



**RAIL CONSTRUCTION CORPORATION
MINUTES OF MEETING SEPTEMBER 23, 1991**

MEMBERS PRESENT

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

STAFF PRESENT

EDWARD McSPEDON, PRESIDENT/CEO
JEANNE KINSEL, CONTRACT ADMINISTRATOR
JOHN MACK, MANAGER, CONTRACT COMPLIANCE
DAVE SIEVERS, PROJECT MANAGER, METRO GREEN LINE
LINDA FORD McCAFFREY, CONTRACTS ADMINISTRATOR
LAURENCE WELDON, PROJECT MANAGER, METRO BLUE LINE
ABDUL SESAY, RISK MANAGER
BARBARA NORRIS, EXECUTIVE SECRETARY
BONNIE VERDIN, SECRETARY II

OTHER

AUGUSTIN ZUNIGA, COUNTY COUNSEL

1. CALL TO ORDER

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

Mr. Gerry Geismar, Vice President Materiels Space & Defense, TRW and Chairman of the El Segundo Employees Association, welcomed the Board and cited the support of both agencies of the Metro Green Line project.

2. APPROVAL OF MINUTES


The minutes of the September 9 meeting were approved as submitted.



**Rail
Construction
Corporation**

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Leading the Way to Greater Mobility

 a Subsidiary of
the Los Angeles County
Transportation Commission

3. PUBLIC COMMENTS

Mr. Camacho asked if there were any public comments at this time. There were none.

4. CHAIRMAN'S REMARKS

No remarks.

5. PRESIDENT'S REPORT

Mr. McSpedon reported on the following:

- o LACTC will be receiving a resolution from the L.A. City Council for the Metro Gardens Project, whereas the community is allowed interim use of a portion of LACTC property for a public garden. This site will be used for a future station entrance on Hollywood Boulevard/Western Avenue.
- o The L.A. City Parks Commission has cancelled its September 23 meeting regarding Barnsdale Park, the construction tunnelling site discussed at the Board's last meeting. The next scheduled meeting is October 7. Staff is requesting the Parks Commission to reschedule prior to the 7th in order to have an action on the access by the end of September.

In response to the Board's concern on the competitive bidding on this type of large tunnelling contract, staff has solicited comments and input from heavy general contractors in the country that could do this work and has received 6 positive responses. The Board requested copies of these letters.

- o Updated the Board on the railcars in Pueblo, Colorado.
- o Interviews for the Engineering Management Consultant are scheduled for Tuesday, September 24.
- o The Commission has received two first place awards from the American Public Transit Association on the "Driving with Daddy" and "Metro Red Line" videos produced by Erica Goebel.

Ms. Hopkinson asked if a decision was made as to the Construction Manager role in the EMC. Mr. Adams stated that the decision of the Board was not to include the CM role in the EMC.

CONSENT CALENDAR

Mr. Pott asked that items #6 and #9 be removed from the Consent Calendar. Ms. Hopkinson moved, Mr. McIntyre seconded to approve the remaining consent calendar. Motion approved.

7. METRO RED LINE, SEGMENT 2, CONTRACT B201, CHANGE ORDER #01
MACARTHUR PARK TO WILSHIRE VERMONT

The Board recommended that the Commission approve Change Order No. 01 in the amount of \$975,000.00 and an increase to the AFE amount by \$975,000.00.

8. METRO RED LINE, SEGMENT 2. PHASE 1 HAZARDOUS MATERIALS
ASSESSMENT AND PCB SAMPLING- 3223 W. SIXTH ST. AND ADJOINING
PROPERTIES

The Board recommended that the Commission authorize the Executive Director to pay \$81,636 for the hazardous materials assessment and PCB sampling at 3223 W. Sixth Street and adjoining properties.

CONSENT CALENDAR DISCUSSION ITEMS

6. METRO RED LINE, SEGMENT 1, CONTRACT A175, CHANGE ORDER

Mr. Pott asked about the outstanding issues noted in staff's report. Ms. Kinsel stated these issues have subsequently been resolved and are included in the closeout. After further discussion on the costs of the outstanding issues, Mr. Pott moved, Mr. McIntyre seconded to recommend that the Commission approve Change Order No. 114 in the amount of \$2,268,984 for a total contract value of \$32,196,314.20. This amount represents the costs associated with Contractor's outstanding potential claims, RCC's negotiated credits schedule impact and punchlist "correction items". Motion approved.

9. METRO RED LINE SEGMENT 1 & 2 SYSTEMS ENGINEERING AND ANALYSIS
CONTRACT NO. 3136 AMENDMENT, BOOZ-ALLEN & HAMILTON

Mr. Pott asked how this contract relates to the Engineering Management Consultant (EMC). Mr. McSpedon stated that once the EMC is engaged, there will be some modifications made to the scope of the Booz Allen Contract and requested the amendment be approved at this time.

