



RAIL CONSTRUCTION CORPORATION (RCC)  
MINUTES OF AUGUST 17, 1992 MEETING

MEMBERS PRESENT

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

STAFF PRESENT

EDWARD McSPEDON, PRESIDENT/CEO  
JOEL SANDBERG, PROJECT MANAGER, METRO RED LINE, SEGMENT 2  
CHARLES STARK, PROJECT MANAGER, METRO RED LINE, SEGMENT 1  
LARRY KELSEY, MANAGER, CONTRACTS  
THOMAS CARMICHAEL, MANAGER, FACILITIES ENGINEERING  
JESSICA CUSICK, DIRECTOR, ART FOR RAIL PROGRAM  
BONNIE VERDIN, BOARD SECRETARY  
MERCY MENESES, ASSISTANT BOARD SECRETARY

OTHER

AUGUSTIN ZUNIGA, COUNTY COUNSEL  
KATHRYN LIM, PB/DMJM

1. CALL TO ORDER

The meeting was called to order at 1:10 p.m.

2. APPROVAL OF MINUTES

The minutes of the July 13, 1992 meeting were approved as submitted.

3. CHAIRMAN'S REMARKS

Mr. Kruse reported the following:

- Mr. Kruse has conducted some tours of the Metro Red Line and he encouraged the Board to do the same - the enthusiasm for the project is quite exciting.
- The Board's Administrative Committee has been meeting regularly to work on a proposal for RCC's role within

Metropolitan Transportation Authority (MTA).

- The Joint Development Committee has been working through some problems in pushing up RCC project estimates, and adjustments to the estimates, through LACTC. Mr. Kruse stated that there appears to be a need for a policy structure to facilitate this process.
- The Construction Safety Ad Hoc Committee has also been meeting regularly. Although the press reports are not always positive, there are some good statistics coming forth indicating that RCC may actually be operating in a more positive mode than alleged.
- The procurement of the small order of vehicles for the Metro Green Line is moving forward. A staff recommendation is anticipated for the next Commission meeting.

4. PRESIDENT'S REPORT

Mr. McSpedon reported the following:

- Proposals from Sumitomo and St. Louis have been received for the procurement of 15 Metro Green Line vehicles. A third option is also being explored with SCRTD which involves stretching the Metro Blue Line fleet through an interim period. The goal is to go to the Commission's 8/26 meeting with a recommendation, although the recommendation will first be presented to the L.A. Car Ad Hoc Committee.
- The Board was previously advised that a protest had been received on the award of Contract C610 for Trackwork along the El Segundo section of the Metro Green Line. The protest was reviewed and deemed to be without merit. The award is now proceeding.
- The FTA will meet here on Wednesday for their quarterly meeting. Tomorrow afternoon the FTA will be taking a tour of the Metro Red Line, Segments 1 and 2.
- The Commission recently passed a prohibition on further change orders on Contract A136, the Union Station, Tutor Saliba contract. RCC staff will return to the Board at the next meeting with a recommendation to be carried forward to the Commission requesting deviation from the policy in cases deemed necessary and appropriate. The recommendation will be accompanied by an overview of the completion of A136 work and will identify where changes may be meritorious. Mr. McSpedon asked for the Board's input and support in this effort.

Mr. Kruse requested that a change order workshop be calendared as soon as possible to address this issue as well as other change order issues.

CONSENT CALENDAR

Items 6 & 8 were pulled for discussion.

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

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

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

7. Metro Red Line, Segment 1 - Contract A190  
Authorization for Completion of Installation of  
Additional Escalators, Change Order No. 001

The RCC Board recommended that the Commission approve Change Order No. 001, in the amount of \$450,000 to complete all work necessary for the installation of three escalators located at Civic Center, Pershing Square and Wilshire/Alvarado Stations.

