



November 18, 2003

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: DENNIS S. MORI
INTERIM EXECUTIVE OFFICER
CONSTRUCTION PROJECT MANAGEMENT

SUBJECT: BOARD REQUESTED MONTHLY UPDATE ON
CONTRACT MODIFICATIONS FOR SAN FERNANDO
VALLEY METRO RAPIDWAY CONTRACTS FOR
PERIOD ENDING OCTOBER 2003

ISSUE

With the February 2003 adoption of the Project Budgets for the San Fernando Valley Metro Rapidway and Bikeway Projects, the MTA Board of Directors requested that a monthly update for the two major construction contracts showing all executed and pending Contract Modifications and remaining Contract Modification authority value be sent to the Construction Committee for their information. The Attachment A, San Fernando Valley Metro Rapidway and Bikeway Contract Modification Report, reflects the status of the two construction contracts as of the end of October 2003. In addition, the report this month includes contract actions for the Los Angeles Department of Water and Power Recycled Water Pipeline Project.

RATIONALE

On February 27, 2003, the MTA Board of Directors approved the adoption of the budgets for Project 800112, San Fernando Valley Metro Rapidway for a baseline value of \$329,500,000 and Project 800114, San Fernando Valley Bikeway for a baseline value of \$8,100,000. Within these budgets, the MTA Board authorized the Chief Executive Officer to execute contract modifications for Contract No. C0675 Design-Build up to \$15,109,502 and Contract No. C0676 Los Angeles River Bridge up to \$383,658, subject to project budget and funding limitations and reporting and approval and individual contract modification dollar limitations set forth in Attachment B. The additional sums and the authority to approve and execute contract modifications were not included as part of the contract award values for Contract Nos. C0675 and C0676. The additional sums allow the MTA and the Contractors to negotiate contract modifications in a timely manner to ensure that the cost and schedule benefits of a Design-Build process are realized.

11/18/2003

031180720

In order to protect the MTA's interests and to comply with applicable law, staff will process contract modifications in accordance with all requirements of MTA Procurement policies, including cost analysis, legal review and audit (when applicable) before any contract modification is executed. Attachment A provides contract modifications and remaining contract modification authority values for Contract Nos. C0675 and C0676 as well as a separate section for the Los Angeles Department of Water and Power (LADWP) Recycled Water Pipeline.

STATUS

Contract C0675 - Base Scope

As of the October 2003 period end, for the busway and bike/pedestrian path scope of work, there are three (3) executed Contract Modifications for a combined value of \$30,219.00 and three (3) Approved Change Orders issued for a combined value of \$198,043.00. Of the three executed Contract Modifications, one was a small deduct, and one a no-cost change. In addition, on June 16, 2003, the Chief Executive Officer authorized exercise of Option E.6 - Fiber Optic Ducts and Pull Boxes within the City of Burbank Bikeway Project and a Contract Modification was issued on June 12, 2003. This was pursuant to February 28, 2003 when the MTA Board of Directors separately authorized (via Recommendation E) the Chief Executive Officer to exercise, if deemed appropriate, Options E-2 through E-8 to Contract No. C0675. Accordingly, this option has not drawn down against the \$15,109,502 authorization for modifications.

There are several major pending Contract Modifications that may draw down the current contract authorization for modifications value for Contract No. C0675 Design-Build (busway and bike/pedestrian path projects). These are:

Change Notice No.	Change Notice Description	C0675 Cost Proposal	C0675 Time Extension Request
CN - 15.00	Modify & Expand Busway Irrigation System	\$8,067,181	133 Days
CN - 12.01	Replace PCC with Rubberized Asphalt in Busway at 10 Intersections	\$1,129,730	78 Days
CN - 12.02	Modify AC with Rubberized Asphalt along portions of the Busway	\$ 438,157	10 Days

There is a wide range between the MTA estimate and the Contractor's proposal (\$8,067,181) for the change from temporary landscaping irrigation to permanent landscaping irrigation designed to utilize recycled water. The difference is so big that MTA is reviewing this proposed change in scope to see if any reductions are possible.

