



CONSTRUCTION COMMITTEE
June 15, 2006

PROJECT: CANOGA STATION/PARK-AND-RIDE PROJECT

CONTRACT: C0739, CANOGA STATION/PARK AND RIDE, SULLY-MILLER CONTRACTING COMPANY

ACTION: CONTRACT MODIFICATION NO. 1.00 IN THE CREDIT AMOUNT OF \$1,190,000

RECOMMENDATION

Authorize the Chief Executive Officer to execute Contract Modification No. 1.00 to Contract No. C0739 Canoga Station/Park-and-Ride with Sully-Miller Contracting Company for the deletion of Parking Lot B in the credit amount of \$1,190,000, decreasing the Total Contract Price from \$13,732,500 to \$12,542,500.

Within Construction Committee authority: Yes No N/A

RATIONALE

Contract No. C0739 is a fixed price, locally funded procurement, for the Canoga Station/Park-and-Ride. The scope of work consists of construction of approximately one-third mile extension of the busway, bicycle/pedestrian path and landscaping; a new full-featured station; and the development of new surface park and ride facilities.

On January 30, 2006, Contract No. C0739, Canoga Station/Park-and-Ride, was awarded to Sully-Miller Contracting Company in the amount of \$13,732,500. The Notice to Proceed was issued on February 21, 2006, with a completion date within 260 calendar days, November 8, 2006.

The CEO, at the time of award, authorized staff to negotiate the deletion of the 228-space Parking Lot B, the rectangular property immediately east of Canoga Avenue and north of Van Owen Street from the Contract No. C0739 Scope of Work. The Notice to Proceed did not authorize the Contractor to proceed with construction of Parking Lot B.

Subsequent to the receipt of bids for Contract No. C0739, staff recommended deletion of the construction of Parking Lot B because the property required is occupied by two business tenants under separate leases with Metro. After extensive efforts to relocate the tenants, a suitable site could not be found and Contractor site access could not be guaranteed by Metro to meet the

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Contract promised date of May 20, 2006. In addition, operating experience to date indicates that existing Orange Line parking facilities in the western portion of the San Fernando Valley are less than 50% utilized, including the existing Pierce College Park-and-Ride facility closest to the western terminus. Because of the lower than anticipated demand for parking at the existing Orange Line park-and-ride lots, it is anticipated that the 590 parking spaces that will be provided by Parking Lot A will be adequate for the immediate future and that construction of Parking Lot B could be deferred until parking demand increases. This will also provide additional time to find suitable replacement property for the current tenants on Lot B.

IMPACTS TO OTHER CONTRACTS

For the credit amount identified within this Board action, only this contract, Contract No. C0739, is impacted.

FINANCIAL IMPACT

Original Contract Award	\$13,732,500
Current Cumulative Contract Value	<u>\$13,732,500</u>
This action	(\$ 1,190,000)
New Cumulative Contract Value	\$12,542,500

The funds for this contract action are available within the FY06 Capital Budget of \$17,423,358 and within budget Cost Center No. 8510 for Project 800117 Canoga Station/Park-and-Ride Project. The life of project budget for Project 800117 adopted by the Board in March 2005 is \$26,000,000. This recommendation is within the current life of project budget. Since this is a multi-year project, the project manager will be responsible for budgeting the project costs in future years consistent with the Board adopted total project budget. Funding sources for Project 800117 are Proposition C 10% Bonds/Cash and City of Los Angeles.

COST RECOVERY

Potential for Cost Recovery: Yes No N/A

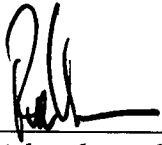
ALTERNATIVES CONSIDERED

The Board may reject this recommendation. However, staff is not recommending this action, as this is a credit amount and not implementing this action may result in legal action by the C0739 Contractor due to lack of site access on the promised Contract date for construction of Parking Lot B. In addition, construction of Parking Lot B would require an increase of the life of project budget above the currently authorized \$26.0 million, which is not recommended due to current underutilization of Orange Line parking facilities.

