



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

CONSTRUCTION COMMITTEE
FEBRUARY 16, 2000

PROJECT: METRO RED LINE, MID-CITY
EXTENSION (SEGMENT 3)

CONTRACT: B745, AIR HANDLING EQUIPMENT
TUTOR-SALIBA/OVERLAND MECHANICAL,
JOINT VENTURE

ACTION: CONTRACT MODIFICATION IN A CREDIT AMOUNT
OF \$474,125

RECOMMENDATION

Authorize the Chief Executive Officer to execute Change Order No. 12 to Contract B745, Air Handling Equipment with Tutor-Saliba/Overland Mechanical, Joint Venture, to delete Mid-City air handling equipment and installation work, for the Metro Red Line, Segment 3, Mid-City Extension, in the credit amount of \$474,125, decreasing the Total Contract Value from \$3,718,910 to \$3,244,785.

Within Construction Committee authority: Yes No N/A

MERIT

The MTA Project Office, Office of Procurement, and County Counsel have reviewed the facts underlying this change and concur that it has been merited under the terms and conditions of the 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 items have been resolved.

BACKGROUND

Contract No. B745 is a fixed-price, federally funded contract for the procurement and installation of air handling equipment for the Metro Red Line Segment 2, Vermont/Hollywood Corridor and Segment 3, North Hollywood, Mid-City, and Eastside Extension.

On August 26, 1992, Contract No. B745 was awarded to Tutor-Saliba/Overland Mechanical, Joint Venture, in the amount of \$2,841,630. Notice to proceed was issued September 11, 1992 with a period of performance of 1752 calendar days.

On January 14, 1998 the MTA Board authorized the Chief Executive Officer to suspend the Metro Red Line, Segment 3, Mid-City and Eastside Extensions. In accordance with this direction, staff directed the B745 Contractor to delete all labor and materials for the design, manufacture and installation of air handling equipment for the Mid-City Extension, Eastside Extension Option and related remaining items. As the Eastside Extension Option was never exercised, no funds were previously made available to the Contractor for this effort; therefore no credit for the Eastside Extension Option was proposed by the contractor.

COST/PRICE ANALYSIS

PROPOSED AMOUNT	MTA ESTIMATE	NEGOTIATED AMOUNT
(\$426,259)	(\$472,668)	(\$474,125)

This recommended credit amount of \$474,125 has been determined to be fair and reasonable based upon fact finding, clarifications and pre-award audit performed by Management Audit Services Department (MASD). The questioned costs were the result of MASD projecting the markups for the prime and subcontractor cost. All of the questioned costs were resolved during negotiations. The negotiated credit amount is greater than the MTA Estimate. Staff negotiated the most favorable credit possible.

FINANCIAL IMPACT

Original Contract Award	\$2,841,630
Current Cumulative Contract Value	\$3,718,910
<u>This Action</u>	<u>(\$ 474,125)</u>
New Cumulative Contract Value	\$3,244,432

This recommended action will decrease the B745 Total Contract Value by \$474,125. The current status of the contract, including the impact of this recommended action, is shown in Attachment 1. 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 N/A

ALTERNATIVES CONSIDERED

The MTA Board may reject this change, however this credit change implements the January 14, 1998 Board's direction to suspend the Metro Red Line, Segment 3, Mid-City and Eastside Extension. Staff does not recommend this alternative.

SMALL BUSINESS PARTICIPATION

The Contract has a Disadvantaged Business Enterprise (DBE) participation goal of 27.40%. The contract is 99% complete. Current DBE attainment¹ based on the relevant contract amount² is 15.05%. Current DBE participation³ based on the total actual amount paid-to-date to prime and total actual amount paid-to-date to DBE is 15.50%. The Prime Contractor is not expected to meet the goal due to deletion of the remaining scope of work which will adversely affect DBE participation. There has been no DBE activity on this contract since 1997.

Original Award Amount **\$2,841,630**
Relevant Contract Value² **\$2,841,630**
Total Actual Amount Paid to Date to Prime **\$2,759,138**

Subcontractor	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Felix Corporation	27.40%	15.05%	15.50%	Completed
TOTAL	27.40%	15.05%	15.50%	Goal was not met due to deletion of scope of work affecting the DBE

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

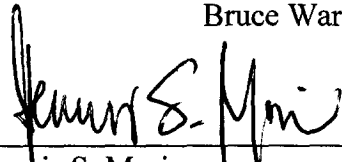
²Relevant Contract Amount = Original Contract Value + Contract Cost Modifications affecting DBE or SBE Scope of Work

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


ATTACHMENT

1. Contract Value Status Summary

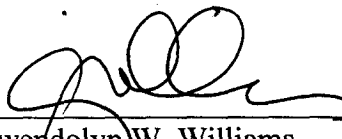
Prepared by: Tim Clark, Contract Administrator
 Bruce Warrensford, Manager of Contracts, Segment 3



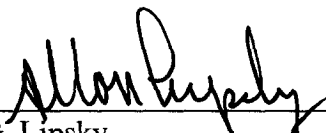
 Dennis S. Mori
 Deputy Executive Officer, Project Manager
 Metro Red Line, Segment 3, North Hollywood
 Extension



 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

R81 Metro Red Line Segment-2 and Segment-3
Change Order B745-C0-12

CONTRACTOR: TUTOR-SALIBA/OVERLAND MECHANICAL JV /AIR HANDLING EQUIPMENT
ACTION DESCRIPTION: DELETE REMAINING B745 WORK AND CLOSE-OUT CONTRACT

CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1. CONTRACT AWARD AMOUNT:	\$2,841,630.00	(includes \$0.00 in Planned Scope Amendments)
2. PREVIOUSLY EXECUTED CHANGES:	\$804,280.00	
3. CURRENT CONTRACT VALUE: (Line 1 + Line 2)	\$3,645,910.00	
4. AUTHORIZED WACN'S (NTE) :	\$73,000.00	
5. OBLIGATED VALUE (Line 3 + Line 4)	\$3,718,910.00	
6. VALUE OF THIS CHANGE	(\$474,125.00)	
7. NEW VALUE (IF APPROVED): (Line 5 + Line 6)	\$3,244,785.00	

Cumulative Contract work Order Value Status Reviewed by MTA Procurement:

Tom Clark MTA Contract Administrator

CUMULATIVE AUTHORIZED FOR EXPENDITURE STATUS

AFE INCREASE REQUIRED/REQUESTED:

8. MTA APPROVED AFE:	\$4,061,202.00
9. NEW VALUE: (Line 7)	\$3,244,785.00
10. REMAINING AFE (Line 8 - Line 9)	\$816,417.00
11. OTHER PENDING CHANGES (merited)	\$147,727.00
12. REMAINING AFE (w/Changes 10 - 11)	\$668,690.00
13. ALLOWANCE FOR UNDEFINED CHANGES:	\$0.00
14. REMAINING AFE VALUE (w/Allowance)	\$668,690.00

CUMULATIVE BUDGET STATUS

15. INITIAL BUDGET:	\$5,459,000.00
16. CURRENT BUDGET:	\$6,169,044.00
17. NEW VALUE (IF APPROVED): (Line 7)	\$3,244,785.00
18. REMAINING BUDGET: (16-17)	\$2,924,259.00
19. OTHER PENDING CHANGES (merited) (Line 11)	\$147,727.00
20. REMAINING BUDGET w/Changes (18-19)	\$2,776,532.00

Cumulative Budget Status Reviewed by MTA Program Control

William R Brown

DATE:

1/6/00