



**RAIL CONSTRUCTION CORPORATION (RCC)  
MINUTES OF OCTOBER 5, 1992 MEETING**

**MEMBERS PRESENT**

**ROBERT KRUSE, CHAIRMAN  
ERNEST CAMACHO  
DON McINTYRE  
JOHN W. MURRAY  
MAS NAGAMI**

**STAFF PRESENT**

**EDWARD McSPEDON, PRESIDENT/CEO  
CHARLES STARK, PROJECT MANAGER, METRO RED LINE, SEGMENT 1  
DAVE SIEVERS, PROJECT MANAGER, METRO GREEN LINE  
FRANK MEDINA, DIRECTOR, INTERAGENCY PROGRAMS  
WILL SANCHEZ, DIRECTOR, CONTRACTS  
BART KANE, DIRECTOR, OPERATIONS & MAINTENANCE  
MIKE BACA, MANAGER, CONTRACTS  
BONNIE VERDIN, BOARD SECRETARY  
MERCY MENESES, ASSISTANT BOARD SECRETARY**

**OTHER**

**AUGUSTIN ZUNIGA, COUNTY COUNSEL  
NORMAN ROSS, JR., PARSONS BRINCKERHOFF**

**1. CALL TO ORDER**

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

**2. APPROVAL OF MINUTES**

The minutes of the September 14, 1992 meeting were approved as submitted.

**3. CHAIRMAN'S REMARKS**

Mr. Kruse reported the following:

- This morning, the Commission unanimously voted to purchase 15 railcars from Sumitomo to ensure the on-schedule opening of the Metro Green Line. Sumitomo worked hard to make their proposal attractive - they



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brought the DBE up to 10% and provided for the creation of 79 local jobs as well as 61% overall domestic participation. In addition, much of the work done towards the purchase of the 85 railcar procurement is proving very acceptable and there have been a number of network arrangements made with aerospace and other firms that offer quite a bit of potential.

- On 10/28, RCC will put on a workshop for the Commissioner's to study and review RCC's change order process.
- The 10/19 Board meeting was canceled and rescheduled to 10/26. Mr. Kruse and Mr. McIntyre will be at the APTA meeting on 10/19.
- There is a complicated change order on today's agenda that should not be sent to the Commission for action at its 10/28 meeting without providing some advance briefing to the Commissioner's. It is much too technologically complicated a matter to expect the Commissioner's to make an informed decision. To forward the item without any preliminary work would guarantee it being rejected.

Pre-briefing Commissioner's on complicated or sensitive issues should be our standard operating procedure in order to help move our items through with greater success.

- The Daily News has run an article which states that slippery tiles have been installed in two of the Metro Red Line stations. Mr. Kruse stated that the RCC should be allowed the right to correct or adjust problems that may arise and, as is the objective of RCC's Lessons Learned Program, eliminate the possibility of making the same mistakes on future projects. Mr. Kruse called on the media to allow this agency a window of opportunity to investigate a potential problem before reported as absolute fact.

#### 4. PRESIDENT'S REPORT

Mr. McSpedon reported the following:

- On behalf of the Metro Green Line project team, certificates of appreciation for helping to clear the path for an on-schedule opening of their project were presented to the Board. These certificates of appre-

ciation will also be given to Laurence Weldon's Metro Pasadena Project team.

- Work towards the procurement of 85 standard Los Angeles railcars has been proceeding parallel with the small order of railcars. An RFP is out on the street with a base order of 72 railcars with an option for 13 more. Also included in the contract are two prototype cars which will be used for testing of new products. To date, seven railcar builder firms have purchased bid documents but it is anticipated that only four or so will actually bid. The goal of this contract is to create marriages or joint ventures of local companies and railcar builders. This goal is becoming a reality for Morrison-Knudsen recently announced that it has teamed with Hughes and Lockheed to pursue this contract. It is expected that in the near future, there will more similar joint ventures announced.

