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CONSTRUCTION COMMITTEE OF:
JANUARY 21, 1998

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

**PROJECT: METRO RED LINE, NORTH HOLLYWOOD
CORRIDOR (SEGMENT 3)**

CONTRACT: C0301 TUTOR-SALIBA-PERINI, JV

**ACTION: CONTRACT MODIFICATION AND
INCREASE TO AUTHORIZATION FOR
EXPENDITURE OF \$402,713**

RECOMMENDATION

Approve:

- a) Change Order No. 66.01 to Tutor-Saliba-Perini, JV for Contract No. C0301 in settlement of Claim No. 36 for \$402,713 for additional rebar hooks per seismic design. This action increases the total contract amount from \$73,829,654 to \$74,232,367; and
- b) an increase to the Authorization for Expenditure (AFE) in the amount of \$402,713. This action increases the total AFE amount from \$76,876,654 to \$77,279,367.

Within Construction Committee authority: Yes No

MERIT

Issuance of this Change Order is necessary to accept the Disputes Review Board's (DRB) recommendation on Claim No. 36 regarding the installation of Rebar Hooks pursuant to changes in Seismic Design requirements and to compensate the Contractor for additional costs resulting from this change. This change has been reviewed and approved for merit by the Project Staff, MTA Procurement Department and Legal Counsel in compliance with Public Utilities Code §130243. Management Audit Services has completed the required audit of this item and has validated the negotiated amount.

BACKGROUND

This item was originally agendized for the October Board cycle. The item was deferred to the November cycle as Management Audit Services had not completed the required audit by the date of the October Construction Committee Meeting. The audit has now been completed and all outstanding issues have been addressed by staff.

Negotiations had reached an impasse for Change Notice CN85.03. This change went to the DRB to obtain a recommendation with regard to a quantum dispute between the Contractor and the Authority concerning the cost of additional reinforcement. The Authority's position in the change negotiations was that the additional reinforcement (rebar) had not significantly changed the original total quantity or composition and the quantity change was within the 25% overrun limit allowed under the terms and conditions of the contract. The Authority agreed that the contractor was entitled to additional compensation for this work, but based only on an increase of 348,312 lbs. @ \$.45 per lb. for a total of \$156,740. The Contractor disagreed only with the MTA's position that the additional reinforcement be based on the Schedule of Quantities and Prices bid price of \$.45 per pound. The Contractor argued that the line item of \$.45 per pound was not applicable due to the difficulty in handling bent bars and in placing some of the hooked (hair pins) reinforcement. No agreement could be reached during negotiations and Unilateral Change Order, C066.00 was issued based on a fair cost estimate utilizing the bid item unit cost of \$.45 per pound. The Contractor subsequently issued a Claim Package requesting the difference between the requested amount and the Unilateral Change Order. This claim went to the DRB on April 15, 1997 for a decision. The DRB's recommendation was to renegotiate Change Notice CN85.03 to compensate the Contractor for additional costs associated with the installation of the reinforcement which exceeded the original quantity as specified under the terms of Contract. The renegotiation resulted in a negotiated amount of \$402,713, which includes the cost for the redesigned rebar and the additional labor for its installation.

Change Notice CN85.03, Change Order C066.01 constitutes full and final settlement of the dispute between the Contractor and the Authority for the installation of additional rebar hooks pursuant to the latest seismic design requirements. These requirements were developed as a result of continuing research into the effects of seismic activity on underground structures, based largely on the recent Northridge, California and Kobe, Japan earthquakes. Based on an analysis by Coast Analytics with respect to the current estimate of seismic activity in the Los Angeles basin, the EMC's sub-consultant, Degenkolb, has recommended changes to the reinforcing steel detailing in the Hollywood Boulevard stations. Hollywood/Highland Station is near the Hollywood Fault, and because of the proximity of the site to this fault, directivity effects (or "fling") are quite strong. The purpose of the design change is to improve the seismic ductility and confinement as much as practical given the current status of construction. (See Additional Background - Attachment 2).

