



RAIL CONSTRUCTION CORPORATION (RCC)  
MINUTES OF JUNE 22, 1992 MEETING

MEMBERS PRESENT

ERNEST CAMACHO, CHAIRMAN  
ROBERT KRUSE, VICE CHAIRMAN  
DAVID ANDERSON  
JUDITH HOPKINSON  
DONALD McINTYRE  
JOHN W. MURRAY  
MAS NAGAMI

STAFF PRESENT

EDWARD McSPEDON, PRESIDENT/CEO  
ROD DAWSON, EXECUTIVE V.P., TECHNICAL OPERATIONS  
JERRY GIVENS, ASSISTANT EXECUTIVE DIRECTOR  
JOEL SANDBERG, PROJECT MANAGER, METRO RED LINE, SEGMENT 2  
DAVE SIEVERS, PROJECT MANAGER, METRO GREEN LINE  
CHARLES STARK, PROJECT MANAGER, METRO RED LINE, SEGMENT 1  
LAURENCE WELDON, PROJECT MANAGER, METRO PASADENA PROJECT  
JESSICA CUSICK, DIRECTOR, ART FOR RAIL TRANSIT PROGRAM  
LOU HUBAUD, DIRECTOR, SYSTEM SAFETY & SECURITY  
ABDOUL SESAY, MANAGER, RISK MANAGEMENT  
THOMAS CARMICHAEL, MANAGER, FACILITIES ENGINEERING  
JOHN MACK, DIRECTOR, CONTRACT COMPLIANCE  
LINDA McCAFFREY, SENIOR CONTRACT ADMINISTRATOR  
ANDY BENNETT, SYSTEMS ENGINEERING MANAGER  
CECILIA MELANSON, MANAGER, ACQUISITION AND RELOCATION  
BONNIE VERDIN, BOARD SECRETARY  
MERCY MENESES, SECRETARY  
MARIA WHITE, SECRETARY

OTHER

KATHRYN LIM, PB/DMJM  
AUGUSTIN ZUNIGA, COUNTY COUNSEL

1. CALL TO ORDER

The meeting was called to order at 1:15 p.m.

2. APPROVAL OF MINUTES

The minutes of the June 1, 1992 meeting were approved as submitted.

3. PUBLIC COMMENT

The Board heard comments from:

- Mr. Goldy Norton
- Mr. John Walsh

Mr. Ken Putnam, Director of Public Works for the City of El Segundo, welcomed the RCC to the El Segundo City Hall facilities.

Mr. Camacho, in turn, thanked Mr. Putnam for use of the El Segundo Council Chambers.

4. CHAIRMAN'S REMARKS

The Chairman deferred to the President's Report.

5. PRESIDENT'S REPORT

- Mr. McSpedon requested that Item #7 be moved to the Regular Calendar.
- This past week, an orientation was held for TOP students to prepare these college students for the summer program. A copy of the orientation packet was circulated among the Board.
- The protest over the Day & Zimmerman contract award was dismissed for lack of grounds and the award is now moving ahead.
- Two weeks ago, Mr. McSpedon, select RCC staff and Bob Aaron, LAFD Fire Chief, met with the City Council's Transportation Committee to discuss Red Line construction safety concerns and methane gas issues raised by Councilwomen Flores and Walters. Mr. McSpedon stated that the Council's concerns were satisfactorily addressed.
- Mr. McSpedon stated that two weeks ago six bids, ranging from \$3,000 to \$54,000, were received for the RCC's sale of surplus timber ties. This is an unusual transaction because this is a sale rather than a purchase for the RCC. The sale was consummated with the highest priced responsive bidder, Southern Pacific Railway, Incorporated.
- Mr. McSpedon stated that last week, the PMIC supported the change order policy established by the RCC Board but requested additional background information before the Commit-

tee takes action. Therefore, this matter will not proceed to the Commission for approval with possible future amendment after PMIC has had a chance to consider the matter further.

#### CONSENT CALENDAR

Mr. Murray requested that Items #9, 12, 13, 16, and 18 be pulled for discussion. Mr. Camacho requested that Item #8 also be pulled for discussion.