Mr. Pott moved, Mr. Carter seconded that the Commission authorize the Executive Director to execute Amendment No. 13 in the amount of \$8,401,957 increasing the total contract value to \$20,781,84. Also approve the necessary AFE increases as delineated in Amendment No. 13. Motion approved.

REGULAR CALENDAR

11. METRO RED LINE, SEGMENT 1. LEASE AGREEMENT FOR METRO-DADE TRANSIT AUTHORITY (MDTA) RAILCARS

Mr. McSpedon presented staff's report on the proposed lease agreement with MDTA for two pair of heavy rail transit cars. This involves bringing these railcars from Florida to support the on-site systems and integrated testing of the Red Line. This effort will help staff to continue with an accelerated schedule of the Red Line and also take some of the pressure from the Breda railcar testing in Pueblo enabling us to thoroughly test the Red Line cars.

Mr. McIntyre moved, Mr. Carter seconded to recommend that the Commission approve the lease of two married-pairs of railcars from MDTA. The total estimated lease cost including shipment, support and insurance is \$355,000. Entire lease cost will be offset by assessing Breda for damages resulting from late delivery, and estimates associated with claim avoidance. Motion approved.

12. DISADVANTAGED BUSINESS ENTERPRISES (DBE) POLICY AND PROCEDURE MANUAL

Mr. Mack reviewed the procedures with the Board and stated that the concerns raised at the last meeting have been incorporated into the document.

The Board raised concern on several issues, i.e., goal setting; eligibility standards via DBE; certification by bid-opening; termination of contractor; good-faith efforts; contract-specific DBE goals. The Board asked that staff make the necessary revisions and modifications and also meet with the DBE subcommittee on eligibility standards; goal setting and certification by bid-opening. With this understanding Mr. Pott moved, Mr. Carter seconded to approve staff's recommendation to adopt an updated DBE Policies and Procedures Manual that conforms to current Federal and State DBE regulations and promotes an efficient construction bidding process.

Mr. Carter stated that he would like to thank Mr. Kruse and Mr. Camacho for their effort along with Mr. Mack and staff on this document to make it serve as a much improved and better understood process for DBE organizations. Also, to guide staff in relating to DBEs and major contractors in cases of joint ventures. Mr. Camacho noted that Mr. Carter also provided a role in the process.

weighing criteria, it has been the policy of the LACTC to use the Federal model ranking order.

Mr. Sievers reported on the local assembly provided by the two firms, stating that both firms were doing the work in the L.A. area, City of Commerce and Long Beach. Mr. Sievers also updated the Board on the schedule and the critical path.

Mr. Bill Frandsen, LTK, Vehicle Design Consultant, addressed the Board on the evaluation process of the technical issues used by the Evaluation Team.

Mr. Carter asked against what base was the 10% DBE goal calculated? Ms. McCaffrey stated that the basis was total contract price minus non-labor, non-material items, i.e, sales tax, ocean freight, import and export duties. Mr. Carter expressed his concern that this method might hold one company to a higher standard because of where the product comes from. Ms. McCaffrey stated that both car shells come from Japan. Mr. Pott asked if the contractors would reach the DBE goals if these items were included. Also, would this change the basis for evaluating the DBE. Mr. Carter stated that his concern is not with the differential of the goal between the contractors, but with the net impact of the overall DBE goal being reduced because of the deduction of the items mentioned above. Ms. McCaffrey stated that the contract documents stated this method as being the parameter to be used in evaluating the bids.

After considerable discussion, Ms. Hopkinson moved, Mr. Carter seconded to delay consideration until the Board's next meeting on October 7, then forward a recommendation to the LACTC's October 9 or October 23 meeting. During that interim period a subcommittee of the Board appointed by the Chairman would meet in detail with staff to review the procedure and the method of the evaluation that occurred, and subsequently to recommend to the whole RCC Board a recommended action to forward to the LACTC. Motion carried.

15. ESTABLISHMENT OF ADMINISTRATION & ORGANIZATION COMMITTEE

Mr. Pott moved, Ms. Hopkinson seconded to asked the President of RCC to take the necessary steps to establish a formal subcommittee to address policy, organization and personnel issues and also to suggest an appropriate name for this committee. Motion approved.

16. PASADENA LINE - TWO STAGE PROJECT ADOPTION PROPOSAL

Mr. Weldon presented staff's report. Ms. Hopkinson stated her concern that staff's report still states that the project be turned over to the Rail Construction Corporation at the commencement of Stage 2. Ms. Hopkinson again stated that the

Ms. Haskins, RTD, addressed the Board and asked that this item be held over if it is the same issue discussed at the LACTC/SCRTD joint meeting on the DBE program. Mr. Camacho clarified that this is not the same issue.

Motion approved.