9. Metro Red Line, Segment 1 - Contract A147/A157  
Union Station, Metrolink Bus Plaza, Change Order No. 178

The RCC Board recommended that the Commission approve Change Order No. 178 for the construction of a surface bus plaza and parking lot improvements at the Los Angeles Union Passenger Terminal (LAUPT) to support Metrolink October 1992 revenue operations in the not-to-exceed amount of \$1,000,000, which increases the total contract value to \$45,795,595. Funding for this change order will be provided by the SCRRA and the LACTC Central Area Team as presented by LACTC and RCC staff at the 5/18/92 RCC Board Meeting (reference Attachment "B").

10. METRO GREEN LINE - CONTRACT C0095  
PROTECTIVE FENCING AND WAYSIDE INTRUSION DETECTION SYSTEM  
(WIDS), REQUEST TO ADVERTISE

The RCC Board authorized staff to proceed with the advertisement and solicitation of the protective fencing and WIDS.

11. Metro Green Line - Contract H0831  
Supervisory Control and Data Acquisition (SCADA) System  
Change Order No. 16

The RCC Board recommended that the Commission authorize the Executive Director to:

1. Approve Change Order No. 16 in the amount of \$1,342,103, and;
2. Approve an increase to the AFE by \$2,223,424 in order to fund this change, Change Order 17 and other anticipated changes.

12. Metro Green Line - Contract H0831  
Supervisory Control and Data Acquisition (SCADA) System  
Change Order No. 17

The RCC Board recommended that the Commission authorize the Executive Director to approve Change Order No. 17 in the amount of \$311,924.

13. Metro Green Line - Contract H0840  
Fare Collection Equipment, Change Order No. 026

The RCC Board recommended that the Commission authorize the Executive Director to approve Change Order No. 026 in the amount of \$578,237.

14. METRO PASADENA PROJECT - CONTRACT E0070  
ENGINEERING MANAGEMENT CONSULTANT  
REQUEST FOR EMC TO ADVERTISE

The RCC Board authorized the EMC to advertise for Section Designers (Architecture, Civil, Structural, and Landscape Architecture) and Vehicle Procurement Consulting Services.

15. Metro Rail Projects - Contract FM-014  
Project Management Oversight and Assistance  
Amendment No. 3

The RCC Board recommended that the Commission authorize the Executive Director to execute Amendment No. 3 with Fluor Daniel, Inc. in the amount of \$175,000 with no extension to the contract completion date. The total contract value will become \$5,760,000.

The recommended \$175,000 is budgeted as follows:

Quarterly Safety Review (Systemwide)	\$ 40,000
Quarterly Quality Assurance Design & Construction Audits (Systemwide)	\$ 50,000
Construction Safety Education Trainer (Systemwide)	\$ 85,000
	\$175,000

15a. Metro Red Line Segment 3 Staff Augmentation

The Finance and Budget Committee recommended that the RCC Board approve eleven additional positions for the Metro Red Line, Segment 3 Project in the fiscal year 1993. The Committee further recommended an amendment to the 1993 Fiscal Year Budget of \$600,000 to fund these positions.

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

6. Metro Red Line, Segment 1 - Contract A640, Communications  
Early Activation of Light Rail Transit (LRT)  
7th Street/Metro Center Station, Change Order No. 31.01

Mr. Murray stated that the percentage by which the early estimated budget has been exceeded is glaring and he asked staff to explain the reasons for the large disparity. Mr. McSpedon stated that perhaps it would be appropriate for staff to come back with a detailed explanatory report but he stated that, basically, the costs have increased because:

1. This contract was packaged with one prime and nine sub-consultants (multiple layers of subconsultants and subcontractors such that small changes tend to multiply in terms of mark-up as they go along);
2. The drawings issued at the time the contract was awarded by SCRTD were very preliminary with only Union Station reasonably well-defined.
3. This is the high technology portion of the work and technology has changed many times since the early estimate. This equipment must interface with many external systems such as police and fire radio systems which have undergone substantial changes over the course of this work.

Mr. McSpedon stated that this discussion poses the larger question as to how, in the future, this organization will handle the purchase of ever changing, high technology in a manageable fashion.

Mr. Murray stated that with regard to future projects, as technology continues to evolve, staff must study how the specifications can be properly drawn up for projects and how the projects can be better managed so as to avoid these major cost increases.