BUDGET IMPACT

The funds for this action are available within the Board approved project budget of \$1,313,848,212. This recommended action will increase the current Contract C0301

obligated value from \$73,829,654 to \$74,232,367. The forecast and final cost, including this Change Notice and other anticipated changes for this contract, are shown in Attachment 1. The funds for this change will be transferred from project contingency. This 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

Authority may reject the DRB recommendation in which case the Contractor is likely to proceed with litigation. This option will be costly to pursue with no guaranty of lower cost exposure.

SMALL BUSINESS PARTICIPATION

The Contract has a DBE participation goal of 30.88%. The contract is 68% complete. The current DBE participation as determined by MTA's EO Programs Department's Contract Compliance Unit is 15.64%. The contractor is proceeding toward its stated DBE goal commitment. The project is 180 days behind schedule which has adversely impacted DBE participation, mitigation is ongoing. Seven (7) of Eight (8) DBE firms originally listed toward the committed DBE participation have performed on the contract. The contractor demonstrated good faith efforts by utilizing four (4) additional DBE firms.

Original Award Amount **\$ 69,887,867**
Current Contract Value **\$ 73,829,654**

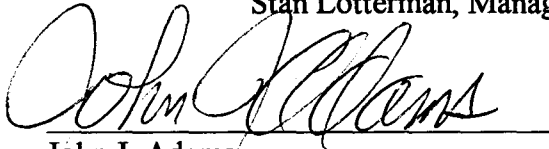
Percentage Complete **68%**
(based on dollars paid to prime to date)

Subcontractor	Commitment	Paid to date Attainment	Project Completion	Current Status
Accu-Crete, Inc.	8.35%	4.75%		Expected to meet goal
Anzalone & Associates	0.24%	0.02%		Expected to meet goal
H.K. Concrete	1.21%	0.00%		Expected to meet goal
Reno Metal Products	9.21%	2.94%		Expected to meet goal
RMD Rebar, Inc	7.17%	5.64%		Expected to meet goal
Sanders Engineering	1.57%	0.02%		Expected to meet goal
Stealth Construction	1.68%	0.05%		Expected to meet goal
Manual Tejada Trucking	1.40%	1.70%		Exceeded
Geofon, Inc.	0.00%	0.23%		Exceeded
Classic Cut, Inc.	0.00%	0.04%		Exceeded
Madison Paving	0.00%	0.08%		Exceeded
Harry T. Williams	0.00	0.12%		Exceeded
TOTAL	30.88%	15.64%	68%	No Concern

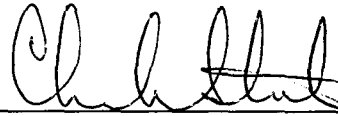
ATTACHMENTS

1. Contract Value Status
2. Additional Background

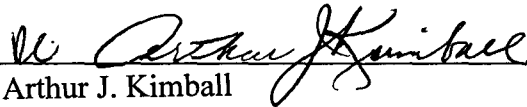
Prepared by: Barbara A. Gatewood, Sr. Contract Administrator
Stan Lotterman, Manager of Contracts



John J. Adams
Interim Deputy Executive Officer,
Construction Metro Red Line
North Hollywood Corridor



Charles W. Stark
Executive Officer, Construction



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Executive Officer, Procurement



Allan Lipsky
Interim Deputy Chief Executive Officer

ATTACHMENT 1 CONTRACT VALUE STATUS SUMMARY

R82 Metro Red Line - Segment 3 - N. Hollywood
CHANGE ORDER C0301-C0-66.01

Only shows cost allocated to R82

CONTRACTOR: TUTOR-SALIBA-PERINI, J.V. / HOLLYWOOD/HIGHLAND STATION

ACTION DESCRIPTION: ADD REBAR HOOKS PER SEISMIC DESIGN.

CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1.	CUMULATIVE AWARD AMOUNT:[1]	\$69,887,867.00	<i>(Includes \$0.00 in Planned Scope Amendments)</i>
2.	PREVIOUSLY EXECUTED CHANGES:	\$2,627,543.66	
3.	CURRENT VALUE: (1+2)	\$72,515,410.66	
4.	AUTHORIZED WACN'S (NTE):	\$1,314,244.00	
5.	OBLIGATED VALUE: (3+4)	\$73,829,654.66	
6.	VALUE OF THIS ACTION:	\$402,713.00	
7.	NEW VALUE (IF APPROVED): (5+6)	\$74,232,367.66	

CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

AFE INCREASE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$76,876,654.00	
9.	NEW VALUE: (Line 7)	\$74,232,367.66	
10.	REMAINING AFE: (8-9)	\$2,644,286.34	\$0.00 For this action
11.	OTHER PENDING CHANGES (merited)	(\$1,250,982.68)	
12.	REMAINING AFE VALUE (w/Changes: 10-11)	\$3,895,269.02	\$0.00 For all merited changes (projected cost)
13.	ALLOWANCE FOR UNDEFINED CHANGES:	\$4,297,982.02	
14.	REMAINING AFE VALUE (w/Allowance: 12-13)	(\$402,713.00)	\$402,713.00 For all merited and undefined changes

CUMULATIVE BUDGET STATUS

BUDGET VARIANCE (Initial to Current)

15.	INITIAL BUDGET: (PBCR # 0 , 7/30/93) [2]	\$92,302,000.00	
16.	CURRENT BUDGET:	\$74,399,000.00	(\$17,903,000.00) Initial to Current Budget
17.	NEW VALUE (IF APPROVED): (Line 7)	\$74,232,367.66	
18.	REMAINING BUDGET: (16-17)	\$166,632.34	
19.	OTHER PENDING CHANGES (merited) (Line 11)	(\$1,250,982.68)	
20.	REMAINING BUDGET w/Changes (18-19)	\$1,417,615.02	

REVIEWED BY PROGRAM CONTROL:

DATE:

[1] - Award Amount includes initial award and Planned Scope Amendments

[2] - PBCR = Project Budget Change Request

ATTACHMENT 1: Allocated Contract Data

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ATTACH 1 (CO)

PRINTED BY: DENNIS PARTRIDGE
DATA AS OF 01/07/98 14:18:17

rrev 2.5w 10/07/97 dbp

ATTACHMENT 1
INDIVIDUAL CONTRACT VALUE STATUS SUMMARY
R82 Metro Red Line - Segment 3 - N. Hollywood
CHANGE ORDER C0301-C0-66.01

CONTRACTOR: TUTOR-SALIBA-PERINI, J.V. / HOLLYWOOD/HIGHLAND STATION
ACTION DESCRIPTION: ADD REBAR HOOKS PER SEISMIC DESIGN.

CONTRACT WORK ORDER (CWO) VALUE STATUS FOR CWO: 0.00 HOLLYWOOD/HIGHLAND STATION AND TUNNELS COMPLETE

1.	AWARD AMOUNT: [1]	\$69,887,867.00	<i>(Includes \$0.00 in previously approved Planned Scope Amendments)</i>
2.	PREVIOUSLY EXECUTED CHANGES:	\$2,433,603.66	
3.	CURRENT VALUE: (1+2)	\$72,321,470.66	
4.	AUTHORIZED WACN'S (NTE):	\$1,271,244.00	
5.	OBLIGATED VALUE: (3+4)	\$73,592,714.66	
6. \$\$	VALUE OF THIS ACTION:	\$402,713.00	
7.	NEW VALUE (IF APPROVED): (5+6)	\$73,995,427.66	

REVIEWED BY PROGRAM CONTROL:

DATE:

[1] - Award Amount includes initial award and Planned Scope Amendments
[2] - PBCR = Project Budget Change Request
ATTACH: 1: Allocated Contract Data
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ATTACHMENT 2

ADDITIONAL BACKGROUND

Contract C0301 is a fixed price, federally funded procurement, for the construction the Hollywood Highland Station and Tunnel. The work includes construction of the Hollywood/Highland Station and Tunnels, including tunnels finishes, four cross passages, one sump structure and the LA Brea access shafts. The work specified under this contract also consists of demolition and restoration of parking structure and installation of access ramp from first floor to basement level for the portion of this Metro Rail Project.

Contract C0301 was recommended for awarded to Tutor-Saliba-Perini, JV by the MTA Construction Committee on February 12, 1995 and was awarded by the MTA Board on February 22, 1995. The Total Contract Price is \$69,887,867. The Notice to Proceed date was May 1, 1995, with an anticipated completion date of March 2, 1999.