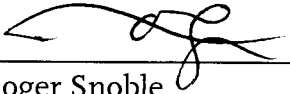
ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared By: William R. Brown, Project Control Manager
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Richard D. Thorpe
Chief Capital Management Officer
Construction Project Management



Roger Snoble
Chief Executive Officer

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BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY

1.	Contract Number: C0739; CONTRACT MODIFICATION 1.00		
2.	Recommended Vendors: SULLY-MILLER Contracting Company		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: N/A	Recommended Negotiated Price: (\$1,190,000)	
	B. Details of Significant Variances: N/A		
4.	Contract Type: FIXED PRICE		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: 04/26/06		
6.	Small Business Participation:		
	A. Bid Goal: 4.09% MBE	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
4.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
5.	Evaluation Information:		
	A. Bidders/Proposers Names: N/A	<u>Bid/Proposal Amount:</u> N/A	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: N/A		
6.	Protest Information: N/A		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
7.	Contract Administrator: Valerie Dean	Telephone Number: (213) 922-1032	
8.	Project Manager: Mark Van Gessel	Telephone Number: (818) 598-8356	

BOARD REPORT ATTACHMENT A-1

PROCUREMENT HISTORY

BACKGROUND ON CONTRACTOR(S)

Sully-Miller Contracting Company was founded in 1923 and is recognized as a successful paving contractor in Southern California. Sully-Miller completes an average of \$100 million in projects of varying size each year. Sully-Miller is a fully integrated company, producing their own asphalt material, with crews specializing in asphalt lay-down, concrete site work and underground utility installation. By keeping this work-in house, Sully-Miller is better able to control the project and deliver an on time, quality job.

The corporate management team has extensive background in all aspects of the industry. Sully-Miller has a pool of skilled labor to draw from, enabling them to respond to the demand of numerous concurrent projects. Their equipment division maintains a large fleet of company-owned equipment, which provides the ability to support construction projects as needed.

PROCUREMENT BACKGROUND

Contract No. C0739 was a sealed bid procurement. Metro received two (2) bids on time; a third bid ("The Griffith company") was late. Brutoco bid \$16,370,400 and Sully-Miller bid \$13,732,500. Sully-Miller was the lowest responsive and responsible bidder.

In accordance with Public Utilities Code 130051.9 (c) CEO awarded contract C0739 to Sully-Miller Contracting Company. The CEO at the time of award also authorized staff to negotiate the deletion of Parking Lot B, the rectangular property immediately east of Canoga Ave and north of Van Owen Street from the Scope of Work. Metro Staff informed the Contractor that Parking Lot B would be deleted under the "Termination for Convenience" clause and a Notice to Proceed was issued February 21, 2006 for the balance of the Work.

Metro staff requested an Independent Cost Estimate (ICE) for the credit due to Metro for the Termination for Convenience of Parking Lot B. The ICE came in at \$1,294,089.

A Metro team comprised of Construction Management and Procurement representatives met with Sully-Miller in a series of fact-finding meetings. During those meeting various topics regarding the impact of the Termination were discussed and it became apparent that there were impacts to the Contractor not considered by Metro. Some examples not considered were: field office space; the Contractor planed to install a company owned trailer on Lot B and use it as a staging area for construction vehicles hauling and stock piling dirt; and changes to other various means and methods to the overall construction plan resulting from the loss of Lot B. Metro Estimating Department confirmed that those issues would properly result in a decrease in the anticipated credit amount. Taking this information into account Metro requested a credit amount of \$1,190,000 from Sully-Miller. Sully-Miller agreed.

BOARD REPORT ATTACHMENT A-2

LIST OF SUBCONTRACTORS

CONTRACT NO. C0739

PRIME CONTRACTOR

Sully-Miller-

SMALL BUSINESS SUBCONTRACTORS

Ace Fencing

Covarrubias Brothers

Sudhakar Company

OTHER SUBCONTRACTORS

Pias-Tal Manufacturing

Candelaria Environmental

Imperial Industrial

Kato Landscape

Mike Payne & Associates

Steiny & Company

Sullivan Concrete Textures

The Culver Group Inc

SMALL BUSINESS PARTICIPATION

Not Applicable