Mr. Anderson stated that the Board had some difficulty justifying early activation of the LRT at a cost of \$3 million; it's more difficult to digest at the actual cost of \$6 million. Mr. Anderson further stated that he hopes staff has learned how to better estimate what a change in date may ultimately cost. Mr. Anderson stated that he does not think that moving this up two or three months was worth the \$6 million.

After much further discussion Mr. Murray moved, Mr. Anderson seconded approval of this item. Motion approved.

The RCC Board recommended that the Commission approve Change Order No. 31.01 in the amount of \$5,920,000, which increases the total contract value to \$63,037,553. The cost allocation between Metro Blue Line and Metro Red Line will be consistent with the arrangements between the projects.

8. Metro Red Line, Segment 1 - Contract A147/A157  
Authorization to Perform Systemwide Remedial Grouting of  
Station and Tunnel Walls, Change Order No. 177

Mr. Murray stated that he would have liked to have seen the expenditure recovery plan before being asked to approve this item. Mr. McSpedon stated that the recovery of costs will be pursued. The plan will merely set forth how the recovery effort will be carried out. The fact remains that the work needs to be done.

Mr. Murray stated that there is no dispute that the work must be done. Mr. Murray stated that staff has had since May to develop a plan yet no work towards this effort has yet begun. Mr. McSpedon stated that staff has in fact been pursuing cost recovery and that the written recovery plan will be presented to RCC and LACTC in September as per LACTC direction.

Following much further discussion, it was agreed that staff would provide the Board with an expenditure recovery plan outline and include this in the submission the Commission at their 8/26 meeting.

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

The RCC Board recommended that the Commission approve Change Order No. 177 in the amount of \$1,900,000 to perform all work necessary for the remedial grouting of station and tunnel walls and for the removal and replacement of architectural finishes and epoxy coating of the station walls for an estimated price of \$1,900,000.

Request an increase of \$1,900,000 to the current Authorization For Expenditure (AFE) of \$46,330,000 for a revised AFE amount of \$48,201,858.

#### REGULAR CALENDAR

17. Metro Red Line, Segment 1 - Contract A185  
Westlake/MacArthur Park Station Plaza Restoration,  
Landscaping and Pylon Installation  
Recommendation for Award

Mr. Anderson moved, Mr. McIntyre seconded approval of this item. Motion approved.

The RCC Board recommended that the Commission authorize the Executive Director to award Contract A185 to Liberty Construction for the Westlake/MacArthur Park Station Plaza Restoration, Landscaping and Pylon Installation.

18. Metro Red Line, Segment 2 - Contract B740  
Ventilation Equipment, Recommendation for Award

Mr. Kelsey provided a briefing on this item.

The Board heard comments from:

- Peter Kelly, Esq. - Kelly, Ryan & McAuliffe
- Cindi Starrett, Esq. - Latham & Watkins
- Baqi A. Syed, Basco Engineering Services
- Kal Krishnan, Kal Krishnan Construction Services
- Reg Sidaway, Joy Environmental Technologies, Inc.
- Robert Barker, Joy Environmental Technologies, Inc.
- Craig Jackson, Sanders Engineering Co.

Mr. Camacho asked Mr. Zuniga whether it is permissible to include in a proposal a percentage of work vs. a defined scope of work. Mr. Zuniga cited Subcontracting/Subletting law, Section 4104(b) which states that the prime contractor must list the portion of work which will be done by each subcontractor. However, there has been no case law upholding this act. Mr. Zuniga elaborated further stating that the intent of this law is to prevent bid-shopping and that

cannot be done unless the work a subcontractor is going to do is identified.

Mr. Kelsey clarified for Mr. Anderson that the bid documents very succinctly instruct the proposer to list the subcontractors and identify the scope of work to be done by each subcontractor.