Mr. Murray moved, Mr. Anderson seconded to approve the remaining items on the Consent Calendar. Motion approved.

6. STATUS OF UNEXECUTED CONSTRUCTION/PROCUREMENT  
CONTRACT CHANGES OVER \$200,000

The RCC Board recommended that the Commission receive the above-captioned report.

10. POLICY TO APPROVE AND EXECUTE CHANGES TO  
RCC CONSTRUCTION AND PROCUREMENT CONTRACTS

The RCC Board recommended that the Commission adopt and approve the attached policy and procedure statement.

11. METRO RED LINE, SEGMENT 1 - CONTRACT A136  
TUTOR-SALIBA CORP., CHANGE ORDER NO. 86

The RCC Board recommended that the Commission approve Change Order No. 86 in the amount of \$319,150.11. This amount represents the costs associated with the installation of required fire protection, domestic water and electrical and communication lines entering the West end of Union Station. This change order is within the contract forecast and necessary funding is available within the \$1,450,000,000 Segment 1 budget.

14. METRO RED LINE, SEGMENTS 1 & 2 - CONTRACT 3369  
PARSONS-DILLINGHAM, CONSTRUCTION MANAGEMENT SERVICES

The RCC Board recommended that the Commission authorize the Executive Director to execute Amendment No. 15 to Contract 3369, not to exceed \$1,537,166 for Segment 1 services and not to exceed \$1,309,001 for Segment 2 services.

15. METRO BLUE LINE - CONTRACT R01-T01-C355R  
LONG BEACH LANDSCAPING, CONTRACT CLOSEOUT

The RCC Board recommended that the Commission:

- Approve the acceptance of the subject contract completed as of March 10, 1992.
- To authorize the filing of the Notice of Completion.

17. SYSTEMWIDE CONFIGURATION MANAGEMENT - CONTRACT CM001  
REQUEST TO ADVERTISE

The RCC Board authorized staff to proceed with the advertisement and solicitation of Contract CM001.

19. ADVISORY BOARD REPORT - METRO RED LINE, SEGMENT 1  
REMEDIAL GROUTING OF STATION WALLS

The RCC Board recommended that the Commission authorize staff to solicit competitive proposals from two or more contractors from on-going Segment 1 contracts to perform the work needed to stop the leaks at each segment facility. Upon receipt and evaluation of these proposals, a contractor will be selected, and a change notice for a Rough Order of Magnitude (ROM) cost estimate of \$2,500,000 will be issued.

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

7. METRO GREEN LINE - CONTRACT MC008  
O'BRIEN-KREITZBERG & ASSOCIATES, AMENDMENT NO. 6

Mr. Sievers presented a briefing on this item.

Mr. Sievers clarified for Mr. Kruse that the Green Line construction management cost forecast does not reflect CalTrans's construction management costs.

Mr. Kruse moved, Ms. Hopkinson seconded to approve this item. Motion approved.

The RCC Board recommended that the Commission authorize the Executive Director to execute Amendment No. 6 to the subject contract in the amount of \$29,061,642, bringing the total contract price to \$64,591,102 (see Attachment No. 2).

8. REQUEST TO RE-ADVERTISE - METRO GREEN LINE  
CONTRACT H0888, LIGHT RAIL RADIO SYSTEM

Mr. Camacho asked why this item is being re-advertised when he was under the impression that a bid was received. Mr. McSpedon stated that a single bid was previously received but the bidder was non-responsive. This is a request to re-initiate the procurement with some modifications to the specifications of the contract documents that will produce a better likelihood of success.

Ms. McCaffrey added that the single bid received was deemed unresponsive because the bidder did not include a bid bond with the submittal.

Mr. Bennett clarified for Mr. Kruse that part of the reason for such poor response to the first RFP is that there are only three equipment manufacturers which can provide the needed equipment. In addition, there were aspects associated with the interfaces to the vehicles and interfaces to the facilities which were not yet defined and could not be made available. Work is being done to define these interfaces.

Ms. McCaffrey stated to Mr. Camacho that the procurement process was not flawed. Rather, part of the issue is that the specification is too technically complex and work is being done to simplify it.

