

APRIL 1, 1997



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TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER, INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: APPROVE WORK AUTHORIZATION CHANGE NOTICE AND AUTHORIZED EXECUTION OF CHANGE ORDER FOR INTERIOR/EXTERIOR WALL CONCRETE QUANTITY VARIANCE AT THE VERMONT/SANTA MONICA STATION ON THE METRO RED LINE, VERMONT/HOLLYWOOD CORRIDOR

Los Angeles County
Metropolitan
Transportation
Authority

RECOMMENDATION

Approve:

- a) Work Authorization Change Notice (WACN) No. B252-CN-173.00 to Contract No. B252 with Kiewit-Shea, Joint Venture, for Interior Wall Concrete Variance and Exterior Wall Concrete Variance at the Vermont/Santa Monica Station of the Metro Red Line, Vermont Corridor, in the Not-to-Exceed (NTE) amount of \$798,000, which increases the Total Contract Value to \$53,961,565, and is within the current Board approved Authorization for Expenditure (AFE) amount of \$56,730,789; and
- b) authorize staff to execute subsequent Change Order No. B252-CO-69.00, if it is within the NTE amount approved for the above WACN No. 173.00.

Within Construction Committee authority: Yes No

ORGANIZATIONAL IMPACT

Approval is consistent with the MTA's contractual obligation to pay contractors for actual quantities of materials used on the Metro Red Line, Vermont/Hollywood Corridor.

BUDGET IMPACT

The funds for this action are available within the Board approved project budget of \$1,640,781,000. This recommended action will increase the current B252 Total Contract Value of \$53,163,565 to \$53,961,565, which is the sum of the award value plus all executed change orders, including this Change Order. The forecast final cost, including in-process change notices and other anticipated changes for this contract is \$56,947,000. The current status of the contract, including the impact of this recommended action, is shown in Attachment 1. There is no impact to either the Fiscal Year Budget or the Sources of Funds. Project Contingency will not be affected.

Potential Cost Recovery: Yes No (See Attachment 2)

ALTERNATIVES CONSIDERED

Disapproval of the WACN will result in the Contractor pursuing other contractual or legal remedies.

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BACKGROUND

The resultant variations in estimated quantities occurred due to the reclassification of certain "exterior" wall concrete to "interior" wall concrete and the re-estimation of the actual final quantities for the two types of concrete. This variance is due in great part to a disagreement between the Contractor and the Engineering Management Consultant (EMC) on the definition of whether certain concrete in dispute is "exterior" or "interior" concrete. The Contractor submitted a claim requesting a reclassification of certain concrete which was determined to have merit.

The bid document estimated quantity for interior wall concrete was 1,957 cubic yards for the Vermont/Santa Monica Station and the final actual quantity is now estimated to be 4,357 cubic yards. WACN No. B252-CN-173.00 will compensate the Contractor for the cost of up to 2,400 cubic yards of additional concrete for interior walls required for the station. The final estimated quantity for interior wall concrete will vary more than 25% above the estimated quantity stated in the Contract, hence an equitable adjustment in the Total Contract Value shall be based upon any decrease in cost due only to the variation above 125% of the estimated quantity. The average price for interior wall concrete is estimated at \$562 per cubic yard or about \$13 per cubic yard less than the Contract Unit Price of \$575 per cubic yard.

Consequently, the actual quantity of concrete for exterior walls is projected to be 10,704 cubic yards, a decrease of 2,400 cubic yards from the 13,104 cubic yards Contract quantity. Since the final estimated quantity for exterior wall concrete is within the 25% variance below the estimated quantity stated in the Contract, the final exterior wall concrete quantity will be priced at the Contract Unit Price of \$230 per cubic yard.

SMALL BUSINESS PARTICIPATION


The project has a Disadvantaged Business Enterprise (DBE) participation goal of 25.51%. The contract is currently 82% complete and the Contractor has attained 25.5 % towards the goal. Three (3) of the twenty-three (23) DBE firms have not yet performed on this Contract. Their work is scheduled for late 1997.

ATTACHMENTS

1. Contract Value Status
2. Potential Cost Recovery

Prepared by:

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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

CONTRACTOR: KIEWIT-SHEA, J.V. - VERMONT/SANTA MONICA STATION
 CHANGE TITLE: INTERIOR VS. EXTERIOR WALL CONCRETE

CONTRACT VALUE STATUS

1.	CONTRACT AWARD AMOUNT:	\$50,879,631.46
2.	PREVIOUSLY EXECUTED CHANGES:	\$1,797,172.14
3.	CURRENT CONTRACT VALUE: (1 + 2)	\$52,676,803.59
4.	AUTHORIZED WACN'S (NTE):	\$486,761.00
5.	OBLIGATED CONTRACT VALUE: (3 + 4)	\$53,163,564.59
6.	VALUE OF THIS CHANGE:	\$798,000.00
7.	ESTIMATED CONTRACT VALUE: (5 + 6)	\$53,961,564.59

AUTHORIZED FOR EXPENDITURE STATUS

INCREASE IN AFE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$56,730,789.00	Award + 11.50%
9.	ESTIMATED CONTRACT VALUE: (Line 7)	\$53,961,564.59	
10.	REMAINING AFE (Actual 8-9)	\$2,769,224.41	\$0.00 For current actual costs
11.	OTHER PENDING CHANGES (merited)	\$688,942.00	
12.	REMAINING AFE (w/CHANGES 10-11)	\$2,080,282.41	\$0.00 For pending changes
13.	TRENDS AND CONTINGENCIES (pending merit finding)	\$2,296,493.41	
14.	REMAINING AFE: (w/TRENDS 12-13)	(\$216,211.00)	\$216,211.00 For possible changes

CONTRACT BUDGET STATUS

15.	CURRENT CONTRACT BUDGET:	\$56,947,000.00
16.	FORECAST CONTRACT VALUE: (9 + 11 + 13)	\$56,947,000.00
17.	REMAINING CONTRACT BUDGET: (15-16)	\$0.00

CONTRACT INCREASE PERCENTAGES

18.	% OF ORIGINAL AWARD VALUE (THIS CHANGE)	1.568%
19.	% OF ORIGINAL AWARD VALUE (MERITED CHANGES)	5.843%
20.	% OF ORIGINAL AWARD VALUE (ALL CHANGES)	11.925%
21.	% CONTRACT COMPLETE:	82%

REVIEWED BY MTA PROGRAM CONTROL: R. Mora, Lead Program Control

DATE:

ATTACHMENT 2

POTENTIAL COST RECOVERY

There is potential for cost recovery on this change for the difference in cost due to the EMC's misclassification of a quantity of "interior" wall concrete as the lower priced "exterior" wall concrete in the EMC's estimate in the bid document for these unit price pay items.