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MOTION

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WHEREAS, THE MTA SEEKS TO IMPROVE ITS EFFICIENCY AND EFFECTIVENESS IN MAXIMIZING THE USE OF TRANSPORTATION SUBSIDIES;

WHEREAS, THE STATE LEGISLATURE IS CONTEMPLATING LEGISLATIVE CHANGES REGARDING THE USE OF MTA FUNDING;

IT IS RECOMMENDED THAT MTA REQUEST THAT PROPOSED LEGISLATIVE CHANGES REGARDING THE USE OF MTA FUNDING ALSO INCLUDE CHANGES WHICH PROVIDE FOR INCREASED MTA MANAGEMENT FLEXIBILITY THAT MATERIALLY REDUCE COST. EXAMPLES OF STATE REGULATIONS WHICH IMPACT MTA'S COST EFFECTIVENESS AND MANAGEMENT FLEXIBILITY INCLUDE THE FOLLOWING:

--SB 75 PROHIBITED MTA FROM DECREASING BUS SERVICE. A LEGISLATIVE CHANGE (PUC SECTION 30754) PERMITTING THE MTA TO DECREASE TRANSIT SERVICE IF OTHER OPERATORS IN LOS ANGELES COUNTY WERE ABLE TO ASSUME THE SERVICE AND PROVIDE IT MORE ECONOMICALLY THAN THE MTA, WOULD MAXIMIZE THE USE OF SUBSIDIES.

--INCLUDE LANGUAGE ALLOWING THE MTA TO UTILIZE TURNKEY PROCUREMENT OPTIONS FOR THE CONSTRUCTION, MAINTENANCE AND OPERATION OF THE RAIL PROJECTS WOULD DRAMATICALLY LOWER COSTS ACCORDING TO SUCCESSFULLY COMPLETED PROJECTS ELSEWHERE IN THE NATION AND IN EUROPE.

--DELETE PROPOSED LANGUAGE IN THE \$2 BILLION SEISMIC RETROFIT INITIATIVE WHICH REQUIRES CTC OVERSIGHT OF THE MTA BUS SYSTEM. CTC DOES NOT CURRENTLY HAVE OVERSIGHT OF THE CTC BUS SYSTEM (NOR OF ANY OTHER TRANSIT OPERATOR IN THE STATE).

--REDUCE STATE LOCAL MATCH REQUIREMENTS FOR PROJECT FUNDING IN ORDER TO MAXIMIZE THE USE OF THESE FUNDS FOR BUS SERVICE SUPPORT.

--INCREASE MTA'S FLEXIBILITY IN EXPLORING MARKET-BASED STRATEGIES, INCLUDING AB 680 TYPE PROJECTS, SR 91 LIKE PROJECTS, AND OTHER PRIVATE SECTOR INITIATIVES.

--REDUCE REGULATIONS WHICH IMPEDE THE ABILITY OF THE PRIVATE SECTOR TO RESPOND TO THE MOBILITY NEEDS OF LOS ANGELES COUNTY CITIZENS.

IN DEVELOPING THESE IDEAS, MTA STAFF SHOULD SEEK SUGGESTIONS AND INVOLVEMENT BY EXPERTS FROM THE PRIVATE SECTOR IN THE VARIOUS APPLICABLE DISCIPLINES, INCLUDING LAW, PROCUREMENT, CONSTRUCTION, OPERATIONS, AND FINANCE.

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MTA Board Meeting - August 23, 1995

MOTION BY SUPERVISOR YAROSLAVSKY

One of the primary responsibilities of the MTA Board is to review and take action on litigation and other legal issues pertaining to the MTA.

Because the MTA Board's role regarding litigation has continued to increase as the number of cases before the MTA has escalated, it has become more difficult for the Board to oversee the flow of legal matters and make informed decisions meeting as a whole, in executive session, prior to regularly scheduled meetings. On many occasions, the Board Members have not been able to allot sufficient time to discuss all pertinent aspects of each case or to give direction and feedback to staff on the resolution of certain cases.

The timely resolution of legal matters should be a priority for the MTA. MTA Board Members need to be informed on important cases and other legal matters so that we can make decisions that will curb costs, produce fair settlements and set policy to prevent future actions against the MTA. The establishment of a committee of the board whose sole responsibility would be to oversee the MTA's legal affairs, interface with its legal counsel and make recommendations to the full Board, is essential in order for the agency to make thoughtful and informed decisions on these matters.

THEREFORE, I MOVE that the MTA Board establish a Legal Committee whose responsibility will be to review, analyze, and oversee the agency's legal affairs and who, in conjunction with legal counsel, will make recommendations to the Board in the dispensation of these matters.