Contract C0676 - Base Scope

As of the October 2003 period end, there are seven (7) change notices for Contract No. C0676 of which, five (5) are executed. No major Contract Modifications are pending, and only two minor Contract Modifications remain to be finalized.

LADWP Recycled Water Pipeline Project – New Scope

On September 16, 2003, the LADWP Board of Commissioners approved a \$5.0 million budget under an existing Master Cooperative Agreement with MTA for partial funding for schedule-critical portions of the LADWP Recycled Water Pipeline. On September 25, 2003, the MTA Board approved a \$5,000,000 initial budget for Project Number 800116 and authorized the issuance of Change Orders in the amount not to exceed \$2,500,000 to Contract No. C0675 for initial funding of design and construction of the LADWP Recycled Water Pipeline. These actions are required to maintain contract baseline scope of work completion milestones and avoid impacting the Project Revenue Operation Date of August 2005. Initial Contract Modifications for the Recycled Water pipeline are less than \$5.0 million but the total Contract Modifications value may be as high as \$32.0 million. (A revised proposal from the Contract No. C0675 Contractor was received for \$32 million, a decrease of \$5.0 million from the original proposal). The MTA's rough order of magnitude estimate is considerably less than the Contract No. C0675 Contractor's proposal. MTA and LADWP staff have developed the scope of work for the initial funding and a strategy for completion of the LADWP Recycled Water Pipeline.

There are five Change Orders (NTE's) for Contract No. C0675, for the LADWP Recycled Water Pipeline. These changes are shown in Attachment A. There is only one Change Notice for Contract No. C0676, Change Notice 1.00 for installation of the Recycled Water Pipeline under the Los Angeles River Bridge.

These Change Notices have been segregated from the current contract authorization for modification draw down as they are for the LADWP Recycled Water Pipeline. All Recycled Water Pipeline contract modifications are being tracked separately since they will be 100% reimbursable by LADWP. These Change Orders allow the Contract Nos. C0675 and C0676 Contractors to perform advance work for the Recycled Water Pipeline. This advance work is necessary to maintain contract baseline scope of work completion milestones and avoid impacting the Project Revenue Operation Date of August 2005.

However, the C0675 Contractor, in recent correspondence to the MTA, disagrees that there is no impact to Contract C0675 milestones. MTA staff will only authorize pipeline related changes to Contract C0675 on the basis that there will be no impact to the Project Revenue Operation Date of August 2005 but will permit, if necessary, the pipeline and the City's bikeway/pedestrian path to be built immediately above the pipeline to be completed after August 2005. MTA staff and the C0675 Contractor are in the process of defining the potential impact to Contract C0675 milestones and appropriate schedule mitigation measures. The cost of these schedule mitigation measures shall be born by LADWP as a condition of proceeding with the work.

LADWP related Contract Modifications will be negotiated and executed subject to the same rules governing MTA Board delegated authority to the Chief Executive Officer as were established in the February 2003 Board action (Attachment B). As an alternative to MTA executing changes to Contract C0675 for the pipeline, on October 28, 2003 LADWP Chief Operating Officer – Water Systems, Mr. Gerald Gewe sent a letter to MTA (Attachment C) requesting a variance to MTA Procurement Policies to allow LADWP staff to determine price reasonableness and to negotiate the price of pipeline change order work. MTA Legal and

Procurement staff are evaluating this request including the possibility of allowing LADWP, subject to an appropriate LADWP/MTA indemnity agreement, to create a direct LADWP contract with the C0675 Contractor. This is similar to an approach used with a private developer at Hollywood/Highland Metro Red Line Station.

NEXT STEPS

Provide the MTA Board of Directors with the San Fernando Valley Metro Rapidway and Bikeway Contract Modification Report for the period ending November 30, 2003.

