



Minutes

RAIL CONSTRUCTION CORPORATION (RCC) OCTOBER 26, 1992 MEETING

MEMBERS PRESENT

ROBERT KRUSE, CHAIRMAN
JUDITH HOPKINSON, VICE CHAIR
DAVID ANDERSON
ERNEST CAMACHO
DON McINTYRE
JOHN 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, SEGMENTS 1 & 3
DAVE SIEVERS, PROJECT MANAGER, METRO GREEN LINE
LAURENCE WELDON, PROJECT MANAGER, METRO PASADENA PROJECT
LINDA BOHLINGER, DIRECTOR, CAPITAL PLANNING & PROGRAMMING
BEN MAHLER, MANAGER, CONTRACTS
TORI HILL-WILLIAMS, MANAGER, PUBLIC AFFAIRS
JOHN MACK, DIRECTOR, SMALL BUSINESS AND ECONOMIC DEVELOPMENT
ABDOUL SESAY, MANAGER, RISK MANAGEMENT
SHIELA WALKER, CONTRACT COMPLIANCE ANALYST
WILL SANCHEZ, DIRECTOR, CONTRACTS
MIKE BACA, MANAGER, CONTRACTS
BONNIE VERDIN, BOARD SECRETARY
MERCY MENESES, ASSISTANT BOARD SECRETARY

OTHER

AUGUSTIN ZUNIGA, COUNTY COUNSEL
SAMUEL KAPLAN & ASSOCIATES, PASADENA ART CENTER COLLEGE OF DESIGN
JOHN BUGALLA, WILLIS-COROON
DAVE DYBDAHL, WILLIS-COROON
KENNETH NATKIN, NATKIN, WEISBACH & HIGGINBOTHAM
LEE NELSON, RAMCO

1. CALL TO ORDER

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

2. APPROVAL OF MINUTES

The minutes of the October 5, 1992 meeting were approved as submitted.

Mr. Murray inquired whether staff had obtained clarification from the Mayor's office as to the intent of the motion on Tutor Saliba's Contract A136. Mr. McSpedon stated that he solicited feedback (via fax and telephone calls) on this issue from Jane Ellison, of the Mayor's office, and, to date, has not received any comments from her. Mr. McSpedon stated that he would continue to request comments from the Mayor's office prior to the Commission's meeting on October 28.

3. CHAIRMAN'S REMARKS

Mr. Kruse reported the following:

- He attended the recent Teametro meeting and appreciates Mr. McSpedon's work towards building a high level professional management team.
- He and Mr. McIntyre attended APTA's Annual Meeting and indicated that there was a great deal of interest in our 87 car order.
- He rode in on Metrolink this morning and it was exciting to see the corner being turned on rapid transit in Southern California.
- The RCC will put on a Change Order Workshop for the Commissioners this Wednesday at 12:30 p.m. Interested members were invited to attend.

4. PRESIDENT'S REPORT

Mr. McSpedon reported the following:

- He also rode in on Metrolink and was greatly impressed by the level of activity and enthusiasm along the route. The opening event was extremely well-staffed. Mr. McSpedon acknowledged RCC staffpersons who provided extra special efforts towards the successful opening of Metrolink: Laurence Weldon, Hal Nelson, Charles Stark, Clyde Garrison, Lou Hubaud, Bob Aaron, Dick Schiel, John Miller, Will Sanchez & his group, Elaine Stewart & her group - Art Gomez, in particular and Rod Dawson.
- On 10/28, there will be a formal kick-off meeting with Sumitomo for the 15 railcar contract for the Metro Green Line. Sumitomo has already been given the Notice

to Proceed (NTP). At the meeting, Sumitomo will bring in their management team from Japan to go through reporting processes and lines of responsibility. RCC needs to cut through any red-tape because this is a very short duration contract.

- As previously reported, there was a concern that tiles in some of the Metro Red Line stations were slippery. These tiles have been re-tested and floors were certified as slip-resistant and no remedial work is necessary.

There was another concern with the buckling of tiles in the floors due to water at Pershing and Civic Center. Repairs were necessary; corrections are in progress and no problems are anticipated in completing this work in a timely fashion.