13. **METRO BLUE LINE, CONTRACT P865 - LIGHT RAIL VEHICLES - RECOMMENDATION FOR CONTRACT ACCEPTANCE - SUMITOMO CORPORATION OF AMERICA**

Mr. McSpedon presented staff's report.

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

1. Approve the acceptance of the subject contract complete as of August 1, 1991 with the noted exceptions in Attachment A of staff's report.
2. Authorize the release for the contract balance of \$2,055,546.66 upon final acceptance.
3. Approve the transfer of funds in the amount of \$837,901.70 to the Project Reserve. This amount represents a surplus from the obligated funds for the subject contract.

Motion approved.

14. **METRO GREEN LINE: CONTRACT P1900 - VEHICLES CONTRACT AWARD**

The Board heard comments from the following:

William Agee, Chairman/CEO, Morrison Knudsen, proposer

Allen Wright representing Sumitomo Corp. of America, proposer

Dave Sievers presented staff's recommendation to award contract P1900 to Sumitomo Corp. of America and reviewed the overall process as to how the final scores were reached by the evaluation team.

Ms. McCaffrey reviewed the procurement and technical evaluation process.

Ms. Hopkinson asked how the evaluation criteria was established specifically, were they made public as part of the procedure of procurement and how was the criteria weighted? Ms. McCaffrey stated that the procurement document listed five main criteria and discussed each submittal required under the criteria. It did not specify numbers for

recommendation to the LACTC be that the project be turned over during Stage 1. Mr. Weldon stated that this item will go to the LACTC's Planning & Mobility Improvement Committee (PMIC). RCC staff will prepare the PMIC agenda item for the adoption of the preliminary engineering together with a scope, budget and schedule recommendation. Staff will return to the Board at its October 7 meeting with the proposed scope of work for preliminary engineering that will be recommended to the PMIC committee.

17. **CITY OF LOS ANGELES: MASTER (OMNIBUS) COOPERATIVE AGREEMENT**

Mr. McSpedon presented staff's report. Although this item has gone through L.A. City Council and is now before the RCC for recommendation of approval by the LACTC, a side letter between the two staffs is being negotiated to address additional language to make this agreement work day-in and day-out. Mr. McSpedon asked that the RCC Board give staff full support if necessary to consummate this agreement. The Board asked that staff return to the Board once the side letter is negotiated.

Ms. Hopkinson moved, Mr. McIntyre seconded to recommend that the Commission authorize the Executive Director and the RCC President/CEO to execute the Master (Omnibus) Cooperative Agreement with the City of Los Angeles, and begin issuance of work orders for necessary activities including design work, which should be performed by LACTC-controlled forces to the maximum extent possible. The budget for compensation will be provided in adopted Program Plans. Motion approved.

18. **METRO RED LINE, SEGMENT 2: SPECIAL PERMITTING PROCESS**

Ms. Hopkinson moved, Mr. McIntyre seconded to recommend that the Commission authorize the Executive Director to approve the Special Permitting Process Agreement to obtain the permits required for the Metro Red Line, Segment 2. Motion approved.

19. **RISK MANAGEMENT BRIEFING**

Mr. Sesay updated the Board on the Insurance Program. Staff held a pre-bid conference on September 16 on the Pasadena Line. All the major insurance brokers in the country were present at this meeting. Staff is anticipating a conceptual proposal from the brokers on October 25. The fee proposal is expected November 8.

Mr. Sesay also updated the Board on the contract negotiations with Metro Transit Insurance Administrators (MTIA).

20. BOARD MEMBERS REQUEST FOR FUTURE ITEMS

Ms. Hopkinson reported on the briefing given at the RCC Finance & Budget meeting on the 30-Year Transportation Plan and suggested that the Board take the opportunity to hear the presentation. The Board concurred to hear this report at a workshop/retreat at a later date.

Mr. Carter stated he sent a letter to the RCC Chairman and the SCRTD resigning his position on the Board to be effective upon the appointment of his successor. Mr. Camacho thanked Mr. Carter for his input and expressed that his services will be missed. The Board concurred.

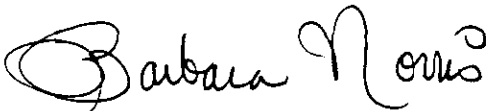
EXECUTIVE SESSION

The Board adjourned to an Executive Session to address the following issues:

- o Real Estate Matters - G.C. #54956.8
 - B2-113, Wan Jae Hwang dba Ricci Clothique; Young S. Pak dba Partners Women's Apparel
 - B2-125, Mr. & Mrs. Art Lumer
 - B2-126, Art & Sara Lumer, et al; L&R Investment Co.
 - B2-127, Almo Enterprises; Morley Benjamin, et al
 - B2-187, The Los Angeles Community College District

ADJOURNMENT

The meeting adjourned at 5:30 p.m.



BARBARA NORRIS
Executive Secretary

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