

MAY 1, 1997



Los Angeles County
Metropolitan
Transportation
Authority

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Los Angeles, CA
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TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER, INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: APPROVE A WORK AUTHORIZATION CHANGE NOTICE FOR REINFORCING STEEL VARIATION IN QUANTITY ON CONTRACT NO. B271, HOLLYWOOD/WESTERN STATION ON THE METRO RED LINE, VERMONT/HOLLYWOOD CORRIDOR PROJECT

Linda Bohlinger

RECOMMENDATION

Approve:

- a) Work Authorization Change Notice (WACN) B271-CN-78.01 to Contract No. B271 with Kiewit/Shea, JV, for a variation in quantity of reinforcing steel in an amount not to exceed \$400,000, increasing the Total Contract Value to \$42,058,616; and
- b) an increase to the Authorization For Expenditure (AFE) on this Contract of \$400,000 to cover the cost of the WACN and the subsequent Change Order; and
- c) staff execution of the resulting Change Order B271-CO-27.00 if said Change Order is less than or equal to \$400,000 subject to the satisfaction of the requirements of the Public Utilities Code section 130243(c).

Within Construction Committee authority: Yes No

ORGANIZATIONAL IMPACT

Approval of the Change Order is consistent with the MTA's contractual obligation to compensate the contractor for variations in quantities to those estimated quantities in the Contract.

BUDGET IMPACT

The funds for this action are available within the Board approved budget of \$1,640,781,000. The recommended actions will increase the Total Contract Value from \$41,658,616 to \$42,058,616, which is the sum of the award value plus all executed change orders and work authorizations and increase the AFE by \$400,000. The forecast final cost for this Contract, including in-process change notices and other anticipated changes, is \$46,519,092. There is no impact to either the Fiscal Year Budget or the Sources of Funds. The Project Contingency will not be affected.

Potential for Cost Recovery: Yes No

ALTERNATIVES CONSIDERED

There are no viable alternatives, as the MTA is obligated to pay for the installed quantities of all unit-priced items such as reinforcing steel. Denial of the change will prevent payment to the Contractor for materials actually furnished, and may result in the Contractor pursuing other contractual and legal remedies.

BACKGROUND

WACN B271-CN-78.01 will allow payment for the variation in quantity of concrete reinforcing steel installed in the Hollywood/Western Station above the quantity estimated in the Contract. A WACN, rather than a Change Order, is necessary because unlike the variation in quantity for concrete approved by the Board in April 1997, the final amount of reinforcing steel cannot be determined in advance from the drawings. As the projected variation in quantity is less than 25 percent of the original estimate, payment will be at the contractually established rate of \$0.43 per pound. In order to permit payment to the Contractor for reinforcing steel already installed, WACN B271-CN-78.00 was issued under the Deputy Executive Officer, Construction's authority in the amount of \$100,000, which is included in the amount not to exceed \$400,000.

SMALL BUSINESS PARTICIPATION

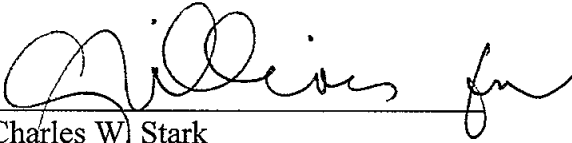
The Contract has a Disadvantaged Business Enterprise (DBE) participation goal of 28.86%. The Contract is 70% complete. The current DBE participation as determined by the MTA EO Programs Department's Contract Compliance Unit, is 16.78%. Five of the fifteen DBE firms listed in the Contract have not yet performed on this Contract due to the fact that their work is scheduled in the second half of 1997. With the work remaining, it is anticipated that the Contractor will meet its DBE commitment.

ATTACHMENT

1. Contract Value Status

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

CONTRACTOR: KIEWIT-SHEA, J.V. - HOLLYWOOD/WESTERN STATION
CHANGE TITLE: QUANTITY ADJUSTMENT - BID ITEM 03200.01, REINFORCING STEEL

CONTRACT VALUE STATUS

1.	CONTRACT AWARD AMOUNT:	\$38,948,000.00
2.	PREVIOUSLY EXECUTED CHANGES:	\$203,616.18
3.	CURRENT CONTRACT VALUE: (1+2)	\$39,151,616.18
4.	AUTHORIZED WACN'S (NTE):	\$2,507,000.00
5.	OBLIGATED CONTRACT VALUE: (3+4)	\$41,658,616.18
6.	VALUE OF THIS CHANGE:	\$400,000.00
7.	ESTIMATED CONTRACT VALUE: (5+6)	\$42,058,616.18

AUTHORIZED FOR EXPENDITURE STATUS

INCREASE IN AFE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$42,504,800.00	Award + 9.13%
9.	ESTIMATED CONTRACT VALUE: (Line 7)	\$42,058,616.18	
10.	REMAINING AFE (Actual 8-9)	\$446,183.82	\$0.00 For current actual costs
11.	OTHER PENDING CHANGES (merited)	\$1,902,698.01	
12.	REMAINING AFE (w/CHANGES 10-11)	(\$1,456,514.19)	\$1,456,514.19 For pending changes
13.	TRENDS AND CONTINGENCIES (pending merit finding)	\$2,557,777.81	
14.	REMAINING AFE: (w/TRENDS 12-13)	(\$4,014,292.00)	\$4,014,292.00 For possible changes

CONTRACT BUDGET STATUS

15.	CURRENT CONTRACT BUDGET:	\$46,520,000.00
16.	FORECAST CONTRACT VALUE: (9+11+13)	\$46,519,092.00
17.	REMAINING CONTRACT BUDGET: (15-16)	\$908.00

CONTRACT INCREASE PERCENTAGES

18.	% OF ORIGINAL AWARD VALUE (THIS CHANGE)	1.027%
19.	% OF ORIGINAL AWARD VALUE (MERITED CHANGES)	11.845%
20.	% OF ORIGINAL AWARD VALUE (ALL CHANGES)	19.439%
21.	% CONTRACT COMPLETE:	66%

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

DATE: