

50

50

May 1, 1997



TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER  
 INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: APPROVE AMENDMENT TO CONTRACT WORK ORDER FOR CONSTRUCTION MANAGEMENT SERVICES IN FY 1998 FOR THE PASADENA BLUE LINE AND INCREASE THE AUTHORIZATION FOR EXPENDITURE (AFE)

Los Angeles County  
 Metropolitan  
 Transportation  
 Authority

One Gateway Plaza  
 Los Angeles, CA  
 90012

213.922.6000

Mailing Address:  
 P.O. Box 194  
 Los Angeles, CA 90053

**RECOMMENDATION**

Approve:

- a) Amendment No. 6 to Contract Work Order (CWO) No. 1, Contract MC013 with Managers of Transit Construction (MTC), in the amount not-to-exceed \$3,468,969, increasing the total of CWO No. 1 to an amount not-to-exceed \$23,289,905, which is not within the current Board approved Authorization for Expenditure (AFE) amount of \$20,352,884 and;
- b) an increase in the AFE by \$3,511,969 for a total AFE amount of \$23,864,853, which includes an allowance of \$500,000 for changes.

Within Construction Committee authority:      Yes       No

**ORGANIZATIONAL IMPACT**

This action will allow MTC to continue Construction Management (CM) services for ongoing construction and support construction contract development on the Project.

**BUDGET IMPACT**

The funds for this action are available within the MTA Board approved Project Budget of \$803,868,500.

This recommended action will increase the current contract (MC013) value of \$19,895,884 by \$3,468,969 to \$23,364,853. The forecast final cost, including in-process CCNs and other anticipated changes for this contract, is \$66,675,900. The current status of the contract, including the impact of this recommended action cost and forecast, is shown in Attachment 1. The recommended action does not impact the MTA Fiscal Year Budget or the Sources of Funds, either in the fiscal year or over the life of the project.

Potential for Cost Recovery:      Yes       No

## **ALTERNATIVES CONSIDERED**

The Board has the option of disagreeing with staff's recommendation and not approve additional AFE and CWO No. 1, Amendment 6, for CM services in FY 1998. Without Board approval this contract would terminate June 30, 1997 and MTC would have to demobilize. Construction work would stop until the MTA could provide CM services. The MTA would have to compete another CM contract to complete the Pasadena Blue Line Project.

## **BACKGROUND/DISCUSSION**

This action will provide for continuing CM services including: value engineering; cost engineering; scheduling; quality assurance; constructability reviews; and configuration management. These services are required for the ongoing Pasadena Blue Line construction contract, for contracts scheduled to be awarded, and to support the development of future construction contracts in FY 1998.

Staff has reached a negotiated agreement with MTC regarding the staff hours required to provide CM services for FY98.

The estimated costs for this action were established using labor rates confirmed by MTA Audit, provisional rates for indirect costs, an estimate of other direct costs, and fee. All final costs are subject to audit and appropriate revision in accordance with MTA Consultant Guidelines, standard audit procedures and Federal Acquisition Regulation (FAR) cost principles.

The contract is handled with a yearly Work Order to control costs because the actual schedule, therefore the scope, cannot be forecast much beyond a year at a time.

## **SMALL BUSINESS PARTICIPATION**

The Contract has a M/WBE participation goal of 41.6% and 10.7%, respectively. The current M/WBE participation, as determined by MTA's EO Programs Departments' Contract Compliance Unit, is 34.7% and 13.3%, respectively. See Attachment 3 for more details.


