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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  
EXTENSION (SEGMENT 3)**

**CONTRACT: C0351, KAJIMA/RAY WILSON, JV**

**ACTION: CONTRACT MODIFICATION OF A CREDIT  
AMOUNT NOT-TO-EXCEED (\$462,216)**

**RECOMMENDATION**

Approve:

Change Order 46.00 for Change Notice 1.00, to Contract No. C0351, Kajima/Ray Wilson, JV. This change will modify the station ventilation system by reducing the size of Blast Relief Shafts (BRS) No. 1 and No. 2 and results in a credit amount of (\$462,216). This action will reduce the Contract Value from \$65,961,243 to \$65,499,027; and

- b) a reduction in the Contract Authorization for Expenditure (AFE) in the amount of (\$462,216) for a total revised AFE amount of \$70,489,135.

Within Construction Committee authority: Yes:  No:

**MERIT**

Approval of this action is necessary for a bilateral settlement of CN 1.00, reduction in size of BRS No. 1 and BRS No. 2. This change had been issued prior to the enactment of Public Utilities Code §130243.

The MTA Management Audit Services Department has completed the required audit of this Change Order and all outstanding issues have been resolved.

## **BACKGROUND**

Contract C0351 is for the construction of the North Hollywood Station. The work includes the construction of various structures which comprise the ventilation system.

After the start of operation on Metro Red Line Segment 1, in-service tests were performed on the operating ventilation system to verify its performance in accordance to the design criteria requirements. Based on the various tests performed and additional computer simulations, it was determined that selected ventilation shafts can be reduced in area to conform to proposed revisions to the air velocity criteria, without adversely impacting patron comfort. The revised study report was completed in April 1995, which was too late to incorporate its findings into the original Contract C0351 bid package. Therefore, CN1.00 was issued to reduce the size of the ventilation structures with a savings that will result from the reductions in emergency ventilation shaft diameters and street gratings.

Formal negotiations with the Contractor began on December 6, 1996, and were concluded October 8, 1997. Fifteen formal negotiations, and various informal discussions, were held to consider the cost reduction and to negotiate an equitable bilateral credit between the MTA, the Contractor (KRW), and its many subcontractors involved in this work. The \$462,216 credit was ultimately arrived at through the reduction of contract quantities for concrete, sidewalk, grating, structural reinforcing steel, excavation support, HDPE, backfill, piles, aggregate base, plumbing materials and acoustical spray.

Contract C0351 was awarded to Kajima/Ray Wilson JV, by the MTA Board on April 26, 1995. The total contract award price was \$64,501,229. The Notice to Proceed date was June 1, 1995, with a current contract completion date of December 22, 1998.

Contract C0351 is a fixed price, federally funded procurement for the construction of a station, crossover, maintenance access shaft and tailtrack.

## **BUDGET IMPACT**

This recommended action will decrease the current Contract C0351 obligated value of \$65,961,243 by \$462,216 to \$65,499,027. The forecasted final cost, including this Change Order and other anticipated changes for this contract, is shown in Attachment 1. This recommended action does not impact the MTA's Fiscal Year Budget or the Sources of Funds, either in the fiscal year or over the life of the project. Since this is a reduction in Scope to Contract C0351, Project Reserve will be increased by \$462,216.

**ALTERNATIVES CONSIDERED**

The changes included in the change notice are intended to reduce total project cost. Staff has determined there are no other viable alternatives.

**SMALL BUSINESS PARTICIPATION**

The Contract has a DBE participation goal of 26.86%. The contract is 66.3% complete. The current DBE participation as determined by MTA's EO Programs Department's Contract Compliance Unit is 5.47%. Five(5) of Seven (7) DBE subcontractors have performed to date.

