



MINUTES

Los Angeles County
Metropolitan
Transportation
Authority

RAIL CONSTRUCTION CORPORATION (RCC) NOVEMBER 15, 1993 MEETING

818 West Seventh Street
Suite 300
Los Angeles, CA 90017

213.623.1194

MEMBERS PRESENT

ROBERT KRUSE, CHAIRMAN
DAVE ANDERSON
ERNEST CAMACHO
ROBERT ARTHUR, ALTERNATE TO DEANE DANA
JIM BROWDER
EVAN ANDERSON BRAUDE
CARL RAGGIO

STAFF PRESENT

EDWARD McSPEDON, EXECUTIVE OFFICER, CONSTRUCTION & PRESIDENT, RCC
LARRY KELSEY, CONTRACT MANAGER, METRO RED LINE, SEGMENT 2
JOEL SANDBERG, PROJECT MANAGER, METRO RED LINE, SEGMENT 2
MIKE BACA, MANAGER, PROFESSIONAL SERVICES CONTRACTS
ABDOUL SESAY, MANAGER, RISK MANAGEMENT - CONSTRUCTION
DAVE SIEVERS, PROJECT MANAGER, METRO GREEN LINE
MERCY MENESES, RCC ASSISTANT BOARD SECRETARY
MELISSA SCHIAVO, SECRETARY

OTHERS

AUGUSTIN ZUNIGA, COUNTY COUNSEL
DAVID J. QUAN, MTA CO-COUNSEL

1. CALL TO ORDER

The meeting was called to order at 1:10 P.M.

2. APPROVAL OF MINUTES

The minutes of the November 1, 1993 meeting were approved as submitted.

3. CHAIRMAN'S REMARKS

Mr. Kruse commented on a recent newspaper article which referred to the RCC as a "fifth wheel" to the MTA. Mr. Kruse noted that the fifth wheel on a truck is what pulls the load and on a car is what steers it.

4. PRESIDENT'S REMARKS

Mr. McSpedon reported the following:

- Additional staff work is needed on Item 20 of the agenda. Mr. McSpedon requested that this item be withdrawn from the agenda.
- The MTA will meet this Wednesday. A majority of the items on today's agenda, with the RCC Board's concurrence, will be forwarded to the MTA despite the close proximity of meetings.
- On November 16, 1993, the Federal Transportation Administration (FTA) will hold its Quarterly Project Review Conference in San Francisco focusing on the RCC's three federally-related projects.
- On December 7-8, 1993, the RCC will take a lead role in coordinating the National Project Review forum sponsored by the FTA. The conference is directed at similar agencies building capital projects to facilitate information sharing and mutual assistance among cities. The first topic is "Cost Effectiveness".

STANDING INFORMATION REPORTS

5. FORECAST OF UNEXECUTED PROFESSIONAL SERVICES
CONTRACT CHANGES OVER \$200,000

The RCC Board received this status report.

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

The RCC Board received this status report.

Mr. Kruse commended staff's monitoring of the change order process. Mr. Kruse stated that staff should continue to work diligently to clarify the RCC's policy position on change orders.

CONSENT CALENDAR

Mr. Camacho moved, Mr. Raggio seconded, to approve the Consent Calendar Items. Motion was approved.

**7. METRO GREEN LINE - CONTRACT NO. C0095
 FENCING/WAYSIDE INTRUSION DETECTION SYSTEM
 APPROVAL OF CHANGE ORDER NO. 02**

The RCC Board recommended that MTA approve Change Order No. 02 for:

- a) a time reduction of 53 calendar days to interim Milestone No. 2
 (This milestone change does not effect the approved Revenue Operations Date)
- b) an additional \$596,528 which increases the total contract value to \$10,292,586 but is within the current AFE amount of \$10,678,891.

**8. METRO GREEN LINE - CONTRACT NO. P2020
 LIGHT RAIL VEHICLES - 15 CARS
 APPROVAL OF CHANGE ORDER NO. 01**

The RCC Board recommended that the MTA award Change Order No. 01 in the amount of \$828,837.80 to cover spare parts, special tools and Diagnostic Testing Equipment.

**9. METRO RAIL PROJECTS - CONTRACT NO. E0070
 APPROVAL OF CONTRACT AWARD FOR ANALYSIS ASSISTANCE**

The RCC Board recommended that the MTA authorize the EMC to award the below-described contract:

Selected Firm	Scope of Services	Not-to-Exceed Contract Price
Transportation Decision Systems, Inc. One First Street, Ste. 14 Los Altos, CA 94022	(1) Provide analysis assistance to EMC by supplying and installing rail transit simulation software (RTS) on EMC personal computers; provide instructions on use of RTS software; utilize the software to perform operations analysis defined by EMC. Performance Schedule: 6 months	\$120,000

10. **METRO PASADENA PROJECT - CONTRACT NO. E0070
 AUTHORIZATION TO AWARD CONTRACTS TO SECTION DESIGNERS
 FOR ARCHITECTURAL SERVICES**

The RCC Board recommended that the MTA authorize the EMC to award contracts as listed below for Section Designers for Architectural Services on the Metro Pasadena Line:

Selected Firm	Scope of Services	MBE/WBE Goal (%) Commitment	Not-To-Exceed Contract Price
Ladowicz Sata and Associates	Mission & Fillmore Stations	MBE - 25/63% WBE - 10/22%	Not-to-Exceed \$317,688 (10.8% of Estimated Construction Cost)
Harshad Patel Design Consor- tium	Memorial Park Sta- tion	MBE - 30/90% WBE - 10/10%	Not-to Exceed \$320,527 (11.2% of Estimated Construction Cost)

11. **METRO PASADENA PROJECT
 AMENDMENT TO UTILITY COOPERATIVE AGREEMENT WITH
 ACCESS TRANSMISSION SERVICES**

The RCC Board recommended that the MTA authorize the Chief Executive Officer to execute the amendment to the existing Utility Cooperative Agreement.

12. **METRO PASADENA PROJECT
 AMENDMENT TO UTILITY COOPERATIVE AGREEMENT WITH THE
 LOS ANGELES DEPARTMENT OF WATER AND POWER (WATER DIVISION)**

The RCC Board recommended that the MTA authorize the Chief Executive Officer to execute the amendment to the existing Utility Cooperative Agreement.

13. **METRO PASADENA PROJECT
 AMENDMENT TO UTILITY COOPERATIVE AGREEMENT WITH
 SOUTHERN CALIFORNIA EDISON**

The RCC Board recommended that the MTA authorize the Chief Executive Officer to execute the amendment to the existing Utility Cooperative Agreement.

14. METRO PASADENA PROJECT
AMENDMENT TO UTILITY COOPERATIVE AGREEMENT WITH
PACIFIC BELL

The RCC Board recommended that the MTA authorize the Chief Executive Officer to execute the amendment to the existing Utility Cooperative Agreement.

15. METRO PASADENA PROJECT
UTILITY COOPERATIVE AGREEMENT WITH
MCI TELECOMMUNICATIONS CORPORATION

The RCC Board recommended that the MTA authorize the Chief Executive Officer to execute the Utility Cooperative Agreement negotiated with MCI Telecommunications Corporation.

16. SPECIAL PROJECT PROPOSAL: MARKETING AND SALE OF
THE RCC CHANGE CONTROL SYSTEM (CCS™)

The RCC Board recommended that the MTA adopt the Special Project Proposal in concept and that staff be allowed to proceed with entering into sales and services agreements with interested agencies.

Staff will track all expenses and revenues against a project code to be established for this purpose and will report all revenue and expenses to the Board at the end of one year. The end-of-year report will also include staff recommendations regarding project continuation.

17. RCC FISCAL YEAR 1993 ANNUAL REPORT

The RCC Board recommended that the MTA Board receive and file the Fiscal Year 1993 RCC Annual Report.

REGULAR CALENDAR

19. METRO RED LINE, SEGMENT 2 - CONTRACT NO. B215
WILSHIRE/VERMONT STATION, STAGE II
RECOMMENDATION FOR AWARD

Mr. Kelsey provided a briefing on this item.

Mr. Raggio moved, Mr. Anderson seconded, to approve this item. Motion was approved.