Mr. McSpedon stated that because of the complexity of this procurement and the complexity driven by the fact that we have a research and development project in parallel with a railcar manufacturing project as well as our desire to seek non-traditional partners, i.e. aerospace and railcar manufacturers, it is taking extra time for these parties to put their bids together. As a result, RCC was asked for a 30-90 day extension. RCC compromised and granted a 45 day extension of the bid due date; bids are now due on 12/1. The extension has not affected the work start-up date, however.

- There has been an increased level of media interest in all level of things that RCC does including minor routine type of work which sometimes culminates in stories or presentations at the Commission. Mr. McSpedon called upon Mr. Stark to explain why the Daily News article arose. Mr. Stark stated that, basically, a safety certification test of the floor tiles in the Wilshire/Alvarado station was requested by the FTA PMO, Hill International, because, ironically, it was thought that perhaps some of the tiles were too rough. A test was done with results that indicated that in a couple of situations, the tiles may be too slippery. However, it appears that the wrong test may have been administered. As such, tests will be re-run this week and it is expected that the tile materials will prove to be slip-resistant. Mr. Stark will have a full report on the results at the next meeting.

The Daily News article also included some discussion on tunnel alignment on Metro Red Line, Segment 2. The first tunnel run from MacArthur Park to Western Avenue, at 9,000 feet of tunneling hit the mark within less than 1/2 inch of theoretical when Western was reached which was much better than ever hoped for. However, there were a couple of spots along the alignment where the actual tunnel bored deviated from the theoretical alignment by a matter of inches, in curves, which is not unexpected or unusual. There are several feasible options being considered that should resolve the deviation from the alignment as designed.

- As previously reported to the Board, there was a small fire at Wilshire/Normandie.

In addition, over the weekend, there was a bomb threat which was directed at a bank at Wilshire/Normandie near our project.

Mr. McSpedon clarified for Mr. Murray that past practice has been that Board members/Commissioners are notified of any incident where there is potential for them to be questioned or contacted by outside sources such as media, press or public. However, to eliminate any area of judgement in this area, it has been directed that anytime emergency services are called in for whatever reason, Board members and Commissioner's shall be notified.

- Items 17 & 18 are one in the same and deferment of this item to the next meeting was requested.
- Since the Board's last meeting, the Construction Safety Ad Hoc Committee met. Among the items covered was the issue of the confidence in our safety statistics. Absent audited numbers, it was difficult to respond to the various issues and allegations raised. The audit of the safety statistics has now been completed for the three active projects through July. (These statistics were provided in a handout to the Board).
- There have been allegations about drug use on our program although no specifics have been reported for us to respond to. On the Metro Red Line, Segment 2 project we have been able to negotiate and implement into our program a pre-employment drug screening and drug testing agreements with the construction contractors and the building trades unions. We may ultimately

arrange to include this requirement as part of all our contracts.

- On Metro Red Line, Segment 2 we have a formal partnering arrangement on B251. Part of this effort has been the development and carrying out of a formal value engineering study which has been one of the most cooperative type of partnering arrangement possible.
- On the Metro Green Line, the last segment of the Aviation/Rosecrans bridge has been put in place.

#### CONSENT CALENDAR

Items 6 and 9 were pulled from the Consent Calendar.

Mr. Camacho moved, Mr. Murray seconded to approve the remaining items on the Consent Calendar.

#### 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 A135 "FINAL RESOLUTION OF COSTS ASSOCIATED WITH THE DELETION OF TRACKYARD RESTORATION WORK, CHANGE ORDER NO. 061A

The RCC Board recommended that the Commission approve Change Order No. 061A which is a credit in the amount of <\$1,658,260>. This amount when combined with previously submitted additive change orders (A135-CO-061, \$96,936 and A135-CO-063, \$169,047 - both reflect additional costs associated with track work in order to effect the overall deletion) will constitute a total net credit for this work at <\$1,392,277>.

#### 8. METRO RED LINE, SEGMENT 2 - CONTRACT B617 SPECIAL DIRECT FIXATION RAIL FASTENERS REQUEST TO ADVERTISE

The RCC Board authorized staff to proceed with the advertisement and solicitation of Contract No. B617.