## **ATTACHMENTS**

Attachment 1 - Current Contract Status; Attachment 2 - Additional Background Discussion

Attachment 3 - Additional SBE Participation Discussion

Attachment 4 - Cumulative Summary of Construction Committee Approvals

Prepared by: David J. Sievers, P.E., Deputy Executive Officer / Project Manager, Pasadena Blue Line  
Ivan A. Page, Senior Contract Administrator

  
Charles W. Stark  
Interim Executive Officer, Construction

**ATTACHMENT 1**  
**PROFESSIONAL SERVICES CONTRACT VALUE STATUS**  
R05 - Metro Blue Line - Pasadena

**MC013 - MANAGERS OF TRANSIT CONSTRUCTION (MTC)**  
**CONTRACT WORK ORDER #01 - AMENDMENT #06**

**PROJECT CUMULATIVE CWO VALUE FOR CONTRACT MC013**

1. TOTAL INITIAL CWO VALUE:	\$3,005,368	
2. TOTAL PREVIOUS AMENDMENTS:	\$16,890,516	
3. TOTAL CURRENT CONTRACT VALUE (1 + 2)	\$19,895,884	
4. VALUE OF THIS AMENDMENT	\$3,468,969	
5. PROPOSED BOARD APPROVED CONTRACT VALUE (3 + 4)	\$23,364,853	
6. STAFF APPROVED CCN NTE VALUE	\$0	
7. CCN NTE'S INCLUDED IN AMENDMENT	\$0	
8. CCN NTE'S IN OUTSTANDING CCN'S (6-7)	\$0	
9. NEW CONTRACT EXPENDITURE CEILING (5 + 8)	\$23,364,853	

**AUTHORIZATION FOR EXPENDITURE STATUS : TOTAL PROJECT R05 MC013**

10. EXPENDED TO DATE	\$15,505,070	
11. UNEXPENDED CWO VALUE (9-10)	\$7,859,783	
12. NTE ALLOWANCE (From Table)	\$500,000	
13. PROPOSED AFE (5 + 12)	\$23,864,853	*
14. CURRENT AFE	\$20,352,884	
15. AFE ADJUSTMENT REQUIRED (13-14)	\$3,511,969	

**BUDGET STATUS : TOTAL PROJECT R05 MC013**

16. CURRENT CONTRACT BUDGET	\$65,640,200	
17. PROPOSED BOARD APPROVED CONTRACT VALUE	\$23,364,853	
18. OUTSTANDING CCN'S	\$0	as of 05/06/97
19. TRENDS AND CONTINGENCIES	\$43,311,047	
20. FORECAST FINAL COST (17 + 18 + 19)	\$66,675,900	as of [1]

REVIEWED BY: *cmf*

\* - Allows future CCN NTE authorizations up to: \$500,000  
[1] Forecast will be revised end of June

**ATTACHMENT 1**  
**PROFESSIONAL SERVICES CONTRACT VALUE STATUS**  
R05 - Metro Blue Line - Pasadena

**MC013 - MANAGERS OF TRANSIT CONSTRUCTION (MTC)**  
**CONTRACT WORK ORDER #01 - AMENDMENT #06**

---

**CWO STATUS: CONTRACT WORK ORDER 1.00**

---

1. INITIAL CWO VALUE:	\$2,980,368
2. PREVIOUS AMENDMENTS	\$16,840,568
3. CURRENT CWO VALUE (1 + 2)	\$19,820,936
4. VALUE OF THIS AMENDMENT	\$3,468,969
5. PROPOSED BOARD APPROVED CWO VALUE (3 + 4)	\$23,289,905
6. STAFF APPROVED CCN NTE VALUE	\$0
7. CCN NTE'S INCLUDED IN AMENDMENT	\$0
8. CCN NTE'S IN OUTSTANDING CCN'S (6-7)	\$0
9. NEW CWO EXPENDITURE CEILING (5 + 8)	\$23,289,905


---

**CWO STATUS: CONTRACT WORK ORDER 3.00**

---

1. INITIAL CWO VALUE:	\$25,000
2. PREVIOUS AMENDMENTS	\$49,948
3. CURRENT CWO VALUE (1 + 2)	\$74,948
4. VALUE OF THIS AMENDMENT	\$0
5. PROPOSED BOARD APPROVED CWO VALUE (3 + 4)	\$74,948
6. STAFF APPROVED CCN NTE VALUE	\$0
7. CCN NTE'S INCLUDED IN AMENDMENT	\$0
8. CCN NTE'S IN OUTSTANDING CCN'S (6-7)	\$0
9. NEW CWO EXPENDITURE CEILING (5 + 8)	\$74,948