The RCC Board recommended that the MTA award Contract No. B215 with Tutor-Saliba Corporation, the lowest-priced responsive and responsive bidder to the Total Contract Amount below:

Total Contract Award, Metro Red Line, Segment 2	\$26,172,300
10% Contract Reserve Fund (Excluded from Award Amount)	\$ 2,617,230
Total Commitment Request	\$28,789,530

20. METRO RED LINE, SEGMENT 2 - CONTRACT NO. B281
 HOLLYWOOD/VINE STATION AND CROSSOVER
 RECOMMENDATION FOR AWARD

This item was withdrawn from the agenda at staff's request.

21. METRO RED LINE, SEGMENTS 2 AND 3 - CONTRACT NO. B610
 TRACKWORK INSTALLATION
 RECOMMENDATION FOR AWARD

Mr. Kelsey provided a briefing on this item.

Mr. Anderson moved, Mr. Raggio seconded, to approve this item. Motion was approved.

The RCC Board recommended that the MTA award Contract No. B610 with Kiewit Pacific Company, the lowest-priced, responsive and responsible bidder, in the total contract award listed below:

Total Contract Award, Metro Red Line, Segments 2 and 3	\$19,696,011
10% Contract Reserve Fund (Excluded from Award Amount)	\$ 1,969,601
Total Commitment Request	\$21,665,612
Options (Excluded from Award & Commitment Amounts)	\$ 1,929,730

22. METRO RED LINE, SEGMENT 2 - CONTRACT NO. B241
 VERMONT/BEVERLY STATION, NEED TO ISSUE A FULL
 NOTICE-TO-PROCEED TO MITIGATE SCHEDULE IMPACT TO
 SEGMENT 2 REVENUE OPERATION DATE

Mr. Sandberg provided a briefing on this item.

Mr. Anderson requested clarification of the estimated project cost. Mr. Sandberg stated that the contract, if delayed until January, will add an estimated \$8 million to the contract and will continue to increase by \$2 million each month thereafter.

Mr. Kruse requested that staff provide a one-page synopsis of the cost impacts in preparation for the upcoming MTA meeting.

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

Mr. Raggio inquired what the contingency plan is should the investigation result in an adverse determination. Mr. Sandberg stated that staff and legal counsel have evaluated all the information and have assessed that should the results be adverse, the contract could be terminated for "convenience" and the contract re-bid.

Mr. Arthur abstained from voting on this item. Motion was approved.

The RCC Board recommended that the MTA Board authorize the Chief Executive Officer to issue a full Notice to Proceed (NTP) on Contract No. B241 effective November 18, 1993. The approval to issue a full NTP is contingent upon the understanding that the Contract will be reviewed upon receipt of a negative-finding by the independent investigation.

23. METRO RED LINE, SEGMENT 3 - CONTRACT NO. MR040
OWNER CONTROLLED INSURANCE PROGRAM (OCIP)
RECOMMENDATION FOR AWARD

Mr. Baca provided a brief background on this item.

Mr. Camacho stated that as Chairman of the Insurance Committee, staff has addressed the previous issues raised by the Committee. Mr. Camacho assured the Board that the Insurance Committee is comfortable in recommending approval of this item.

Mr. Camacho moved, Mr. Arthur moved to approve this item.

Mr. Kruse inquired whether the overall review of the program, specifically the inclusion or exclusion of a tracking system, has yet to be addressed. Mr. Camacho stated that staff's recommendation combined with the David Ashley and Warren McVeigh reports further support the determination that the OCIP is the best concept.

Mr. Sesay provided some background.

Mr. Kruse questioned whether any previous action has been taken by the RCC Board and furthermore, whether the MTA Board had previously requested an evaluation of this program. Mr. Camacho stated that there were some concerns raised by MTA Board member Mr. Patsouras.

Motion was approved.

The RCC Board recommended that the MTA authorize the Chief Executive Officer to:

1. Approve Metro Transit Insurance Administrators, a Joint Venture of Sedgwick James of California, Inc., Day and Martinez, Cohen, Hernandez and Associates, and Arisco Associates (MTIA/Sedgwick James) as the Metro Red Line, Segment 3, Mid Cities and North Hollywood Extensions broker-of-record and OCIP Administrator.
2. Authorize an expenditure in the amount of \$62,232,922 for the provision of OCIP premiums for the Metro Red Line, Segment 3, Mid Cities and North Hollywood Extensions. This amount is net of estimated Workers' Compensation dividends for good loss experience. The \$62,232,922 is composed of the following amounts:
 - a. Workers' Compensation premiums less prospective dividends of \$10,000,000 -- \$27,548,594,
 - b. General Liability premiums -- \$11,006,989,
 - c. Estimated excess liability premiums -- \$15,867,000, and
 - d. Builder's Risk premiums -- \$7,810,339.
3. Approve an amount of \$270,000 per year as remuneration for Brokerage and OCIP Administrative Services. An \$810,000 portion will be awarded to MTIA/Sedgwick James for the first three year period, with two optional years. The remuneration for the project duration (seven years) will amount to \$1,890,078, inclusive of the \$810,000 award for the first three year period. This remuneration will be in lieu of commission.
4. Authorize \$5,000,000 to fund anticipated general liability and builders' risk claims and claim administration charges for losses within the OCIP's deductibles and other claims mitigation programs.
5. Authorize the Risk Manager to participate with MTIA/Sedgwick James in the negotiations with excess insurers and reinsurers in London on behalf

of the placement of the excess liability coverage necessary for the Segment 3 OCIP.

- 6. Approve a total commitment request (AFE) in the amount of \$69,123,000 as follows:

Table A
Total Commitment Request (AFE)

Total Contract Award ¹	\$69,123,000
0% Contract Reserve Fund (excluded from award amount)	\$0
TOTAL COMMITMENT REQUEST (AFE)	\$69,123,000

¹ This budget will exclude the East Side Extension from the Segment 3 OCIP budget. The OCIP budget will need to be amended and approved by the RCC Board when a construction NTP is issued for the East Side Extension.

- 7. Authorize the Risk Manager to negotiate with MTIA/Sedgwick James to formulate a mutually acceptable program of **OCIP administrator control and compliance mechanisms** which would be part of the contract requirements and would include the following:
 - a. **Premium payments** will be made directly to the insurers, where possible.
 - b. **Quarterly premium audits** will be conducted to ensure accurate accounting of construction values used to determine premiums.
 - c. **The technical resources** of the OCIP administrator will be used in an advisory capacity for safety matters pertaining to the project.
 - d. **Standard reports** will be required of the OCIP administrator on a regular, timely basis.

24. METRO GREEN LINE - DONATION OF SURPLUS RAILROAD TIES

Mr. Arthur acknowledged the City of Santa Fe Springs's Heritage Park, a beautiful antique railroad facility which neighbors the City of Norwalk. Mr. Arthur recommended approval of this item.

Mr. Sievers provided some background on this item.

Mr. Arthur moved, Mr. Braude seconded, to approve this item. Motion was approved.

The RCC Board recommended that the MTA authorize the Chief Executive Officer to approve the donation of the 353 wooden railroad ties to the City of Santa Fe Springs.

The City of Santa Fe Springs intends to use the ties for a railroad exhibit where they will display vintage railroad equipment.

25. PUBLIC COMMENT

There were no requests to speak.

26. BOARD MEMBER REQUEST FOR FUTURE ITEMS

There were no requests future items.

CLOSED SESSION

Mr. Zuniga noted that the Personnel Matters item on the closed session portion of the agenda was being withdrawn.

Mr. Zuniga disclosed the following items to be discussed in the Closed Session:

Real Estate - G.C. #54956.8

- Parcel No. D4-183-1 (Catellus Development Corp and D4-183-2 Builders Emporium)
- Parcel Nos. AS-580 & 582 (Lorenzo and Tomasa Flores)
- Parcel No. B2-113 (Il-Shik and Jenna Shim)
- Parcel No. B2-113 (Robert A. Smith & James Banning)
- Parcel No. B2-113 (Henry Ho)
- Parcel No. B2-151 (Thrifty Corporation)
- Parcel No. B2-219 (Barnsdall Park Property)

Pending Litigation - G.C. #54956.9 (a)

- Case No. BC043810 - (McNeil-Howard)

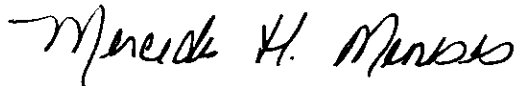
Potential Litigation - G.C. #54956.9 (b)

- Contract No. MC005 (MBL - Professional Liability Claims)

ADJOURNMENT

The meeting adjourned at 1:35 P.M.

Submitted by:



MERCEDES H. MENESES
RCC Assistant Board Secretary

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