#### 10. FINANCE AND BUDGET COMMITTEE ROLES AND RESPONSIBILITIES

The RCC Board recommended that the Commission approve that the RCC Finance and Budget Committee review and recommend RCC Board action for the following finance and budget issues:

1. Adoption of the project budgets whenever a project is assigned by the Los Angeles County Transportation Commission (LACTC) to the RCC for design and construction;
2. Approval of changes to adopted project budgets;
3. Approval of fiscal year budgets for RCC projects;
4. Approval of amendments of fiscal year budgets for RCC projects.
5. Other budget issues as required.

The RCC Board further recommended that the Commission approve that the RCC Finance and Budget Committee receive for comment the following:

1. Funding agreements and financial contribution agreements from federal, state, and local government agencies that fund RCC projects;
2. Changes in financing and allocation of federal, state and local funding for RCC projects;
3. Financial audit reports on RCC compliance with LACTC and federal, state, and local government policies, procedures, rules, regulations and financial administration guidelines;
4. Changes in LACTC federal, state, and local government policies, procedures, rules, regulations and guidelines that impact RCC project budgets.

11. FISCAL YEAR 1992 ANNUAL REPORT

The RCC Board recommended that the Commission approve the Fiscal Year 1992 Annual Report.

12. METRO RED LINE, SEGMENT 2  
BUDGET AMENDMENT FOR STATION ENTRANCE ENHANCEMENTS

The RCC Board recommended that the Commission receive this report.

13. AMERICANS WITH DISABILITIES ACT COMPLIANCE

The RCC Board recommended that the Commission receive this report.

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

6. METRO RED LINE, SEGMENT 1 - CONTRACT NO. A187  
WILSHIRE/ALVARADO STREET STATION "EXTENDED SITE OVERHEAD--  
PLENUM ENCLOSURE REDESIGN", CHANGE ORDER NO. 23.1

Mr. Murray stated that he thought a motion had come down from the Commission that there were to be no further change orders. Mr. McSpedon stated that his interpretation of the Commission motion was that, except in the event of an emergency, there were to be no more change orders on Tutor Saliba's Contract A136.

Mr. Murray stated that he understood there to be a problem with the number of change orders being received from this contractor but thought there was the broader issue of the desire by the Commission to decrease the overall number of change orders. Mr. Murray stated that in the absence of clarification of the Commission's motion, he would recommend taking the broadest interpretation.

In addition, Mr. Kruse requested more narrative description as to how staff arrived at the plenum redesign. Mr. Nagami stated that the report itself is quite unclear and that one has to read through the attachments to pick out critical data that should be up at the front of the report.

Following some background information that was provided by Mr. Stark, Mr. Murray moved, Mr. McIntyre seconded to defer this item until the next meeting so that in the interim staff could:

1. Obtain clarification from the Mayor's office as to the intent of the Commission motion and;
2. Re-work the report to be clearer and more comprehensible.

Motion approved.

9. METRO GREEN LINE, CONTRACT H0832  
CABLE TRANSMISSION SYSTEM, CHANGE ORDER NO. 39

At Mr. Murray's request, Mr. Sievers provided the Board with a briefing.

Mr. Kruse stated that he and Mr. Murray were previously briefed on this item and they both understood the nature of the problem staff is confronted with. Mr. Kruse stated that this is a very difficult item to move forward. Both he and

Mr. Murray are uncomfortable with simply passing this on to the Commission without any advance briefing to the Commissioner's. Mr. Kruse suggested that staff prepare an Executive Summary, in layman's terms, for submission to the Commissioner's as far in advance of their meeting as is possible and solicit responses from the Commissioner's as to any concerns they may have. Mr. Sievers accepted Mr. Kruse's direction and indicated that staff will provide a copy of the Executive Summary to the Board for review before it is sent to the Commissioner's.

Mr. Nagami stated that he had some problems understanding some of the technicalities of the item. Mr. Nagami also stated that once again he had to search through the attachments to obtain critical information that should have been provided in the first page or two of the report. Mr. Sievers indicated he would address Mr. Nagami's concerns in the Executive Summary that will be prepared.

