

APRIL 1, 1997



TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER, INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: APPROVE CHANGE ORDER TO INCREASE THE ESTIMATED AMOUNT FOR THE MISCELLANEOUS STREET RESTORATION AND APPROVE AN INCREASE IN THE AUTHORIZATION FOR EXPENDITURE FOR THE HOLLYWOOD TUNNEL COMPLETION CONTRACT ON THE METRO RED LINE, VERMONT/HOLLYWOOD CORRIDORS

Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

RECOMMENDATION

Approve:

- a) Change Order No. B281T-CO-26.00 for the tunnel completion Contract No. B281T with the Kajima/Ray Wilson, Joint Venture, in the amount of \$275,000 to compensate for an increase in the estimated amount for the miscellaneous street restoration, which will result in a Total Contract Value of \$50,224,460, which is not within the Board approved Authorization For Expenditure (AFE) amount of \$48,710,000; and
- b) an increase in the AFE for Contract No. B281T to fund for merited pending and potential changes, in the amount of \$2,951,427, for a revised AFE of \$51,661,427.

Within Construction Committee authority: Yes No

ORGANIZATIONAL IMPACT

Approval will permit staff to execute the Change Order. This action will maintain the Project schedule for the Metro Red Line, Vermont/Hollywood Corridor. The AFE increase will permit timely negotiation and execution of merited change orders and work authorizations that are within staff's authority and provide required compensation to the Contractor.

BUDGET IMPACT

The funds for this action are available within the Board approved Project budget of \$1,640,781,000. The recommended actions will increase the current contract value to \$50,224,460, which is the award value plus all executed change orders, including this Change Order, and increase the AFE to \$51,661,427. The current status of the Contract, including the impact of this recommended action on the contract cost and forecast, is shown in Attachment 1. The forecast final cost for this Contract, including in-process change notices and other anticipated changes is \$51,661,427, shown on Attachment 2. There is no impact to either the Fiscal Year Budget or the Sources of Funds. The Project Contingency will not be affected.

Potential Cost Recovery: Yes No (See Attachment 3)

ALTERNATIVES CONSIDERED

There are no viable alternatives at this time. This action is in accordance with the July 26, 1995 Board approved B251 Tunnel Reprocurement Plan. Denial of the AFE increase will not allow the completion of the pending and future merited change orders/claims (approved by the proper delegated authorities) and the Contractor may pursue other contractual and legal remedies.

BACKGROUND

During the negotiations for completion of the Hollywood Tunnel, Kajima/Ray Wilson reduced their overall proposal price based on MTA accepting the conversion of 12 items of the Statement of Work from lump sum to a time and material basis.

The original B281T Contract contained a \$125,949 allowance to perform this scope of work on a time and material basis. The negotiated allowance underestimated the level of effort required to perform the work. Based on work performed to-date, a revised projection of remaining work indicates the total cost to remove, abandon, restore and/or replace the following items: concrete drop holes, inclinometers, observation wells, dewatering wells, deep cased bench marks, misc. holes, vent shafts (from the crosspassage to the surface), sidewalks, gutters, asphalt concrete patching, power poles, capwells and boxwells will ultimately cost approximately \$400,949 (existing contract allowance of \$125,949 + \$275,000). All the work associated with this Pay Item is being performed on an accelerated basis and is being tracked on Time and Material Records. The total cost of this item on a time and material basis is less than the proposed cost at the time of negotiation.

SMALL BUSINESS PARTICIPATION

In accordance with the July 26, 1995 Board approved B251 Tunnel Reprocurement Plan, there is no DBE goal established for the Vermont/Hollywood Tunnel Completion Effort.

ATTACHMENTS

1. Contract Value Status
2. Primary Change Impacts
3. Potential Cost Recovery

Prepared by:

Larry Kelsey, Manager of Contracts
Stephen J. Polechronis, Deputy Executive Officer, Construction
Metro Red Line, Wilshire and Vermont/Hollywood Corridors



Charles W. Stark
Interim Executive Officer, Construction

ATTACHMENT 1
CONTRACT VALUE STATUS
 R81 Metro Red Line - Segment 2
 CHANGE ORDER : B281T-CO-26.00

CONTRACTOR: KAJIMA/RAY WILSON - TRANSFERRED B251 WORK - B251 E & F
 CHANGE TITLE: INCREASE ESTIMATED AMOUNT OF PAY ITEM NO. 01057.01 - MISC. STREET RESTORATION