- President Bush signed the Appropriations Bill for this year's transit funding. Included in this bill is \$110 million for the Metro Red Line (\$60 million for Segment 3 to be divided among the three phases, and \$50 million for Segment 2). Los Angeles was one of the few cities that did not have its funds cut.

The Appropriations Bill also provides for the formal transfer of the granteeship for Metro Red Line, Segment 1 from the Southern California Rapid Transit District (SCRTD) to the Los Angeles County Transportation Commission (LACTC). We are now in a mode of working with SCRTD to handle the administrative details of the transfer of the granteeship.

Negotiations for the grant for Segment 3 are also in progress and Mr. McSpedon introduced Ms. Bohlinger who provided the Board with an update on this issue. Ms. Bohlinger distributed an "Issues" statement to the Board members.

- Mr. McSpedon requested that Item #15 on the agenda be deferred to the 11/9 meeting as the staff report is not yet final. Mr. Kruse requested that Item #15 be presented for action to the Board's Finance and Budget Subcommittee first.

CONSENT CALENDAR

Items 8 & 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.

6. STATUS OF UNEXECUTED PROFESSIONAL SERVICES
CONTRACT CHANGES OVER \$200,000

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

7. METRO RED LINE, SEGMENT 2 - CONTRACT B221
REVISE HDPE INSTALLATION REQUIREMENTS/ADD WATERSTOPS
CHANGE ORDER NO. 28

The RCC Board recommended that the Commission authorize the Executive Director to execute Change Order No. 28, in the amount of \$824,626, which revises and modifies the water-proofing and gas protection system for station structures and tunnels along Metro Red Line, Segment 2.

10. METRO RAIL PROJECTS - CONTRACT NO. TS002 & TS003
SECURITY GUARD SERVICES

The RCC Board recommended that the Commission authorize the Executive Director to execute Contract No. TS002, with U.S. Guard, Inc., for the Metro Green Line security program in the amount of \$665,000. Funds for the RCC share of the security effort are available in the R89, Systemwide Security Budget which was approved by the Commission for FY93.

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

The RCC Board recommended that the Commission approve Change Order No. 023.1 for the amount of \$270,810. This change order is within the project cost forecast of \$1,450,000,000 and necessary funding is available within the Segment 1 budget.

12. METRO RAIL PROJECTS - CONTRACT E0070
EMC CONTRACTING PLAN/LIST OF SUBCONSULTANTS

The RCC Board recommended that the Commission approve the Engineering Management Consultant's (EMC's) recommended language to be contained within the EMC's solicitations to address the general economic conditions, including employment, for Los Angeles County. The example language as

reflected below will be used in all applicable EMC solicitations.

"The EMC will consider the following in evaluating submittals:

- The impact of a firm/teams's management plan/approach on the Los Angeles County economy, particularly the creation and/or opportunity for local employment.
- Where appropriate and applicable, the element of technology transfer (business, professional, technical, etc.) as part of the management plan will be considered.
- Submittal shall include a statement describing firm/team's workforce, and locations of the local project office.

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

8. METRO RED LINE, SEGMENT 2 - CONTRACT B710 ELEVATORS AND ESCALATORS, REQUEST TO ADVERTISE

Mr. Murray stated that the 11% DBE goal is low and would like to know how the 11% goal was arrived at. Mr. Murray stated that he believes staff is not addressing the DBE goal issue as aggressively as it should. Mr. Murray stated that the City of Los Angeles has comparable, if not smaller, sized contracts which more routinely set DBE goals higher (18/4% average) than the LACTC does.

Mr. Mahler stated that the bulk of monies for this contract are in manufacturing which inherently limits the DBE goal from being set higher.

Following further discussion, Mr. Murray moved, Mr. Anderson seconded to approve this item.

Mr. McSpedon mentioned that at the end of July a Summary Assessment of the DBE Program for contracts awarded to date was done which indicated that on Metro Red Line, Segment 2 contract monies in excess of 24% were paid to DBE firms.

Motion approved.

The RCC Board authorized staff to proceed with the advertisement and solicitation of Contract No. B710.

Mr. Kruse commented that a subcommittee should probably be formed to work towards developing a more professional, aggressive DBE Program.

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

Mr. Murray inquired whether any Commission feedback has been received. Mr. Sievers stated that an Executive Summary describing the issue was sent to the Commissioners and, to date, no comments have been received.

Mr. Kruse stated that, in the near future, the RCC Board will form a High Technology Procurement Subcommittee to formulate a plan for all future high technology procurements like this one.

Mr. Murray moved, Mr. McIntyre seconded to approve this item. Motion was approved with Mr. McIntyre abstaining due to a possible conflict of interest.

The RCC Board recommended that the Commission authorize the Executive Director to modify Contract No. H0832 (CO #39) for \$6,906,009 and approve an AFE increase of \$8,170,401.

REGULAR CALENDAR

14. METRO GREEN LINE - CONTRACT H1100

Mr. Sievers provided a status update briefing.

Mr. McSpedon clarified for Mr. Kruse that the Metro Green Line project definition, as it stands today, provides for the 1994 opening with the 15 Sumitomo railcars in a manual mode with full automatic train protection in place. This achievement will signify the completion of the project. The testing of the prototype cars, using driverless features, is considered part of the L.A. Car Project because it involves the testing of new features using the Green Line as a test bed. The Green Line will have the capacity to run the test features in revenue service should that decision be made.

Mr. McSpedon stated that an analysis must be done to determine how we can best minimize our financial exposure for all of the potential features until the Commission decides whether it wants to exercise the driverless option. Late last year, the RCC recommended that the Commission reconsider the driverless option for cost-saving reasons. It was clearly conveyed to staff that the Commission intends to

proceed with a driverless system, although the system will be initiated in a driver mode.

15. METRO GREEN LINE - BUDGET AND SCHEDULE

This item was deferred until the 11/9 meeting.

16. METRO PASADENA PROJECT - MASTER COOPERATIVE AGREEMENT WITH THE CITY OF PASADENA

Mr. Weldon provided a briefing on this item.

Mr. Weldon stated that the Preliminary Engineering for Pasadena continues on schedule and it is anticipated that an adoption package will be brought before the Board in January, 1993.

Consistent with this, staff is working on putting a Master Cooperative Agreement with Pasadena in place. If approved by the RCC Board and Commission, a formal signing of this agreement will take place at the 11/9 meeting which is scheduled at Pasadena City Hall.

Mr. Weldon clarified that this agreement largely addresses general, boiler-plate issues. A final, fine-tuned agreement should be ready for the Board's consideration in January, 1993.

Mr. McIntyre suggested that the City of Pasadena's policy for a December public property construction moratorium be addressed in the agreement.

Mr. Weldon clarified for Mr. Anderson that the agreement is broad enough to take into account any particular physical changes that may be made on Pasadena's final engineering. Mr. Weldon also clarified for Mr. Anderson that the number of at-grade crossings can be reduced albeit at a very high cost.

Mr. Anderson moved, Mr. Murray seconded to approve this item subject to the inclusion of the December construction moratorium issue. Motion was approved.

The RCC Board recommended that the Commission authorize the Executive Director to execute the Master Cooperative Agreement negotiated with the City of Pasadena.

17. METRO RED LINE, SEGMENT 2 - CONSTRUCTION MITIGATION
ART CENTER COLLEGE OF DESIGN

Ms. Hill-Williams introduced Art Center College of Design Instructor Samuel Kaplan who, assisted by students of the college, provided a briefing on their various construction mitigation design projects.

Ms. Hopkinson inquired whether we entered into this project with some idea as to cost. Mr. McSpedon stated that the work started on Metro Red Line, Segment 2 with a budget that was established based on the level of mitigation that was completed on Segment 1. There is a general consensus that substantially more needs to be done along this phase of the project. The Hollywood construction impact plan is based on an attempt to put together the lowest cost way to address the real world needs of the communities impacted. Clearly, however, budget approval is going to be needed. Mr. McSpedon stated that in the very near future staff hopes to bring forward a comprehensive mitigation plan for Hollywood that will seek the Board's approval of a budget for this work.