Mr. Camacho moved, Mr. Murray moved to approve this item and forward it to the Commissioner's for consideration at their next meeting, provided the Commissioner's are adequately briefed beforehand so that they can gain a better understanding of the complex issues. Mr. McIntyre indicated he would have to abstain from voting due to a potential conflict of interest.

Mr. Murray stated that this is a particularly complex issue and he opts to withhold from voting on the award and instead recommend that the Commission be given an explanation of the thought process behind the proposed award. The Board would still have the opportunity to consider the item for action on 10/26 and then forward to the Commission on 10/28. Mr. McSpedon stated that Mr. Murray's suggestion is feasible.

Mr. Camacho withdrew his earlier motion.

Mr. Murray moved, Mr. Camacho seconded to defer taking action on this item until the next Board meeting and in the interim requested that staff provide the Commissioner's with an Executive Summary explaining in layman's terms the process leading up to, and the rationale behind, staff's recommendation. Mr. McIntyre indicated that he will vote on this motion as it involves process and not the recommendation of an award. Motion approved.

REGULAR CALENDAR

15. DBE INTERAGENCY OUTREACH

Mr. Medina provided a briefing on this item.

Mr. Murray stated there appear to be a lot of motivated minority and disadvantaged firms but our outreach program is simply not what it should be. Mr. Murray further stated that last month a presentation was made by staff on the MBE/WBE Program and the Board made it very clear to staff that they want an interim program implemented as early as 11/1/92. Mr. Murray stated that he is under the impression that staff is confused as to when the program is going to be in place. Mr. Medina stated that the only confusion, if any, has been coordinating with staff and communicating to them the date that the program should be implemented. Mr. Sanchez clarified for Mr. Camacho, that RCC is quite clear about the desires of the Board. Mr. Medina stated that LACTC staff, including Mr. Mack, are aware that this program must go forward as requested by the Board.

Mr. Camacho requested that staff provide the Board with a status update on the MBE/WBE Program at the next meeting.

Mr. Kruse stated it has been of major consternation to the Board that this agency has failed to institute a Minority and Disadvantaged Business Program. Mr. Murray echoed Mr. Kruse's concerns and stated, speaking for himself and not necessarily the Board, the fact that there is no program in place originates from the top. Mr. Murray further stated that he would like to know who the person/persons are at the top that have not made this a top priority within this organization.

16. JOINT DEVELOPMENT COMMITTEE REPORT

The Joint Development Committee meeting was canceled therefore there was nothing to report.

17. METRO GREEN LINE - CONTRACT H1100

Items 17 & 18 are duplicate items. The item was deferred to the next meeting.

18. METRO GREEN LINE - TRAIN CONTROL

See Item 17 for disposition.

19. METRO RED LINE, SEGMENT 1 - ACTIVATION

Mr. Kane provided a briefing on this item.

Mr. Kruse stated that March, 1993 is the anticipated opening date of Metro Red Line, Segment 1.

20. ENVIRONMENTAL SERVICES CONTRACT UPDATE

Mr. Baca provided the Board with a status update on this item. Mr. Baca indicated that he anticipates a staff recommendation on Contract EN030, Waste Handling, will be brought forth to the next Board meeting. A staff recommendation for Contract EN025, Engineering Services Consultant, will probably be ready for the Board's consideration in November.

21. STEPS SEMINAR SERIES - STATUS UPDATE

Mr. Norman Ross provided a status briefing on the STEPP'S Program.

22. PUBLIC COMMENT

The Board heard comments from Mr. John Walsh.

23. BOARD MEMBER REQUEST FOR FUTURE ITEMS

There were no requests for future items.

EXECUTIVE SESSION

The Board adjourned to an Executive Session to discuss:

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

- Contract MC005
- Contract A165
- Contract A141

ADJOURNMENT

The meeting adjourned at 3 p.m.



Bonnie Verdin  
Board Secretary

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