CONTRACT VALUE STATUS

1.	CONTRACT AWARD AMOUNT:	\$46,332,779.00
2.	PREVIOUSLY EXECUTED CHANGES:	\$1,274,380.98
3.	CURRENT CONTRACT VALUE: (1 + 2)	\$47,607,159.98
4.	AUTHORIZED WACN'S (NTE):	\$2,342,300.29
5.	OBLIGATED CONTRACT VALUE: (3 + 4)	\$49,949,460.27
6.	VALUE OF THIS CHANGE:	\$275,000.00
7.	ESTIMATED CONTRACT VALUE: (5 + 6)	\$50,224,460.27

AUTHORIZED FOR EXPENDITURE STATUS

INCREASE IN AFE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$48,710,000.00	Award + 5.13%
9.	ESTIMATED CONTRACT VALUE: (Line 7)	\$50,224,460.27	
10.	REMAINING AFE (Actual 8-9)	(\$1,514,460.27)	\$1,514,460.27 For current actual costs
11.	OTHER PENDING CHANGES (merited)	(\$943,619.17)	
12.	REMAINING AFE (w/CHANGES 10-11)	(\$570,841.10)	\$570,841.10 For pending changes
13.	! TRENDS AND CONTINGENCIES (pending merit finding)	\$2,380,585.90	
14.	REMAINING AFE: (w/TRENDS 12-13)	(\$2,951,427.00)	\$2,951,427.00 For possible changes

CONTRACT BUDGET STATUS

15.	CURRENT CONTRACT BUDGET:	\$51,977,000.00
16.	FORECAST CONTRACT VALUE: (9 + 11 + 13)	\$51,661,427.00
17.	REMAINING CONTRACT BUDGET: (15-16)	\$315,573.00

CONTRACT INCREASE PERCENTAGES

18.	% OF ORIGINAL AWARD VALUE (THIS CHANGE)	0.594%
19.	% OF ORIGINAL AWARD VALUE (MERITED CHANGES)	5.769%
20.	% OF ORIGINAL AWARD VALUE (ALL CHANGES)	11.501%
21.	% CONTRACT COMPLETE:	95%

REVIEWED BY MTA PROGRAM CONTROL: R. MORA, LEAD PROGRAM CONTROL 

DATE:

ATTACHMENT 2

**CONTRACT B281T, TRANSFERRED B251 WORK - B251 E & F
PRIMARY CHANGE IMPACTS**

The major factors contributing to the need for this Contract No. B281T AFE increase are:

UNEXECUTED, PENDING, & ANTICIPATED CHANGES	DESCRIPTION	ESTIMATED COST
CN-18.01	STARTER WALL CONSTRUCTION	101,203
CN-20.00	CORRECTION OF PRE-EXISTING SAFETY DEFICIENCIES	(50,000)
CN-40.03	ELECTRICAL DESIGN CHANGE	60,145
CN-44.01	OPTION "B" BARNSDALL SHAFT	(65,626)
CN-49.00	ADDITIONAL REINFORCEMENT	(681)
CN-57.00	DELETE RESTORATION OF BARNSDALL SITE	(310,000)
CN-61.00	WATERPROOFING AT CROSSPASSAGES	80,000
CN-63.00	EARLY REMOVAL OF STRUTS	(180,000)
CN-65.00	SINKHOLE SHAFT EQUIPMENT LOADS	744
CN-67.01	SCHEDULE MITIGATION FOR "E" & "F"	51,251
CN-70.00	REMOVAL OF SINKHOLE PILES	46,075
CN-71.00	DEMOBILIZATION OF HASTINGS HOTEL SITE	10,000
CN-72.00	DELETION OF THIRD RAIL PEDESTAL DOWELS	(56,277)
CN-78.01	CM PROVIDE TESTING PROCEDURES	(5,000)
CN-79.00	ADDITIONAL REBAR	5,000
CN-92.00	PROVIDE WER STANDPIPE SLO-CLOZ VALVES	14,000
CN-100.00	ADDITON OF ARCH REBAR	3,021
CN-103.00	LIGHT POLE LOCATION	5,000
CN-104.00	CROSSPASSAGE CONCRETE - DOORWAY	10,000
Subtotal of the Primary Change Impacts From Pending Changes		(276,145)
Miscellaneous Other Pending Changes		(667,474)
Total of Attachment 3 Pending Changes (See also Line 11, Attachment 1)		(943,619)
Total of Forecast Potential Changes (See Line 13, Attachment 1)		2,380,586
Total of Pending and Potential Changes		1,436,967
Less Remaining AFE (See Line 10, Attachment 1)		(1,514,460)
Total Recommended AFE Increase		2,951,427

**ATTACHMENT 3
POTENTIAL COST RECOVERY**

The costs attributable to this change may be recoverable from the terminated B251 Contractor, Shea/Kiewit/Kenny, Joint Venture or its surety.