Mr. Kruse commended staff on this very proactive approach to dealing with the impacts of the construction that lies ahead.

18. METRO RED LINE, SEGMENT 1 - START-UP READINESS

Mr. McSpedon stated that at each Board meeting until start-up, staff will provide a short briefing on the progress of the project. Mr. McSpedon introduced Mr. Stark who provided a status update.

Mr. Stark stated that work is proceeding along schedule and touched on some factors affecting start-up that remain to be resolved.

19. TRANSIT BOND GUARANTEE PROGRAM

Mr. Mack provided a briefing on this item.

Mr. Murray moved, Mr. Camacho seconded to approve this item. Following further discussion, motion was approved.

The RCC Board recommended that the Commission:

- Approve modifications to the Transit Bond Guarantee Program as outlined in the attached revised Scope of Work;

- Approve the newly negotiated contract for TBGP services which has been separated from the insurance brokerage contract with MTIA; and
- Approve the revised agreement with the City of Los Angeles which expands the program beyond the Metro Red Line to include all adopted transit projects.

20. MBE PROGRAM STATUS UPDATE

Shiela Walker stated that according to the wishes of the Board, an MBE/WBE Program will be in place effective 11/1.

Mr. Camacho thanked staff for listening to the Board's concerns and for implementing the program in such a short time frame.

21. METRO RAIL PROJECTS - MASTER PROJECT
ERRORS AND OMISSIONS INSURANCE PROGRAM

Mr. Sesay provided a briefing on this item with the assistance of the following team:

- Mr. John Bugalla, Willis-Coroon
- Mr. Dave Dybdahl, Willis-Coroon
- Kenneth Natkin, Natkin, Weisbach & Higginbotham
- Lee Nelson, Ramco

Mr. Sesay clarified for Mr. Kruse that the maximum single event limit is \$60 million.

Mr. Anderson expressed discomfort with not being able to compare how this program compares with the more traditional method of allowing a contractor to carry its own insurance. Mr. Camacho offered that it would be like comparing apples to oranges but that the basic main difference is that this proposal has much greater liability limits. Mr. McSpedon added that this program provides pollution liability insurance which is not an easily obtainable type of insurance. Our projects are highly exposed to the encounter of hazardous materials.

Mr. McIntyre inquired whether we are obliged to accept this program as part of the EMC contract. Mr. McSpedon stated that this Board previously approved this concept as part of the EMC contract.

Mr. Sesay clarified for Mr. Anderson that this program will cover Metro Red Line, Segment 2 & 3, Metro Green & Pasadena Lines.

After much further discussion, Mr. Camacho moved, Ms. Hopkinson seconded to approve this item. Motion was approved.

The RCC Board recommended that the Commission:

- Approve the master project professional liability insurance program which provides insurance limits of \$60 million or more.
- Approve the master pollution professional liability program and the contractors' pollution liability program affording insurance limits of \$5 million and \$20 million respectively.
- Authorize expenditure for the insurance premiums and the insurance services contract as follows:

	FIVE YEAR TOTAL
Insurance Premiums	\$12,175,000
Finite Risk Fund*	\$13,500,000*
Insurance Service Contract	\$ 3,000,000

*With no losses, 94% of the Finite Risk Fund and 90% of the interest income can be returned by commuting, or canceling, the policy any time after three years.

22. CENTURY FREEWAY AFFIRMATIVE ACTION COMMITTEE (CFAAC)
MEMORANDUM OF UNDERSTANDING CONTRACT (MOU)

See Item #23 for disposition for this matter.

23. METRO RAIL PROJECTS - CONTRACT ST-042
LABOR COMPLIANCE AND EQUAL EMPLOYMENT OPPORTUNITY/
AFFIRMATIVE ACTION MONITORING AND ADMINISTRATION PROGRAM

At Ms. Hopkinson's request, Ms. Walker agreed to provide the Board members with a listing as to how the prospective firms ranked against staff criteria.

Ms. Walker provided a briefing on this item and addressed Item #22.

