



PROJECT: METRO RED LINE SEGMENT 2 AND SEGMENT 3 CLAIMS RESOLUTION SUPPORT

Metropolitan
Transportation
Authority

CONTRACT: MC055 SVERDRUP CIVIL INC., SERVICES OF MR. DWIGHT CHEWNING FOR SEGMENT 2 AND SEGMENT 3 CLAIMS RESOLUTION SUPPORT SERVICES

One Gateway Plaza
Los Angeles, CA
90012-2952

ACTION: AWARD A COST PLUS FIXED FEE (CPFF) LETTER CONTRACT IN AN AMOUNT NOT-TO-EXCEED \$350,000

RECOMMENDATION

- A. Authorize the CEO to ratify the issuance to Sverdrup Civil Inc. a single- source Cost Plus Fixed Fee (CPFF) Contract for the period beginning July 16, 1999 through October 31, 2000 to provide the services of Mr. Dwight Chewning to assist the MTA in closing out Segment 2 and Segment 3 Claims and unresolved Change Orders in the amount Not To Exceed (NTE) \$350,000. This NTE amount is a \$330,000 increase to the Limited Notice To Proceed NTE value of \$20,000. The \$350,000 NTE funding shall be segregated as follows, Segment 2 - \$280,000 and Segment 3 - \$70,000;
- B. Approve a total Authorization for Expenditure (AFE) for Contract MC055 in the total amount of \$350,000 .

Within Construction Committee authority: Yes No N/A

BACKGROUND

On July 16, 1999, MTA staff issued a Limited Notice To Proceed effective July 16, 1999, to Sverdrup Civil, Inc. for a not-to-exceed (NTE) amount of \$5,000 to provide services for claims support by Dwight Chewning through July 21, 1999. This Limited Notice To Proceed was revised by Amendment 1, issued July 21, 1999, which increased the NTE value by \$15,000 to a total NTE value of \$20,000 and extended the period of performance through August 2, 1999 to cover Segment 2 and Segment 3 North Hollywood support. MTA staff is in the process of settling and

resolving segment 2 and Segment 3 claims and unresolved changes. It is estimated by Construction Management there exists a backlog of \$100,000,000 in issues outstanding on the Metro Red Line, Segment 2 and Segment 3. In order to efficiently complete and close these issues, it is necessary that the MTA Claims Team have members with extensive knowledge of Segment 2 and Segment 3 construction and the ability in resolving long outstanding issues as demonstrated by Mr. Dwight Chewning.

Mr. Chewning made a career move resigning his twenty (20) plus years with Dillingham Construction at the end of June 1999 and joined Sverdrup Civil Inc. in Falls Church, Virginia. Mr. Chewning's participation in the resolution of Segment 2 and Segment 3 major claim and litigation issues is required at least through October 2000. It is essential that his credibility with contractors, knowledge of construction project activities on Segment 2 and Segment 3 and high level managerial and negotiating experience be maintained to ensure the continued productivity of the Segment 2 and Segment 3 Claims Team.

Mr. Chewning's particular knowledge, having served as a segment manager with Parsons-Dillingham, has given him the experience, insight and the background associated with Segment 2 construction. Mr. Chewning has also developed a professional rapport with contractors with whom the MTA needs to negotiate to resolve several large claims.

Mr. Chewning has played a key role in successfully resolving Tutor-Sabalia/Perini's contaminated soil claims on Contracts B241, B261, and B263. Mr. Chewning has been involved in Kajima's B281/C351 claims as The Parsons-Dillingham (P-D) Claims Manager for the last three years. Mr. Chewning led the successful effort in February 1999 in reaching global settlement on Fujitec claims which allowed the timely completion of elevators and escalators on Segment 2 to meet Revenue Operations Date (ROD) requirements.

Mr. Chewning has continued to provide claims support services. Billings for work performed through October 31, 1999, reflect an amount of \$74,762. Billings for November and December 1999 have not yet been received, but discussions with Sverdrup indicate total billings approximate \$105,000.

COST/PRICE ANALYSIS

PROPOSED AMOUNT	NEGOTIATED AMOUNT	HISTORICAL AMOUNT
\$478,639	NTE \$350,000	Not Applicable

The Not-Exceed Amount set forth herein is less than the value proposed by the Contractor, Sverdrup Civil Inc. The final negotiated amount complies with all requirements of MTA Procurement, including cost analysis, legal and audit. The MASD audit has been completed.

