

MAY 1, 1997

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TO: BOARD OF DIRECTORS *Linda Bohlinger*

FROM: LINDA BOHLINGER, INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: APPROVE AN INCREASE TO 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 an increase to the Authorization for Expenditure (AFE) for Contract No. B281T with Kajima/Ray Wilson, Joint Venture, for pending and potential changes to the Hollywood Tunnel Completion work on the Metro Red Line, Vermont/Hollywood Corridor of \$2,801,670 for a revised total AFE of \$51,511,670.

Within Construction Committee authority:     Yes     No

**ORGANIZATIONAL IMPACT**

Approval will permit project staff to negotiate, audit, and execute merited change orders that are within staff's approval authority, reducing MTA liability and exposure by allowing the changed work to proceed and the Contractor to be paid for merited changed work performed.

**BUDGET IMPACT**

The funds for this action are available within the Board approved Project budget of \$1,640,781,000. The recommended action will change the AFE to \$51,511,670. The forecast final cost for this Contract, including in-process change notices and other anticipated changes is \$51,511,670. The current status of the contract is shown in Attachment 1. 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

The costs of the pending changes may be recoverable from the terminated B251 contractor or its surety.

**ALTERNATIVES CONSIDERED**

There are no viable alternatives at this time. This request 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 change orders/claims (approved by the proper delegated authorities) and the Contractor may pursue a delay claim through other contractual and legal remedies.

**BACKGROUND**

This requested AFE increase is for pending merited changes to the unfinished B251 tunnel work which are within the delegated approval authority of staff. Since the Work has cost recovery potential, it is necessary to track these costs separately. The Work is identified as B281"T" to differentiate the costs from the base B281 contract costs.

This Contract for Hollywood Tunnel Completion Work Packages B251E and B251F contains a significant amount of work that is difficult to quantify, necessitating a high percentage of Work Authorization Change Notices (WACN). The need to complete the work quickly in order to allow tunnel access to follow-on contractors also requires that the work commence expeditiously.

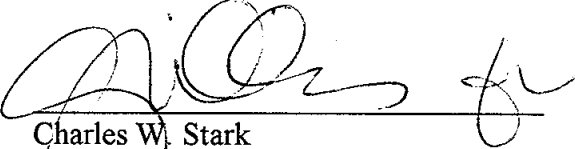
This AFE increase is now critical to allowing project staff to negotiate, audit, and execute pending merited changes that are within staff's approval authority. This will permit the Contractor to be fully and accurately paid for merited changed work performed. This request does not include any AFE for any pending changes that will require Board approval.

**SMALL BUSINESS PARTICIPATION**

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

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 Seq-2  
Contract No. B281T

CONTRACTOR: KAJIMA/RAY WILSON, JOINT VENTURE  
TITLE: TRANSFERRED TUNNEL CONTRACT B251, WORK PACKAGES B251E & B251F

*CONTRACT VALUE STATUS*

1.	CONTRACT AWARD AMOUNT:	\$46,332,779.00
2.	PREVIOUSLY EXECUTED CHANGES:	\$741,491.39
3.	CURRENT CONTRACT VALUE: (Line 1 + Line 2)	\$47,074,270.39
4.	WORK AUTH. CN'S (NTE) :	\$2,305,300.29
5.	OBLIGATED CONTRACT VALUE (Line 3 + Line 4)	\$49,379,570.68
6.	VALUE OF THIS CHANGE	\$0.00
7.	ESTIMATED CONTRACT VALUE: (Line 5 + Line 6)	\$49,379,570.68

*AUTHORIZED FOR EXPENDITURE STATUS*

*INCREASE IN AFE REQUIRED/REQUESTED:*

8.	MTA APPROVED AFE:	\$48,710,000.00	
9.	ESTIMATED CONTRACT VALUE: (Line 7)	\$49,379,570.68	
10.	REMAINING AFE (Line 8 - Line 9)	(\$669,570.68)	
11.	OTHER PENDING CHANGES ( <u>LESS THAN \$200,000</u> )	\$2,132,099.00	
12.	REMAINING AFE (Line 10 - Line 11)	<u>(\$2,801,669.68)</u>	<u>AMOUNT OF AFE REQUESTED = \$2,801,669.68</u>

*CONTRACT BUDGET STATUS*

13.	CURRENT CONTRACT BUDGET:	\$51,977,000.00
14.	FORECAST CONTRACT VALUE:(Line 9 + Line 11)	\$51,511,670.00
15.	REMAINING CONTRACT BUDGET:	\$465,331.00

*CONTRACT INCREASE PERCENTAGES*

16.	% OF ORIGINAL AWARD VALUE (THIS CHANGE)	0.00%
17.	% OF ORIGINAL AWARD VALUE (PENDING CHANGES)	4.60%
18.	% OF ORIGINAL AWARD VALUE (ALL CHANGES)	11.17%
19.	% CONTRACT COMPLETE:	95%

REVIEWED BY MTA PROGRAM CONTROL: R. Mora/W. Brown, Program Control



DATE: 5/6/97