Mr. Camacho noted that 100% design review has not yet been completed. Mr. Bennett explained that when the request for proposals initially went out, design was at 100% but the specifications were recycled back by 50% and are being re-written from the 50% level to try to eliminate the complexities.

Mr. Kruse inquired whether the time line on this item is critical. Time is of the essence, explained Mr. Bennett, because the FCC license requires that the system be built within three years of acquiring the license. If the system is not built within three years, the license will automatically be revoked. The license is 18 months old now and will expire November 26, 1993.

Mr. Camacho inquired when the DBE goal will be set. Ms. McCaffrey stated that the goal will be set when the specifications are 85% complete.

Mr. Murray asked for the price difference between the bid that was submitted and the engineer's estimate.

Mr. Bennett stated that it was 220% Mr. Murray questioned whether this huge disparity was a consideration for invalidating the bid. Ms. McCaffrey stated that the decision to reject the bid was based instantly and solely on the lack of a bid bond. However, it has since been determined that even if the bid had included a bond, it would have been ultimately rejected anyway because there were many difficulties with the bid submittal.

Mr. Murray asked if staff has an explanation for the disparity between the bid and the engineer's cost estimate. He further asked what specific types of changes will be made to the specifications of the procurement proposal so as to bring the bids closer to the engineer's estimate of the cost of the project. Ms. McCaffrey stated that a couple of independent estimates have been secured and they are much closer to the engineer's estimate. A factor may be that the bidder may have had industry knowledge that theirs would be the only bid, hence the inflated bid.

Mr. Bennett stated that the following are some of the things being done to make this a more biddable specification:

- Some of the interfaces which were initially left "to be negotiated" or "to be coordinated" in the previous specifications will be further defined.
- Direct communication with the Automatic Train Control company (which was not possible during the first procurement proposal because of a complex legal situation which necessitated temporarily suspending all communication) will be allowed thereby making it easier to work out the difficult digital interfaces.

Mr. McSpedon stated for Mr. Camacho that staff will advise the Board at the next meeting of any changes to the original DBE goal.

Mr. Anderson moved, Mr. McIntyre seconded that this item be approved.

Mr. Murray stated that he discourages staff from assuming ask-for-less mentality when inviting bidders to bid.

Following further discussion, Mr. McSpedon stated that staff will return and provide a presentation on the systemwide radio procurement strategy and which ties into all the rail lines as well as how it will interface with other communication systems.

Motion approved.

The RCC Board authorized staff to proceed with the advertisement and solicitation of the Light Rail Radio System.

Mr. McSpedon requested that the following items be added to the President's Report:

- The L.A. Car Ad Hoc Committee requested that staff initiate an RFP to prepare a L.A. Contractor/Subcontractor Directory. Mr. McSpedon distributed a Scope of Services handout to the Board.
- Mr. McSpedon stated that Amtrak has requested installation of a handicap ramp at Platform No. 6 at Union Station, at a cost of \$700,000 which Amtrak will pay for. A change order will be presented to the Board at the next meeting which will include the cost of the ramp.

Mr. Kruse expressed concern over change orders that are not put out to bid. Mr. Stark stated that this work is not RCC's responsibility but handling this via a change order is deemed the most feasible cost/time efficient solution.

9. "Z" TYPE PEDESTRIAN CROSSINGS

Mr. Murray inquired whether there are other crossing options besides the "Z" type crossing available that will assist in eliminating pedestrian accidents.

Mr. McSpedon stated that the Board had previously requested that staff specifically examine "Z" type crossings, thus the reason for this item.

Mr. Hubaud presented a briefing on this item.

Mr. Kruse expressed concern over the position of the Z type crossing and the right-of-way in relation to pedestrian safety.

Following further discussion, Mr. McIntyre moved, Mr. Kruse seconded that this item be approved. Motion approved.

The RCC Board recommended that the Commission concur with staff's assessment that "Z" type pedestrian crossings should not be used on the Blue Line due to lack of available right-

of-way in the downtown areas, and high train speeds in the mid-corridor.

12. METRO RED LINE, SEGMENT 1 - CONTRACT A650  
VEHICLE MOCK-UP RETROFIT REQUIREMENTS,  
CHANGE ORDER NO. 42 (REVISED)

Staff clarified for Mr. Murray that SCRTRD sign-off was received on Items 12 & 13. Mr. Murray moved, Ms. Hopkinson seconded to approve this item. Motion approved.

The RCC recommended that the Commission approve Change Order No. 42, Mock-up Retrofit Requirements, in the revised (reduced) amount of \$226,130, which brings the total contract value to \$54,213,901. This change order is within the contract forecast, and necessary funding is available within the \$1,450,000,000 Segment 1 budget.

13. METRO RED LINE, SEGMENT 1 - CONTRACT A650  
MODIFICATIONS TO METRO RED LINE VEHICLES  
CHANGE ORDER NO. 43 (REVISED)

Mr. Murray moved, Ms. Hopkinson seconded to approve this item. Motion approved.

The RCC Board recommended that the Commission approve Change Order No. 43, Material and Design Changes, in the revised (reduced) amount of \$639,092, which brings the total contract value to \$54,641,863. This change order is within the contract forecast, and necessary funding is available within the \$1,450,000,000 Segment 1 budget.

16. VEHICLE ACQUISITION PROJECT - CONTRACT P2000  
L.A. STANDARD LIGHT RAIL VEHICLE, REQUEST TO ADVERTISE

Mr. Murray questioned the rationale for applying a DBE standard rather than an MBE/WBE standard to this contract when the cars are being purchased by local funds. Mr. Mack stated that a DBE program is in place but an MBE/WBE program has not yet been established. As such, Counsel has advised staff to apply the DBE standard until the MBE/WBE program is in place.

Mr. Murray stated that he believes that it is held well that "good faith" effort programs are enforceable and which the RCC/LACTC can operate under prior to the completion of the predicate study. Mr. Murray does not want to miss the opportunity to involve minority/women owed businesses.



Mr. Kruse stated that the current issue is legally complex and doesn't think this falls under the realm of the Board's responsibility.

Following further discussion, Mr. Murray moved, Ms. Hopkinson seconded to approve this item. Motion approved.

The RCC Board authorized staff to proceed with the advertisement and solicitation of Contract No. P2000.

18. METRO RAIL SYSTEMS - BULK (INTERLINE) PROCUREMENTS

Mr. Murray stated that while he understands the logic behind bulk procurements, the advantage of breaking down contracts into "bite size" pieces better enables smaller-owned businesses to bid on contracts.

Mr. McSpedon stated that he suggests that as case by case contract packages are developed, the DBE aspects be analyzed to assure that qualified small/minority firms are not being unfairly precluded from competing.

Mr. Murray moved, Mr. Kruse seconded approval of this item. Motion approved.

The RCC Board supported the concept of Bulk Procurements, provided that small/minority firms are not precluded from competing, and recommended that the Commission receive this report.

REGULAR CALENDAR

21. METRO RED LINE, SEGMENT 2 - CONTRACT B251  
VERMONT/HOLLYWOOD TUNNEL, RECOMMENDATION FOR AWARD

The Board heard comments from Mr. John Walsh.

Ms. Hopkinson moved, Mr. Kruse seconded that this item be approved. Motion approved.

The RCC Board recommended that the Commission authorize the Executive Director to execute Contract B251 to Shea/Kiewit/Kenny, the lowest-priced responsive and responsible bidder.

The total bid of \$172,053,680 included a priced option. The Commission's "Option to Add" price of \$8,589,000, was included in the bid price as a basis for evaluation, but is not in the awarded total estimated contract amount. The

option can be exercised at the Commission's discretion by change order.

The contract award will be for a total estimated contract amount of \$163,464,680. A ten-percent (10%) contract contingency fund of \$16,346,468 is recommended to cover the cost of changes and extra work.

The estimated contract amount of \$163,464,680 includes allowances for the Disputes Review Board of \$120,000 and the Safety Awareness Program of \$500,000. It is estimated that this award will create 200 jobs in Los Angeles County. The award amount is considered reasonable based on adequate price competition.

Estimated Contract Amount .....	\$163,464,680
Contract ten-percent Contingency Fund (not to be included in Contract Amount) ....	\$ 16,346,468
Total Commitment Request.....	\$179,811,148
Commission's "Option to Add" (Not included in contract amount or AFE at this time).....	\$ 8,589,000

22. METRO RED LINE, SEGMENT 2 - CONTRACT B252  
VERMONT/SANTA MONICA STATION ENHANCEMENTS, STATUS BRIEFING

Mr. Carmichael and Ms. Lim presented a briefing on this item.

Ms. Hopkinson moved, Mr. Kruse seconded concurrence with the design direction staff is taking on this item. Motion approved.

Mr. Zuniga clarified for Mr. Camacho that action can be taken on any item on the agenda including informational items.

23. METRO RED LINE, SEGMENT 3 - STATUS OF BUDGET,  
SCHEDULE AND CONTRACT UNIT DESCRIPTION DEVELOPMENT

Mr. McSpedon stated this is an information item.

Mr. McSpedon clarified for Mr. McIntyre the Letter of No Prejudice is a non-binding commitment and represents recognition by the federal government that a project exists, that local monies may be spent prior to the federal grant being

approved and allows the federal government in the future to recognize those local funds as eligible local matching funds for future federal grants.

24. METRO GREEN LINE/METRO BLUE LINE - ART PROJECTS FOR EL SEGUNDO, DOUGLAS, HAWTHORNE, SAN PEDRO, WASHINGTON AND VERNON STATIONS

Ms. Cusick presented a briefing on this item.

25. METRO GREEN LINE - CONTRACT C0610  
EL SEGUNDO TRACKWORK INSTALLATION

The Board heard comments from the following individuals who were in favor of staff's recommendation:

- Mr. Al Landes
- Mr. George Kieffer
- Mr. Floyd Clay

The Board heard comments from the following individuals who were opposed to staff's recommendation:

- Ms. Jean Boylan
- Mr. David Sackman
- Mr. David Lanham
- Mr. Steven A. Graves

Mr. Kruse moved, Mr. Camacho seconded approval of this item. Motion was approved with Mr. Murray voting no.

The RCC Board recommended that the Commission authorize the Executive Director to award Contract No. C0610 to Herzog Contracting Corporation, the lowest responsible and responsive bidder, contingent on receipt of performance and payment bonds, and resolution to any protest filed on a timely manner.

The period of performance is July 7, 1992 to September 25, 1993. The contract award will be for a total of \$10,248,912. The commitment for this contract is as follows:

Total Contract Award	\$10,248,912
15% Contract Reserve Fund (Excluded from Award)	\$ 1,537,336
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Total Commitment Request	\$11,786,248

26. AMERICANS WITH DISABILITIES ACT - KEY METRO RAIL,  
STATION PLAN AND FUTURE RAIL COMPLIANCE

Ms. Hopkinson moved, Mr. Murray seconded approval of this item.

Ms. Hopkinson questioned whether the modifications previously done, particularly the granite strips, comply with the plan described in this item. Mr. DeRock stated that the prior modifications do not comply with the plan.

Mr. McIntyre inquired whether it's possible to file a waiver of compliance. Mr. DeRock stated that federal law allows requests for Alternative Location Variance which is actually not a waiver. Rather, it must be proven that the alternative methodology will provide higher levels of safety than the defined standards. What is being used on the Blue and Red Lines do not meet that criteria for filing Alternative Location Variance requests.

Mr. DeRock clarified for Mr. McIntyre that non-compliance with federal regulations will result in the termination of federal funds including Federal transit/highway funds.

Mr. McIntyre stated that perhaps an organized effort request reconsideration of the imposed regulations is appropriate. Ms. Hopkinson stated that she agrees with Mr. McIntyre that staff should mobilize some activity towards an appeal of the regulations.

Mr. Camacho expressed concern over staff's recommendation and requested approval of only the minimum portion necessary.

Mr. DeRock clarified for Mr. Camacho that all elements requested in this item must be included in the overall plan with the exception of #5, which is an option. The deadline for submitting this item is July 26, 1992.

