

for J. Schwartz



October 10, 1995

Franklin E. White
Chief Executive Officer

Los Angeles County
Metropolitan
Transportation
Authority

TO: MTA BOARD OF DIRECTORS AND ALTERNATES
THROUGH: FRANKLIN E. WHITE
FROM: STANLEY E. PHERNAMBUCQ *[Signature]*
SUBJECT: MRL3 EAST-SIDE FINAL DESIGN

818 West Seventh Street
Suite 300
Los Angeles, CA 90017

213.623.1194

ISSUE

Various studies potentially impacting the approach to final design of the East-Side (ES) project have been initiated in response to a Board motion passed in July 1995. It is anticipated that the results of these studies will be presented to the Board in November and December 1995. The current interim AFE, totaling \$6 million, to allow the Engineering Management Consultant (EMC) to perform limited design services is expected to be depleted in November 1995 given the current pace of work. Section design work is on the critical path of the current project schedule. Under normal conditions final design work by the section designers should move ahead to avoid further schedule slippage on the ES project.

The purpose of this memorandum is to present issues, alternatives and impacts resulting from staff's evaluation of meeting multiple objectives, including response to item 7 of the July Board motion which stipulates that "no delays be authorized on this project which are not critical and necessary to the ultimate success of this project". (Emphasis added.)

STAFF RESPONSE

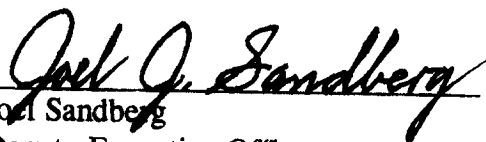
Staff does not anticipate any necessity to recommend extending EMC final design services at this time. Instead, staff has directed the EMC to slow the pace of currently approved work on the ES project and has deferred recommendation of award of subcontracts to ES section designers. This action will allow the EMC to continue critical design work through December 1995. This action will also further delay the ES project, however staff believes that such delay meets the Board's "necessary to the ultimate success of the project" standard. This delay period will allow sufficient time for the Board to receive and review pending reports regarding alternative approaches for design management. Deferral of section design awards ensures that no activity is undertaken which may prove counterproductive if an alternate approach is selected by the Board

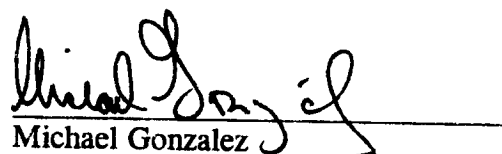
BACKGROUND

As a result of a Board motion passed in July 1995, studies have been initiated to evaluate EMC performance and to identify alternate management structures including fixed price final design, design-build, and integrated project office. These studies were intended to assist the Board, prior to authorizing additional AFE for ES final design services, in determining the preferred method to proceed with the design services for the ES project. The same Board motion also stipulated that no unnecessary delays be authorized on this project unless critical and necessary to the ultimate success of the project.

The selection of section designers for performance of final design services on the ES project was approved by the Construction Committee in March 1995, but has not yet been approved by the Board due to a protest against this procurement. Selection of section designers at this time may prove inconsistent with a Design/Build scenario or alternative management structure. The EMC is currently providing limited final design services on an interim AFE authorized by the Board in April (\$5 million) and July 1995 (\$1 million). The interim amount approved in July was anticipated to be sufficient to allow limited ES design work to proceed while the above mentioned Board-requested studies were performed, however the actual schedule for completion of these studies and presentation of results requires that EMC be directed to slow currently authorized work to ensure existing funding is not exhausted before decisions on management structure and design process are made.

Prepared by:


Joel Sandberg
Deputy Executive Officer
Green Line and Red Line
Segment 3 Eastside Extension


Michael Gonzalez
Deputy Executive Officer
Strategic Projects