



CONSTRUCTION COMMITTEE
FEBRUARY 16, 2000

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

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

CONTRACT: H0648, COMMUNICATIONS INSTALLATION,
STEINY AND COMPANY, INC.

ACTION: CONTRACT MODIFICATION IN THE AMOUNT
\$1,210,345 AND AN INCREASE IN AUTHORIZATION
FOR EXPENDITURE IN THE AMOUNT OF \$1,210,345

RECOMMENDATION

- A. Authorize the Chief Executive Officer to execute Change Order No. 20 to Contract No. H0648, Communications Installation, with Steiny and Company, Inc., which incorporates Work Authorization Change Notice No. 21 for \$200,000, to increase Systems Testing Support for the Metro Red Line, North Hollywood Extension, in the total amount of \$1,210,345, increasing the Total Contract Value from \$6,528,596 to \$7,738,941.
- B. Approve an increase in the Authorization for Expenditure (AFE) to Contract No. H0648 to provide funding to increase Systems Testing Support in the amount of \$1,210,345, increasing the current Metro Red Line, North Hollywood Extension AFE amount from \$7,061,579 to \$8,271,924.

Within Construction Committee authority: Yes No N/A

MERIT

The MTA Project Office, Office of Procurement, and County Counsel have reviewed the facts underlying the change and concur that it has been merited under the terms and conditions of Contract and Public Utilities Code §130243. The MTA Management Audit Services Department (MASD) has completed the required audit of this Change Order and all outstanding issues have been resolved.

BACKGROUND

Contract No. H0648 is a firm fixed-price, federally funded procurement for the installation of communications equipment for the Metro Red Line, Segment 3, North Hollywood Extension.

On April 09, 1998, Contract No. H0648 was awarded to Steiny and Company, Inc., in the amount of \$4,793,553. Notice to Proceed was issued on May 14, 1998, with a period of performance of 780 calendar days.

This Contract provides for a limited staff of technical personnel to support MTA systems integration testing. The Metro Red Line, North Hollywood Extension Project had planned and budgeted for MTA Operations personnel to support systems integration testing. However, due to lack of sufficient available MTA Operations resources to meet the ongoing systems integration testing schedule, the MTA Rail Activation Manager proposed using additional personnel from the H0648 Contractor to complete the critical required testing. Under the direction of the MTA Rail Activation Manager, the additional contractor personnel will conduct integrated testing of system hardware and software, perform failure simulations, make required field modifications and repairs, return equipment to service, and conduct other drills and scenarios required to achieve a May 2000 Revenue Operations Date.

Based upon a projection made in September 1999, MTA staff determined that additional hours for electricians and communication technicians were required to support systems integration and testing by June 2000. The project successfully negotiated the standard and overtime electrician and communication technician hourly rates for this change order. Due to the varying activity associated with the testing schedule, the total estimated number of testing support hours were negotiated on a not-to-exceed basis. This enables the MTA to efficiently manage the hours and compensate the contractor for actual hours incurred.

COST/PRICE ANALYSIS

PROPOSED AMOUNT	MTA ESTIMATE	NEGOTIATED AMOUNT
\$1,403,991	\$1,214,708	\$1,210,345

The recommended amount of \$1,210,345 has been determined to be fair and reasonable based upon fact finding, clarifications and pre-award audit performed by Management Audit Services Department (MASD). MASD questioned the contractor's hourly rates and during negotiations the contractor accepted the MTA rates. The negotiated amount is \$4,363 less than the MTA Estimate amount. Staff has negotiated the most favorable agreement possible.

FINANCIAL IMPACT

Original Contract Award	\$4,793,553
Current Cumulative Contract Value	\$6,528,596
<u>This Action</u>	<u>\$1,210,345</u>
New Cumulative Contract Value	\$7,738,941

The funds for this action are available within the Board approved Segment 3, North Hollywood Project Budget of \$1,313,848,000. The current status of the contract, including the impact of this recommended action, is shown in Attachment 1. Upon approval of this action, the current H0648 Contract budget will be increased to the amount shown on line 16 of Attachment 1. The original Segment 3, North Hollywood Project budget includes funding for MTA Rail Operations support. The funds will be made available for this action. There will be no reduction in Project Contingency. This action does not impact the MTA Fiscal Year Budget, the sources of funds, either in the fiscal year or over the life of the project.

Potential for Cost Recovery: Yes No N/A

ALTERNATIVES CONSIDERED

The MTA Board may reject this change; however, disapproval of this action would significantly impact completion of integration testing of systems hardware and software which would delay the Metro Red Line, North Hollywood Extension, Revenue Operations Date of May 2000. Staff does not recommend this alternative.