ATTACHMENTS

- A. Contract No. C0675 Design-Build and Contract No. C0676 Los Angeles River Bridge Contract Modification Report
- B. Design-Build Contract Modification Reporting & Approval Authority Matrix
- C. Letter from Gerald Gewe, Chief Operating Officer – Water System, LADWP

ATTACHMENT A
SAN FERNANDO VALLEY METRO RAPIDWAY AND BIKEWAY
CONTRACT MODIFICATION REPORT

CONTRACT C0675, DESIGN BUILD - SHIMMICK -OBAYASHI, JV

Current Contract Authorization for Modifications: \$15,109,502

Less Executed Modifications:

5.00	DELETE AERIAL PHOTOGRAPHY & WORK ASSOCIATED WITH SECTION 1380.DB-2.3 (Deductive Change)	(\$10,395.00)
7.00	MODIFY R VALUES AT CERTAIN LOCATIONS	\$40,614.00
11.00	LABOR COMPLIANCE MANUAL	\$0.00
Total Modifications:		\$30,219

Less Total Approved Change Orders (NTE's):

1.01	NTE: EXPANDED SPACE FOR INTEGRATED PROJECT OFFICE	\$181,043.00
6.01	UPGRADE LOS ANGELES BUREAU OF STREET SERVICES (BSS) ACCESS ROAD EASEMENT	\$15,000.00
9.00	REPLACE THE EXISTING SIGNAL HEADS FROM INCANDESCENT LAMP USE WITH LIGHT EMITTING DIODES (Initial Start of Design)	\$2,000.00
Total Modifications:		\$198,043

Less Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
1.00	EXPANDED SPACE FOR INTEGRATED PROJECT OFFICE	Less than One Million
3.00	DELETE WORK ASSOCIATED WITH PARKING LOT AT TYRONE AND BESSEMER AVENUES (Deductive Change)	Less than One Million
6.00	UPGRADE LOS ANGELES BUREAU OF STREET SERVICES (BSS) ACCESS ROAD EASEMENT	Less than One Million
6.01	UPGRADE LOS ANGELES BUREAU OF STREET SERVICES (BSS) ACCESS ROAD EASEMENT	Less than One Million
8.00	DELETION OF TWO TRAFFIC SIGNAL CONTROLLERS (Deductive Change)	Less than One Million
9.00	REPLACE THE EXISTING SIGNAL HEADS FROM INCANDESCENT LAMP USE WITH LIGHT EMITTING DIODES (Balance of Work)	Less than One Million
12.01	REPLACE PCC W/ RUBBERIZED ASPHALT IN BUSWAY AT TEN (10) INTERSECTIONS	More than One Million

ATTACHMENT A (continued)
SAN FERNANDO VALLEY METRO RAPIDWAY AND BIKEWAY
CONTRACT MODIFICATION REPORT

CONTRACT C0675, DESIGN BUILD - SHIMMICK -OBAYASHI, JV

Current Contract Authorization for Modifications:

\$15,109,502

Less Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
12.02	MODIFY AC W/ RUBBERIZED ASPHALT ALONG PORTIONS OF THE BUSWAY	Less than One Million
13.00	DELETION OF DESIGN & INSTALLATION OF RACEWAY & FIBER OPTIC CABLE IN USG P-2 AREA (Deductive Change)	Less than One Million
14.00	NEW SIGNALIZED INTERSECTION AT CHANDLER AVENUE SOUTH & LEGHORN AVENUE	Less than One Million
15.00	MODIFY AND EXPAND BUSWAY IRRIGATION SYSTEM	More than One Million
16.00	REMOVE UNSUITABLE MATERIAL ON ROW NEAR CEDROS AVE.	Less than One Million
17.00	ACCESS TO NO HOLLYWOOD PKG LOT BY FAST TRACK CONSTRUCTION	Less than One Million
19.00	SEPULVEDA PARK AND RIDE MODIFICATIONS	Less than One Million
20.00	REVISION OF SOUNDWALL LIMITS ADJACENT TO CROSS STREETS	Less than One Million
21.00	REMOB OF DEMO CONTRACTOR DUE TO UTILITY DISCONNECT	Less than One Million
22.00	FIBER OPTIC DUCT BANK EAST OF LANKERSHIM BLVD	Less than One Million
24.00	NEW CRANE STRUCTURE & CATWALK; DELETE 1 of 2 CRANES AT DIVISION 8	Less than One Million
25.00	REPLACE PVC CONDUIT W/ HDPE CONDUIT & OTHER REQUIREMENTS (Deductive Change)	Less than One Million
27.00	BIKE PATH ENHANCEMENTS	Less than One Million
28.00	REDESIGN BUSWAY	Less than One Million

