and directed staff to return with additional information.

10 METRO GREEN LINE. FEDERAL-AID URBAN CASH ALLOCATIONS

Mr. Pott stated his concern that the Board be given ample time to review issues concerning the RCC and addressed at other policy committees. Mr. Pott moved, Mr. McIntyre seconded to concur with staff's recommendation to the Finance & Programming Committee recommending that the Commission:

- o Approve the payment authorizations for ready-to-go highway projects identified in Prop. C interest revenues. These funds will not be drawn down until they become available for expenditure. (Total: \$9.9 million).

- o Approve the transfer of \$4.8 million of Prop. A Rail Development funds budgeted for the Green Line extension to the Federal-Aid Urban (FAU) Cash Account for the construction of the Aviation Railroad Bridge Project, contingent upon RCC approval. The \$4.8 million shall be reimbursed to the Green Line budget with anticipated 1991 federal reauthorization highway account revenues (1991 STAA funds) or Proposition C principal revenues, whichever source becomes available first.

REGULAR CALENDAR

12. METRO GREEN LINE, CONTRACT H1200, TRACTION POWER SUPPLY SYSTEM CONTRACT AWARD AFTER COMPETITIVE NEGOTIATIONS

The Board heard comments from Mr. Ernest Brown, Attorney for Kirkwood Dynalectric Co., one of the proposers on Contract H1200.

Mr. Zuniga advised the Board not to speak on Mr. Brown's comments as there is pending litigation on this item. Since this item came up after the posting of the agenda, Ms. Hopkinson moved, Mr. Kruse seconded to move this item to the Executive Session to be briefed by Counsel and re-agendized to the end of the meeting. Motion approved.

13. PASADENA-LOS ANGELES RAIL TRANSIT PROJECT PROPOSAL TO COMMENCE PRELIMINARY ENGINEERING

Mr. McSpedon stated that staff is endeavoring to move ahead on the Pasadena Rail Project. The LACTC has not yet authorized the commencement of design and construction. Staff is seeking a means to ensure that the projects' adopted budget and schedule can be successfully achieved. In order to accomplish this staff needs as much information as possible on the project before the budget and schedule is finalized. An equally important goal is to get the Pasadena project moving ahead without delay

The RCC and LACTC staffs have reached a consensus to go from completion of the EIS to a Commission authorization to commence preliminary engineering with a budget and schedule for that effort alone. The work should yield enough information whereby LACTC can be provided with a realistic and achievable recommended budget and schedule.

Ms. Hopkinson stated that her understanding from LACTC staff is that it is not legislatively possible to turn a project over to the RCC until the project budget is adopted. Ms. Hopkinson stated that any proposal to delay adoption of the budget is a very negative one, as the project should be turned over early and that staff's report does not specify when the project will be turned over to RCC. Her question is, are they now turning it over at a earlier point for a very

specific phase of the project which will be over and then readopted or reactivated?

Mr. Weldon responded that it would be an arrangement where RCC is asked to supervise the preliminary engineering.

Ms. Hopkinson expressed her concern that the process of doing this favor circumvents all the things the Board worries about, such as how it's managed, where the lines of control are and who is responsible. Also, it gives the Board the responsibility, but delays the control.

Mr. McIntyre stated his concern in getting the project done, and also stated that one of the major issues not addressed is the Long Beach Freeway.

Mr. McSpedon stated that a couple of things we can get the LACTC to do is to authorize preliminary engineering prior to consummating the Santa Fe negotiations, so we may get started earlier. Secondly, to defer adopting a budget and schedule till we have a reasonable level of engineering completed so we have a good idea of what we're asking LACTC to approve and what we're committing to.

Ms. Hopkinson stated that the Commission's present language making the turnover a 2-step process would be acceptable. Mr. Kruse stated RCC should establish a procedure to get reasonable budgets when the second step happens.