Ms. Walker clarified for Mr. Kruse that it was not CFAAC's role to monitor the program. The LACTC entered into a Memorandum of Understanding (MOU) with CFAAC to perform outreach for the Metro Green Line. Ms. Walker further stated that O'Brien Kreitzberg provided the monitoring function for the Metro Green Line; SCRTP did it for the Metro Red Line, Segments 1 & 2.

Ms. Walker stated that one of the components of this Request for Proposals (RFP) is to do outreach on all the projects.

The MOU that CFAAC had with the LACTC was for that function on the Metro Green Line only. Since the MOU was entered into, internal staff has been added that now performs this function. Lastly, the LACTC entered into the MOU with CFAAC on an interim basis only. Mr. Delgado believes that the LACTC has to adhere to a consent decree, however, LACTC has documented legal opinion to the contrary.

Mr. Murray stated that he believes that compliance is a function that should be performed in-house as it is very much a hands on responsibility. Having a contractual relationship adds an additional layer or step to the process, thereby impeding the process. Ms. Walker explained that the rationale behind this is that approximately 40 new staff people would have to be hired to effectively perform this function, considering the volume of work that the LACTC lets. The primary dollars spent are for construction projects and the law mandates that 10% of all construction projects be monitored for each class, work force and trade area for every project. Currently, the Compliance Department is focusing on monitoring DBE compliance and it has been deemed that staff can not adequately manage both. It is felt that this is the most expeditious and cost-effective way to do both functions at one time.

Mr. Murray stated that any allegations of discrimination in the workplace need to be investigated/responded to aggressively and believes that contracting this work simply doesn't work.

Mr. Murray and Mr. Kruse expressed concern that the RCC Board was never given the opportunity to participate in this process. Ms. Hopkinson stated that although she would have appreciated knowing about this earlier, she thinks there's not much of a choice being offered here as it is something that needs to be done. Mr. Murray stated that we are in a merger process with SCRTD and perhaps we will soon inherit people already trained to perform this function yet instead we are contracting out for this work. Ms. Walker stated that this was looked at and SCRTD has only two full-time positions budgeted for this function, and one is unfilled.

The RCC Board heard comments from Andrew Delgado, CFAAC.

Ms. Hopkinson moved, Mr. Camacho seconded to approve this item. Motion was approved with Mr. Murray and Mr. Kruse voting no. Mr. McIntyre abstained from voting due to a possible conflict of interest.

Mr. Kruse stated that he is uncomfortable approving this item since the Board had no input into the process and feels

that this is just another example where the Board is given the responsibility but no authority.

The RCC Board recommended that the Commission:

- Approve the selection of Coopers & Lybrand and King & Wright Consulting, Inc. and their designated subcontractors listed in Attachment A for a three (3) year contract.
- Authorize LACTC staff to negotiate terms and conditions for systemwide labor compliance, equal employment opportunity and affirmative action monitoring and administration of all new and existing RCC contracts at a cost Not-To-Exceed \$3,500,000. Funds for this effort were included in the LACTC FY 1993 operating budget. The Disadvantaged Business Enterprise (DBE) goal for this procurement was 30%. Coopers and Lybrand has proposed 60% of this work to DBE firms, and King and Wright Consulting, Inc. is a 100% woman-owned DBE firm.

24. PUBLIC COMMENT

The Board heard comments from John Walsh.

25. BOARD MEMBER REQUEST FOR FUTURE ITEMS

There were no future requests for items.

The Board accepted the 1993 Board meeting schedule presented to them by the Secretary.

EXECUTIVE SESSION

The Board adjourned to an Executive Session to discuss:

Real Estate - G.C. #54956.8

- Parcel No. B2-119 - (Mission Acres Partnership)
- Parcel No. B2-201 - (Hea Chung Pak and Bue Ja Pak)
- Parcel No. B2-226 - (John & Beverly Willd and Murray Braun, d.b.a. Hollywood Car Wash)

Personnel Matters - G.C. #54957

Potential Litigation - G.C.#54956.9

ADJOURNMENT

The meeting adjourned at 4:15 p.m.



Bonnie Verdin
Board Secretary
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