Mr. Kelsey further stated that staff does not make these difficult decisions capriciously nor does it behoove staff to reject a low-bidder on whim. In addition, stated Mr. Kelsey, staff is well aware that ABB Flakt is a company of some reputation. However, it is clear that on the item of responsiveness, which is part of the built-in procedure, ABB Flakt was simply not responsive. ABB Flakt's ability to perform the work was never in question. ABB Flakt's bid was rejected wholly and solely on the basis of non-responsiveness.

Mr. Zuniga clarified for Mr. Murray that he has, in fact, reviewed this matter and that in light of the laws that apply and this agency's standard contracting procedures, the bid document submitted by ABB Flakt was incomplete and therefore appropriately deemed non-responsive.

After carefully considering comments from both bidders, the Board refused to grant any delays due to the time criticality of this equipment to the Metro Red Line Wilshire corridor schedule. Mr. Murray moved, Mr. Anderson seconded to approve this item. Motion was approved with Mr. McIntyre abstaining on the advice of Counsel.

The RCC Board recommended that the Commission authorize the Executive Director to execute Contract B740 to Joy Environmental Technologies, Inc., the lowest-priced responsive and responsible bidder.

The contract award will be for a total estimated contract amount of \$19,326,966. This does not include the reserve of \$5,574,386 to cover the option price of the Segment 3 Eastern Extension equipment. A 10% contract contingency fund is recommended to cover the cost of changes and extra work but is not included in the contract award amount. Attachment A delineates the cost and budget details of this award.

The award price is considered fair and reasonable based upon competitive bids. It is estimated that this contract will create 37 local jobs. The California State Contractors Licensing Board was consulted regarding all license-validity verifications.



19. Metro Red Line, Segment 2 - Contract B745  
Air Handling Equipment, Recommendation for Award

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

There was a brief discussion concerning the great deviation, in the right direction incidentally, from the engineer's estimate and the low bid.

Motion approved.

The RCC Board recommended that the Commission authorize the Executive Director to execute Contract B745 to Tutor-Saliba/Overland Mechanical, Inc., the lowest-priced responsive and responsible bidder.

The contract award will be for a total estimated contract amount of \$2,841,630. Included in the bid, but not the award, is a \$1,135,240 option for the Segment 3 Eastern Extension equipment. A 10% contingency fund is recommended to cover the cost of changes and extra work but is not included in the contract award amount. Attachment A delineates the cost and budget details of this award.

The award price is considered fair and reasonable based upon competitive bids. This contract is estimated to create 17 jobs in the local area. The California State Contractors Licensing Board was consulted regarding all license-validity verifications.

20. METRO RED LINE, SEGMENT 2 - CONTRACT B261  
VERMONT/SUNSET STATION MAIN ENTRANCE PLAZA  
STATUS BRIEFING

This item was tabled.

21. METRO RED LINE, SEGMENT 2 - CONTRACT B261  
VERMONT/SUNSET STATION OPTION 1 ENHANCEMENTS

Mr. Carmichael opened up the briefing done by Ms. Lim.

Mr. Murray moved, Mr. McIntyre seconded to concur with staff's design approach for the Option 1 enhancements to the Vermont/Sunset Station. Motion approved.

22. METER GREEN, BLUE AND RED LINES: ART PROJECTS FOR  
LAKEWOOD, 105/110, STUDEBAKER, PICO AND WILSHIRE/  
WESTERN STATIONS

Ms. Cusick presented a briefing on this item.

23. PUBLIC COMMENT

The Board heard comments from John Walsh.

24. BOARD MEMBER REQUEST FOR FUTURE ITEMS

There were no requests for future items except Mr. Kruse's prior request for the coordination of a "Change Order" workshop for the Board.

EXECUTIVE SESSION

The Board adjourned to an Executive Session to discuss:

Real Estate - G.C. #54956.8

- Parcel No. B2-117
- Parcel No. B2-203
- Parcel No. B2-212
- Parcel No. B2-204
- Parcel No. B2-226
- Parcel No. B2-232
- Parcel No. AS91

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

- Contract MC005

ADJOURNMENT

The meeting adjourned at 3:30 p.m.



Bonnie Verdin  
Board Secretary

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