Mr. Pott moved to send a Board request to the Commission to turn over the Pasadena Blue as it sits today, so that the RCC staff with policy oversight by the RCC Board, may commence more detailed preliminary engineering, scheduling and estimating so that there may be a greater level of assurance, upon completion of which, the results would go back to LACTC/committees for adoption of the final budget schedule for the Pasadena Blue. Mr. McIntyre amended the motion to make it a 2-step process. Motion approved.

14. **METRO RED LINE, SEGMENT 1 - CONTRACT A710, ESCALATORS AND ELEVATORS FOR METRO RED LINE STATIONS**

Ms. Hopkinson moved, Mr. McIntyre seconded to recommend that the Commission approve a change order to procure additional escalators in an amount not-to-exceed \$1.2 million, increasing the contract value to \$14,128,289. Also, that the Commission approve an increase to the AFE amount by \$1.2 million. This increase will enable staff to process this change to the contract.

The current MOS-1 project budget contains no funds for this work. The costs for this additional work scope will be charged against project contingency and will result in an added incremental risk of project budget overrun. Motion approved.

15. RCC REPORT ON FY'91 ACTIVITIES

Mr. McSpedon stated that according to the RCC Bylaws, the RCC Board is required to furnish to the Commission within 120 days of the close of the fiscal year, a report of RCC activities for the fiscal year. The LACTC is also preparing an annual report which will include a full accounting of RCC activities.

Staff has prepared a report on RCC activities to fulfil the RCC obligation to the Commission.

Ms. Hopkinson stated that the report needs to highlight the problem areas and what's being done to correct them. Mr. Kruse emphasized that the report should be an independent report of the LACTC's annual report.

Mr. Pott added that the report should incorporate a Chairman and President's message. Also, revise and incorporate the language i.e., space should be devoted to design, construction, etc. Mr. Pott also suggested that the report be referred back to staff to work with the present Chairman and Vice Chairman to have it formatted like a corporate annual report, especially and including an issues section.

16. PUBLIC COMMENT

Mr. Walsh addressed the Board on several issues.

17. BOARD MEMBERS REQUEST FOR FUTURE ITEMS

Mr. Pott stated that when Ms. Hopkinson and he meet with a subcommittee of SCRTD on station design that the issue of facilities in the station be addressed. He asked that the RCC members inform him of any comments they might have.

Mr. Pott reported on a question asked at the LACTC's Finance & Programming Committee on "how come the capital budget was an underrun of 32%." He ask that this matter be referred to the Finance & Budget Committee.

Mr. Pott suggested that consideration of an establishment of an Administration and Organization Committee be addressed at the September 9 meeting.

Mr. Kruse stated he attended an open house at the SCRTD maintenance facility and reported it is an excellent facility.

Ms. Hopkinson stated a meeting for the Joint Development Committee is not scheduled until October and expressed her concern that a meeting may need to be held before that time.

EXECUTIVE SESSION

The Board adjourned to address the following issues:

- o Real Estate Matters - Government Code 54956.8
 - B2-117, Bank of America
 - AS 535, Farr Company
 - Metro Green Line, Regional Office Space
- o Contract H1200 TPSS

OPEN SESSION

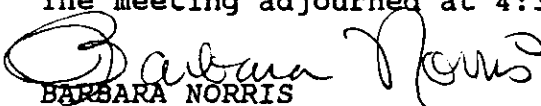
The Board returned to open session to take action on Item No. 12.

METRO GREEN LINE, CONTRACT H1200, TRACTION POWER SUPPLY SYSTEM
CONTRACT AWARD AFTER COMPETITIVE NEGOTIATIONS

Mr. Kruse moved, Mr. McIntyre seconded to recommend the Commission award Contract H1200, Traction Power Supply System to Mass Electric Construction subject to protest timely filed and subject to resolution of the issues before the court on Contract H1200. Motion approved.

ADJOURNMENT

The meeting adjourned at 4:30 p.m.


BARBARA NORRIS
Executive Secretary

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