**Original Award Amount** \$ 64,501,229.00  
**Current Contract Value** \$ 65,499,027.00


**Percentage Complete** 66.3%  
*(based on dollars paid to prime to date)*

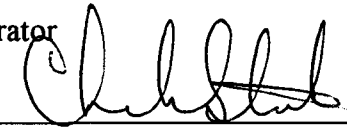
DBE Subcontractor	Committed	Paid To Date Attainment	Project Completion	Current Status
Accu-Crete, Inc.	9.12%	3.18%		Expected to meet goal
A&S Cement Contractors	1.03%	0.00%		Expected to begin 1/98
Felix Corp.	0.49%	0.26%		Expected to meet goal
Geofon, Inc.	0.23%	0.17%		Expected to meet goal
Orestes Pena Trucking	1.34%	0.36%		Expected to meet goal
Sanders Engineering Co.Inc.	1.79%	0.00%		Expected to begin 1/98
Star Iron, Inc.	12.82%	1.48%		Expected to meet goal
<b>TOTAL</b>	<b>26.86%</b>	<b>5.47%</b>	<b>66.3%</b>	<b>No Concern</b>

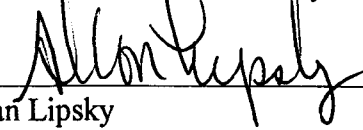
**ATTACHMENTS:**


1. Contract Value Status

Prepared by: Stan Lotterman, Manager of Contracts  
Benjamin Mendoza, Contract Administrator

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

  
 Charles W. Stark  
 Executive Officer, Construction

  
 Allan Lipsky  
 Office of the Chief Executive Officer

  
 Arthur J. Kimball  
 Executive Officer, Procurement

# ATTACHMENT 1 CONTRACT VALUE STATUS SUMMARY

R82 Metro Red Line - Segment 3 - N. Hollywood  
CHANGE ORDER C0351-C0-46.00

Only shows cost allocated to R82

**CONTRACTOR:** KAJIMA/RAY WILSON / N. HOLLYWOOD STATION W/X-OVER & TAIL TRACK  
**ACTION DESCRIPTION:** BRS #1 & #2 STRUCTURAL REVISIONS

## CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1.	CUMULATIVE AWARD AMOUNT:[1]	\$64,501,229.00	<i>(Includes \$0.00 in Planned Scope Amendments)</i>
2.	PREVIOUSLY EXECUTED CHANGES:	\$554,614.00	
3.	CURRENT VALUE: (1+2)	\$65,055,843.00	
4.	AUTHORIZED WACN'S (NTE):	\$905,400.00	
5.	OBLIGATED VALUE: (3+4)	\$65,961,243.00	
6.	VALUE OF THIS ACTION:	(\$462,215.79)	
7.	NEW VALUE (IF APPROVED): (5+6)	\$65,499,027.21	

## CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

## AFE INCREASE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$70,951,351.00	
9.	NEW VALUE: (Line 7)	\$65,499,027.21	
10.	REMAINING AFE: (8-9)	\$5,452,323.79	\$0.00 For this action
11.	OTHER PENDING CHANGES (merited)	\$364,894.00	
12.	REMAINING AFE VALUE (w/Changes: 10-11)	\$5,087,429.79	\$0.00 For all merited changes (projected cost)
13.	ALLOWANCE FOR UNDEFINED CHANGES:	\$0.00	
14.	REMAINING AFE VALUE (w/Allowance: 12-13)	\$5,087,429.79	\$0.00 For all merited and undefined changes

## CUMULATIVE BUDGET STATUS

## BUDGET VARIANCE (Initial to Current)

15.	INITIAL BUDGET: (PBCR # 0 , 7/30/93) [2]	\$79,167,000.00	
16.	CURRENT BUDGET:	\$84,150,000.00	\$4,983,000.00 Initial to Current Budget
17.	NEW VALUE (IF APPROVED): (Line 7)	\$65,499,027.21	
18.	REMAINING BUDGET: (16-17)	\$18,650,972.79	
19.	OTHER PENDING CHANGES (merited) (Line 11)	\$364,894.00	
20.	REMAINING BUDGET w/Changes (18-19)	\$18,286,078.79	

REVIEWED BY PROGRAM CONTROL:

*D. Wilkin*

DATE: 12/15/97

[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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