Ms. Hopkinson stated that there appears to be no choice in the matter. As such, Ms. Hopkinson amended her earlier motion to approve this item with the explicit understanding that an informal appeal may be considered. Mr. Murray seconded the amended motion.

Mr. DeRock stated that this item was approved by the PMIC last week.

The amended motion was approved with one no vote. The RCC Board recommended that the Commission approve staff's

recommendation with the understanding that the RCC may consider filing an informal appeal.

1. Adopt the attached key stations plan authorizing the retrofit of all existing stations to meet ADA accessibility standards.
  2. Amend the LACTC/RCC station design criteria to incorporate the ADA accessibility requirements for new stations.
  3. Increase the construction budget of the Blue Line by \$8,758,300, the Red Line Segment 1 budget by \$4,252,630, Red Line Segment 2 budget by \$5,995,770 and the Green Line budget by \$6,402,300 to accommodate these federally mandated changes.
  4. Request Proposition C Discretionary Mandates Program funding to offset the cost of these mandated system modifications.
  5. Approve a design criterion which requires at least two accessible routes (elevators) be provided in all new stations where feasible and cost effective.
27. FISCAL YEAR 1992-93 ANNUAL BUDGET

Ms. Hopkinson stated that there is not a single more important item than RCC's budget. Ms. Hopkinson expressed consternation over the fact that concerns raised by the Board have never been addressed. As such, Ms. Hopkinson stated that she is unprepared to vote on this item and encouraged her fellow Board members to follow suit.

Mr. Camacho inquired what the consequences will be should the Board not take action on this item. Mr. McSpedon stated that this item will go to the Commission with or without Board approval.

Mr. Kruse requested a budget workshop to resolve the issues that will enable the Board to take action on the budget item.

Mr. McIntyre stated that the nearest opportunity that the RCC Board's Finance and Budget Committee has had to discuss the budget was a telephone conference call between Wayne Moore, Mr. Anderson and himself. Mr. Anderson and Mr. McIntyre expressed to Mr. Moore that they anticipated the Board would be reluctant to act on this item because

there had been no opportunity to go over the assumptions and background of the budget. Mr. McIntyre stated that he concurs with a suggestion made by Mr. Anderson and that is to request LACTC adoption of a future budget calendar that provides opportunities for the Board and the Board's Finance and Budget Committee to review the budget preparation process in some detail.

Ms. Hopkinson moved that the budget not be approved and requested that the following reasons for this action be communicated to the Commission:

- The Board has not had an opportunity to review the budget;
- The Board has not been given the opportunity to participate in the budget process;
- Despite repeated requests, information as to how the budget is formulated has not been provided to the Board;
- Concerns raised by the Board over the budget process have not been addressed.

Mr. McIntyre seconded the motion.

Mr. Anderson requested that Ms. Hopkinson's motion be amended to include the Board's request for a budget workshop be scheduled to understand the budget process and also that a budget calendar be developed in preparation for the next fiscal year budget that includes adequate time for the Board to review the budget at a workshop, prior to the Board taking any action. Ms. Hopkinson agreed to this amendment of her motion, as did Mr. McIntyre. Motion approved.

Ms. Hopkinson requested that the bylaw that requires the Board to approve an RCC budget be referenced in the communication to the Commission.

The Board outlined for staff some of the specific issues they wish discussed at the upcoming workshop.

28. OCIP CLAIMS ADMINISTRATION - CONTRACT MR028

The Board heard comments from Mr. Bob D'Amato.

Ms. Hopkinson moved, Mr. Kruse seconded to approve this item. Motion approved.

The RCC Board recommended that the Commission:

- Approve the selection of the MTG as the administrator of the construction OCIP.
- Authorize staff to negotiate the terms and conditions of a three-year contract with compensation of a firm fixed fee basis as follows:

Year 1	\$500,000
Year 2	\$350,000
Year 3	\$350,000

29. OCIP BROKERAGE SERVICES - CONTRACT MR026

The Board heard comments from Mr. Bob D'Amato.

Mr. Murray moved, Mr. McIntyre seconded to approve this item.

Mr. Sesay provided some background on this item for Mr. McIntyre.

Mr. McSpedon clarified for Ms. Hopkinson that he did not sign this report because he was not provided with adequate back-up material to support the annual cost of the work.

Mr. Anderson asked what the advantage is in having the Transit Bond Guarantee Program (TBGP) come through Metro Transit Insurance Administrators. Mr. Sesay stated that the two programs can and will eventually be segregated.

Mr. Givens stated for Mr. Camacho that the possibility of using a deductive change order to segment this program from MTIA contract has always been discussed. The City of Los Angeles is a funding partner and they City would, of course, need to concur in this action.

Ms. Hopkinson expressed concern over the fact that it appears other firms have not been given the opportunity to submit proposals. Mr. Sesay stated that this item was competitively bid in 1985. Mr. Sesay went on to say that once awarded, the brokerage services contract remains in place for the duration of the project. In December 1991, the Commission split the contract into 1) claims administration and; 2) insurance marketing and brokerage services components. The latter is now before the Board for consideration.

Ms. Hopkinson expressed extreme concern with this item in that it does not have the RCC President's concurrence.

The following roll call of Board member votes was recorded:

Nays

Mr. McIntyre  
Mr. Kruse  
Ms. Hopkinson

Ayes

Mr. Nagami  
Mr. Anderson  
Mr. Murray  
Mr. Camacho

Motion was approved.

The RCC Board recommended that the Commission approve the negotiated contract amendment with MTIA for insurance marketing, brokerage services, and TBGP for a term of three years at a base fee of \$900,000 per year. The cost of these services has been reduced 15% from last year. Continuation of these services is subject to an annual performance review.

30. TRANSIT BOND GUARANTEE PROGRAM

Mr. Givens gave a brief overview of this item.

Ms. Hopkinson questioned what the overall benefit is of having MTIA. Mr. Givens stated that the TBGP has always been an integral part of the MTIA contract. Mr. Givens further stated that the program could, however, survive outside the umbrella. Mr. Givens stated that there have been discussions about segmenting this program at some point and this can be achieved via a deductive change order. Mr. Camacho inquired whether this is the only mechanism for splitting this out. Mr. Givens stated that it would be the most convenient process.

Mr. Camacho inquired if the Board chooses to take action to split the TBGP out of MTIA today, would this be considered a deductive change order. Mr. Givens deferred to Counsel.

Mr. Zuniga stated that it probably would be a deductive change order. Mr. Zuniga further stated a this was an element negotiated as part of the contract so the cost



would probably have to be re-negotiated with MTIA. There is the possibility that it is segmentable, however.

Mr. Givens proposed to have staff take a look at this as part of the overall work plan.

Ms. Hopkinson moved, Mr. Kruse seconded approval of this item and accepted Mr. Given's proposal to consider the segregation of the TBGP from the MTIA contract as part of the overall work plan. Motion approved.

The RCC Board recommended that the Commission:

1. Receive and file the Financial Audit and Performance Evaluation reports of the Transit Bond Guarantee Program (TBGP).
2. Authorize staff to prepare and report back with a detailed plan, including costs, to maximize program participation, as recommended by the performance evaluation report, to:
  - A. Implement an extensive outreach program component;
  - B. Increase management and technical assistance to program participants and improve program management oversight.

Additionally, staff is directed to incorporate into the detailed plan, such additional program expansion measures as proposed by the program's administrators, but not considered part of the performance evaluation process.

3. Authorize staff to transmit to the City of Los Angeles the newly revised program agreement for authorization.
4. Staff amend and transmit the required Banking Service Agreements to participating institutions.

31. BOARD MEMBER REQUEST FOR FUTURE ITEMS

There were no requests for future items.

EXECUTIVE SESSION

The Board adjourned to an Executive Session to discuss:

Real Estate - G.C. #54956.8

- Parcel No. B2-117
- Parcel No. B2-201
- Parcel No. B2-210
- Parcel No. B2-212
- Parcel No. B2-232
- Parcel No. B2-234

Potential Litigation - G.C. #54956.9 (b)

- Contract No. MC005

ADJOURNMENT

The meeting adjourned at 5:15 pm.

*Bonnie Verdin*

Bonnie Verdin  
Board Secretary

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