FINANCIAL IMPACT

The funds for this action are available within the Segment 2 and Segment 3 North Hollywood Board Approved Project Budgets of \$1,738,760,000 and \$1,313,848,000 respectively. This recommendation will increase the current contract value of \$20,000 (authorized by an emergency limited notice to proceed to support settlement actions underway) by \$280,000 to \$300,000 cumulative value. The current status of the contract including the impact of these recommended actions is shown in Attachment 1. If this action is approved, the current budget for this contract will be increased with approved project funds from the project contingency cost element. This 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 Board may reject this change and could obtain expert claims resolution services from other sources, however, it is highly unlikely that anyone new to the project could be as effective as Mr. Chewning. Mr. Chewning has a track record of successfully resolving claims, knows the MTA policies and procedures, and has established a solid rapport with the contractors. The MTA has a limited window of opportunity to settle claims with contractors in the next few months. Denial of this action may result in the settlement of these claims being resolved through litigation. MTA Staff does not recommend this alternative.

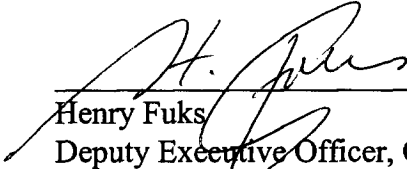
SMALL BUSINESS PARTICIPATION

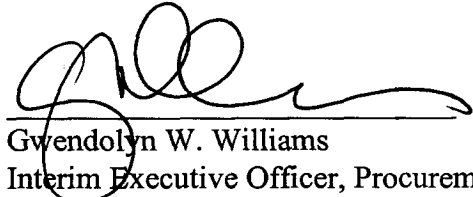
The Contract Compliance Unit waived the DBE goal for this procurement due to lack of subcontracting opportunities. This procurement is to provide specialized claims resolution services. As such, peripheral or ancillary work is not involved. Based on industry practices, it is expected that the Prime will provide all services with minimal, if any subcontracting. However, pursuant to the SBE Program, if the awardee utilizes the services of subcontractors, the awardee is expected to afford maximum opportunities to SBE firms in all subcontractors and supply service areas. Upon MTA's request, awardee is required to submit documentation to satisfy the MTA that good faith efforts were made to utilize SBE firms throughout the life of the contract.

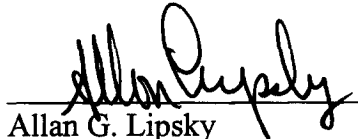
Attachments:

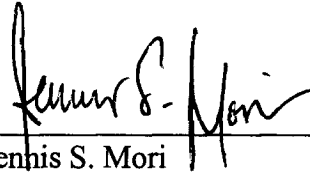
1 - Contract Value Status Summary

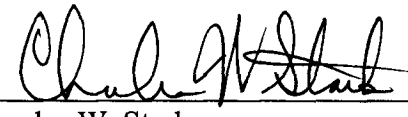
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ATTACHMENT 1
CONTRACT VALUE STATUS SUMMARY
 R82 Metro Red Line - Segment 3 - NH
CONTRACT AWARD

CONTRACTOR: SVERDRUP CIVIL INC. / SEGMENT 2 AND SEGMENT 3 CLAIMS RESOLUTION SUPPORT SERVICES
ACTION DESCRIPTION: AWARD OF CONTRACT MC055 - CWO # 0.00

CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1. CUMULATIVE AWARD AMOUNT:[1]	\$0.00	
2. PREVIOUSLY EXECUTED CHANGES:	\$0.00	
3. CURRENT VALUE: (1+2)	\$0.00	
4. AUTHORIZED WAGN'S (NTE):	\$5,000.00	
5. OBLIGATED VALUE: (3+4)	\$5,000.00	
6. VALUE OF THIS ACTION:	\$65,000.00	
7. NEW VALUE (IF APPROVED): (5+6)	\$70,000.00	

(Includes \$0.00 in Planned Scope Amendments)

John K. DeJong
 Contract Work Order Value Status Reviewed by MTA Procurement:

CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

8. MTA APPROVED AFE:	\$0.00	
9. NEW VALUE: (Line 7)	\$70,000.00	
10. REMAINING AFE: (8-9)	(\$70,000.00)	\$70,000.00 For this action
11. OTHER PENDING CHANGES (merited)	\$0.00	
12. REMAINING AFE VALUE (w/Changes: 10-11)	(\$70,000.00)	\$70,000.00 For all merited changes (projected cost)
13. ALLOWANCE FOR UNDEFINED CHANGES:	\$0.00	
14. REMAINING AFE VALUE (w/Allowance: 12-13)	(\$70,000.00)	\$70,000.00 For all merited and undefined changes

AFE INCREASE REQUIRED/REQUESTED:

CUMULATIVE BUDGET STATUS

15. INITIAL BUDGET:	\$5,000.00	
16. CURRENT BUDGET:	\$70,000.00	
17. NEW VALUE (IF APPROVED): (Line 7)	\$70,000.00	Initial to Current Budget
18. REMAINING BUDGET: (14-15)	\$0.00	
19. OTHER PENDING CHANGES (merited) (Line 11)	\$0.00	
20. REMAINING BUDGET w/Changes (16-17)	\$0.00	

Contract Budget Status Reviewed by MTA Program Control: *[Signature]* 1/28/00

BUDGET VARIANCE (Initial to Current)

THE CUMULATIVE BUDGET STATUS LINE 16 REFLECTS THE PROPOSED TRANSFER AMOUNT IDENTIFIED IN THE MTA BOARD REPORT FINANCIAL IMPACT STATEMENT.

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

ATTACHMENT 1
CONTRACT VALUE STATUS SUMMARY
 R81 Metro Red Line - Segment 2
CONTRACT AWARD

CONTRACTOR: SVERDRUP CIVIL INC. / SEGMENT 2 AND SEGMENT 3 CLAIMS RESOLUTION SUPPORT SERVICES
ACTION DESCRIPTION: AWARD OF CONTRACT MC055 - CWO # 0.00

CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1.	CUMULATIVE AWARD AMOUNT:[1]	\$0.00	
2.	PREVIOUSLY EXECUTED CHANGES:	\$0.00	
3.	CURRENT VALUE: (1+2)	\$0.00	(Includes \$0.00 in Planned Scope Amendments)
4.	AUTHORIZED WAGN'S (NTE):	\$15,000.00	
5.	OBLIGATED VALUE: (3+4)	\$15,000.00	
6.	VALUE OF THIS ACTION:	\$265,000.00	
7.	NEW VALUE (IF APPROVED): (5+6)	\$280,000.00	

John R. Scavage
 Contract Work Order Value Status Reviewed by MTA Procurement:

CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

8.	MTA APPROVED AFE:	\$0.00		
9.	NEW VALUE: (Line 7)	\$280,000.00	\$280,000.00	For this action
10.	REMAINING AFE: (8-9)	(\$280,000.00)		
11.	OTHER PENDING CHANGES (merited)	\$0.00		
12.	REMAINING AFE VALUE (w/Changes: 10-11)	(\$280,000.00)	\$280,000.00	For all merited changes (projected cost)
13.	ALLOWANCE FOR UNDEFINED CHANGES:	\$0.00		
14.	REMAINING AFE VALUE (w/Allowance: 12-13)	(\$280,000.00)	\$280,000.00	For all merited and undefined changes

AFE INCREASE REQUIRED/REQUESTED:

CUMULATIVE BUDGET STATUS

15.	INITIAL BUDGET:	\$15,000.00	
16.	CURRENT BUDGET:	\$280,000.00	
17.	NEW VALUE (IF APPROVED): (Line 7)	\$280,000.00	Initial to Current Budget
18.	REMAINING BUDGET: (14-15)	\$0.00	
19.	OTHER PENDING CHANGES (merited) (Line 11)	\$0.00	
20.	REMAINING BUDGET w/Changes (16-17)	\$0.00	

BUDGET VARIANCE (Initial to Current)

Contract Budget Status Reviewed by MTA Program Control: *[Signature]* 1/26/00

THE CUMULATIVE BUDGET STATUS LINE 16 REFLECTS THE PROPOSED TRANSFER AMOUNT IDENTIFIED IN THE MTA BOARD REPORT FINANCIAL IMPACT STATEMENT.

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