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U.S. Department
of Transportation
**Federal Transit
Administration**

Administrator

400 Seventh St., S.W.
Washington, D.C. 20590

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AUG 16 1995

Mr. Franklin E. White
Chief Executive Officer
Los Angeles County Metropolitan
Transportation Authority
818 West Seventh Street
Suite 300
Los Angeles, California 90017

Dear Mr. White:

Thank you for your letter of July 24, 1995, updating me on the progress of the Los Angeles County Metropolitan Transportation Authority (MTA) in implementing the commitments made to the Federal Transit Administration (FTA) in October 1994. These commitments, collectively known as the recovery plan, were the major factor in our decision to remove restrictions on future Federal funding of the Red Line project. These commitments focused on efforts to complete tunneling under Hollywood Boulevard and strengthen the MTA's quality and safety program.

We are pleased with the successful efforts which resulted in the resumption and completion of the tunnel drive under Hollywood Boulevard. However, as pointed out in your update, there are still a number of open commitments that were to be completed by the end of February 1995.

In particular, I am concerned with the inadequate effort to staff the quality and safety functions and the apparent shift in responsibility for construction management (CM), including the quality control function. As of the date of your letter, less than half of the quality and safety positions committed to by MTA have been filled by MTA personnel.

With respect to responsibility for construction management, including quality control, you have apparently changed your approach. Specifically, the recovery plan indicates that "MTA Metro Construction will assume direct management responsibility for the MRL 3 (segment 3) North Hollywood construction on a phased basis. Replacement of the existing CM staff will begin at the project management and area levels". Your current activities do not match the recovery plan philosophy.

A full justification for any proposed change to the original recovery plan must be submitted to FTA for approval prior to implementation. Unilateral changes to the recovery plan are not acceptable.

At present there are two outstanding action items that require your attention. One is the full implementation of the recovery plan commitments (the original plan or an FTA approved revision) and the other is the development of an updated Project Management Plan (PMP) for FTA approval. During the August 3, 1995 quarterly review meeting, the MTA stated that a draft PMP would be delivered to the FTA by the end of August 1995, and the final PMP by October 1, 1995. At this time we are requiring that these outstanding items be taken care of in the following time frame:

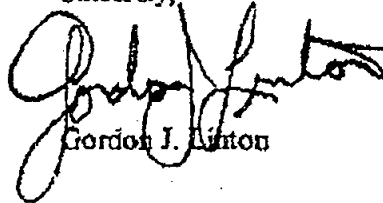
- * Full implementation of the recovery plan commitments by October 1, 1995,
- * A draft PMP submitted to FTA by the end of August 1995, and
- * A final PMP approved by FTA by October 1, 1995.

Let me remind you that continued Federal assistance is contingent upon the grantee's adherence to the terms outlined in our October 5, 1994 agreement.

Due to our concerns with lack of progress in fully implementing the recovery plan and the lack of an approved PMP, we have directed our project management oversight contractor, Hill International, to substantially increase its level of oversight of the project. This staff increase will occur over the next few months.

We look forward to your cooperation in this matter. As indicated before, we remain committed to the Red Line project and the completion of a quality project for the Los Angeles area.

Sincerely,



Gordon J. Linton

REQUEST FOR INFORMATION BY DIRECTOR PATSAOURAS

AUGUST 23, 1995

Inaction on the part of the CEO to monitor and implement the Project Management Plan as a result of the FTA suspension of funds last Fall has once again made this agency a target by state and federal officials.

In a recent letter to the CEO, FTA administrator Gordon Linton is critical of the "inadequate effort" made to implement the recovery plan commitments.

Also in the Senate language that supported the reduction in transportation allocation dollars, they site that "the Committee is not confident that appropriate construction supervision is in place".

This admonition by state and federal officials results from a deviation of the supervision and implementation of the recovery and project management plan submitted to the FTA.

I THEREFORE MOVE THAT THIS BOARD:

- 1) receive a monthly update of all correspondence with the FTA including the status of the implementation of the approved recovery and project management plan; and
- 2) receive bi-weekly status reports on the effort to staff the quality and safety functions called in our agreement with the FTA; and
- 3) receive at the September MTA Board meeting a report on the recovery plan commitments (as mentioned in the Linton letter) either the original plan or the FTA approved revision; and
- 4) receive a copy of draft Project Management Plan before it is submitted to the FTA by the end of August; and
- 5) direct staff to present to the Construction Committee at its September meeting the final Project Management Plan which will be submitted to the FTA by October 5, 1995.