---

REVIEWED BY: 

---

## ATTACHMENT 2

### **ADDITIONAL BACKGROUND**

On December 15, 1993, the MTA Board approved the selection of MTC and authorized the issuance of a contract. CWO No. 1, Amendments 0 and 1 authorized the Construction Manager's (CM) Project Management services for Fiscal Years 1994-95 and Resident Engineer (RE) services for the Los Angeles River Bridge and Arroyo Seco Bridge Reconstruction contract. CWO No. 1, Amendment 2 authorized RE services for the Reconstruction and Retrofit of Steel and Concrete Bridges and to provide CM Project Management Services for the first six (6) months of FY96. CWO No. 1, Amendment 3 authorized CM Project Management Services for the second six (6) months of FY96 plus CCN No. 002 for Value Engineering Support and Cost Estimating review. CWO No. 1, Amendment 4 authorized CM Project Management services for FY97. CWO No. 1, Amendment 5, approved by the Board on April 23, 1997, authorizes changes for additional services performed by MTC.

The one (1) active construction contract on the Pasadena Blue Line, at the time of this action, is for the Reconstruction and Retrofit of Steel and Concrete Bridges (C6435). The construction contracts completed to date are; Los Angeles River Bridge (C6410) and Arroyo Seco Bridge Construction (C6430) and pre-cast concrete ties (P2100).

The contract is handled with a yearly Work Order to control costs because the actual schedule, therefore the scope, cannot be forecast much beyond a year at a time.

ATTACHMENT 3

**ADDITIONAL SBE PARTICIPATION DISCUSSION**

M/WBE participation is lower than anticipated for several reasons. The volume of construction on the Pasadena Blue Line, since awarding this contract on December 15, 1993, is less than originally estimated. The lower volume of construction has impacted the volume of work given to all subcontractors including the M/WBE subcontractors. In addition, during 1996 the MTA assumed responsibility for safety, quality assurance and public relations. In the past, the Construction Manager performed that work. MTC had subcontracted that work to M/WBE firms.

MTC's plan to meet the goal includes nineteen (19) M/WBE firms. Seventeen (17) M/WBE firms have performed all or a portion of their identified work scope. Two (2) firms, listed below, have not yet performed any portion of their identified work scope. They should perform the work at a later date when the volume of construction on the project increases.

- D'Leon Consulting Engineers for Resident Engineering and Inspection services and 2.3% of the goal.
- William J. Yang & Associates for Mechanical/Electrical Support and 0.1% of the goal.

MTA action taken to resolve issues that currently impact the funding for the Pasadena Blue Line Project may further impact future M/WBE participation. One example is a plan to consolidate the total number of construction contracts down to twenty-two (22) from a previous plan for forty-three (43) contracts.

The Contract does include a provision for an assessment against MTC should they not meet the goal. The provision allows contract payments to be reduced by \$500 per day from the date the Consultant is found to be in non-compliance until compliance is either attained or excused, or by an amount equal to the difference between the Consultants M/WBE percentage goal commitments and the actual percentage attained, multiplied by the assessment amount on the sliding scale in the contract, whichever is greater. The sliding scale is based on contract value.

When considering the amount expended through February 28, 1997 by MTC and the value associated with MBE/WBE firms, the participation percentage calculates as follows:

Total Billing through 2/28/97:	\$15,821,124
Total Paid to MBEs:	\$ 6,900,704
Total Paid to WBEs:	\$ 2,645,688
 MBE participation =	 43.6%
WBE participation =	16.7%

ATTACHMENT 4

CONSTRUCTION COMMITTEE APPROVALS

<b>Contract #</b>	<b>Contractor</b>	<b>Original Value</b>	<b>Value of Committee Changes to Date</b>	<b>Value of Current Change</b>	<b>Cumulative Value of Changes Approved by Committee</b>
MC013	MANAGERS OF TRANSIT CONSTRUCTION	\$0	\$43,000	\$0	\$43,000