SMALL BUSINESS PARTICIPATION

The Contract has a Disadvantaged Business Enterprise (DBE) participation goal of 20.15%. The contract was awarded on April 9, 1998 and is 58% complete. Current DBE attainment¹ based on the current contract amount² is 21.05%. Current DBE participation³ based on total actual amount paid-to-date to the Contractor and total actual amount paid-to-date to DBE firms is 27.98%. Each of the listed DBE subcontractors are performing on the Contract as listed.

Original Award Amount	\$4,793,553
Relevant Contract Value²	\$5,245,600
Total Actual Amount Paid to Date to Prime	\$3,945,820

Subcontractor's Name	Commitment	Current Attainment¹	Current Participation³	Current Status
ASCI	7.74%	2.08%	2.77%	Performing
Analytical Planning Service	3.02%	1.69%	2.25%	Performing
METCO	9.39%	17.27%	22.96%	Exceeded
TOTAL	20.15%	21.05%	27.98%	Exceeding

¹Current Attainment = Total Actual Amount Paid-to-Date to Subs ÷ Total Current Contract Amount

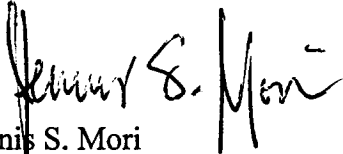
²Current Contract Amount = Original Contract Value + Contract Cost Modifications affecting DBE or SBE Scope of Work

³Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime

ATTACHMENT

1. Contract Value Status Summary

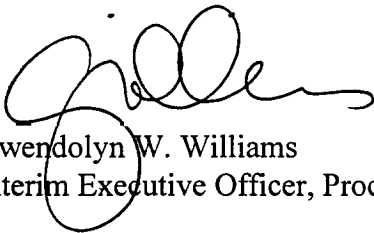
Prepared by: Tim Clark, Contract Administrator
Bruce Warrensford, Manager of Contracts, Segment 3



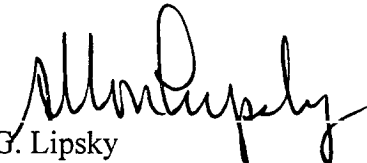
Dennis S. Mori
Deputy Executive Officer, Project Manager
Metro Red Line, North Hollywood Extension
Segment 3



Charles W. Stark
Executive Officer, Construction



Gwendolyn W. Williams
Interim Executive Officer, Procurement



Allan G. Lipsky
Office of the Chief Executive Officer

ATTACHMENT 1 CONTRACT VALUE STATUS SUMMARY

R82 Metro Red Line - Segment 3 - NH
CHANGE ORDER H0648-C0-20.00

Only shows cost allocated to R82

CONTRACTOR: STEINY AND COMPANY, INC. / COMMUNICATIONS INSTALLATION
ACTION DESCRIPTION:

CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1.	CUMULATIVE AWARD AMOUNT:[1]	\$4,793,553.20	(Includes \$0.00 in Planned Scope Amendments)
2.	PREVIOUSLY EXECUTED CHANGES:	\$1,198,326.00	
3.	CURRENT VALUE: (1+2)	\$5,991,879.20	
4.	AUTHORIZED WACN/LNTP'S (NTE):	\$536,717.00	
5.	OBLIGATED VALUE: (3+4)	\$6,528,596.20	
6.	VALUE OF THIS ACTION:	\$1,210,345.00	
7.	NEW VALUE (IF APPROVED): (5+6)	\$7,738,941.20	

Contract Work Order Value Status Reviewed by MTA Procurement: *Tim Clark 1/7/00*

CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

AFE INCREASE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$7,061,579.00	
9.	NEW VALUE: (Line 7)	\$7,738,941.20	
10.	REMAINING AFE: (8-9)	(\$677,362.20)	\$677,362.20 For this action
11.	OTHER PENDING CHANGES (merited)	\$164,566.39	
12.	REMAINING AFE VALUE (w/Changes: 10-11)	(\$841,928.59)	\$841,928.59 For all merited changes (projected cost)
13.	ALLOWANCE FOR OTHER POTENTIAL CHANGES:	(\$1,210,345.00)	
14.	REMAINING AFE VALUE (w/Allowance: 12-13)	\$368,416.41	\$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]	\$6,144,000.00	
16.	CURRENT BUDGET: *	\$8,005,000.00	\$1,861,000.00 Initial to Current Budget
17.	NEW VALUE (IF APPROVED): (Line 7)	\$7,738,941.20	
18.	REMAINING BUDGET: (16-17)	\$266,058.80	
19.	OTHER PENDING CHANGES (merited) (Line 11)	\$164,566.39	
20.	REMAINING BUDGET w/Changes (18-19)	\$101,492.41	

Contract Budget Status Reviewed by MTA Program Control: *Will R. Brown*

DATE: *1/7/00*

* The cumulative Budget status line 16 reflects the proposed transfer amount identified in the financial impact statement.

[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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c:\windows\temp\RP200040.RRW