Total Pending Rough Order of Magnitude Cost:

\$9,305,027

Projected Remaining Authorization for Modifications after Disposition of Pending Changes

\$5,576,213

ATTACHMENT A (continued)
SAN FERNANDO VALLEY METRO RAPIDWAY AND BIKEWAY
CONTRACT MODIFICATION REPORT

CONTRACT C0676, LOS ANGELES RIVER BRIDGE - BRUTUCO ENGINEERING & CONSTRUCTION, INC.

Current Contract Authorization for Modifications: \$383,658

Less Executed Modifications:

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
2.00	FOUNDATION PLAN REVISION	\$0
3.00	WELDING INSPECTIONS PROCEDURE FOR CISS PILES	\$0
4.00	ANTI GRAFFITTI COATING REVISIONS	\$39,038
5.00	ADDITIONAL REMOVAL OF EXISTING CHANNEL LINING	\$10,527
6.00	ADDITIONAL CONCRETE THICKNESS IN CHANNEL LINING	\$2,850
Total Modifications:		\$52,415

Less Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
7.00	Bridge Deck Profilograph	Less than One Million
8.00	Delete Field Office - Specification 01590 (Deductive Change)	Less than One Million
Total Pending Rough Order of Magnitude Cost:		-\$56,799

Projected Remaining Authorization for Modifications after Disposition of Pending Changes \$388,042

ATTACHMENT A (continued)
SAN FERNANDO VALLEY METRO RAPIDWAY - LADWP RECYCLED WATER PIPELINE
CONTRACT MODIFICATION REPORT

CONTRACT C0675, DESIGN BUILD - SHIMMICK -OBAYASHI, JV - LADWP RECYCLED WATER PIPELINE (RWP)

Current Contract Authorization for Modifications*: **\$2,500,000**

Less Executed Modifications:

0.00	NONE	\$0.00
------	------	--------

Total Modifications: **\$0.00**

Less Total Approved Change Orders (NTE's):

10.01	POTHOLING AND DESIGN OF DWP RECYCLED WATERLINE AT SELECT EXISTING ROADWAY INTERSECTIONS	\$90,000.00
10.02	ADDED POTHOLING AND DESIGN OF DWP RECYCLED WATERLINE AT SELECT EXISTING ROADWAY INTERSECTIONS	\$90,000.00
10.04	INSTALL DWP RWP AT TUJUNGA BRIDGE	\$75,000.00
10.05	INSTALL DWP RWP AT BULL CREEK BRIDGE	\$75,000.00
10.10	VERIFY PRESTRESSED GIRDER CALCULATIONS FOR DWP RWP LOADS	\$5,000.00

Total Modifications: **\$335,000.00**

Less Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
10.00	DWP RECYCLED WATERLINE (Full Length)**	More than One Million
10.01	POTHOLING AND DESIGN OF DWP RECYCLED WATERLINE AT SELECT EXISTING ROADWAY INTERSECTIONS	Less than One Million
10.03	DESIGN AND INSTALL DWP RWP AT THREE (3) INTERSECTIONS OF THE EAST END	Less than One Million
10.04	INSTALL DWP RWP AT TUJUNGA BRIDGE	Less than One Million
10.05	INSTALL DWP RWP AT BULL CREEK BRIDGE	Less than One Million
10.06	INSTALL DWP RWP AT NINE (9) CROSSINGS AND BOTH ENDS OF THE LOS ANGELES RIVER BRIDGE	Less than One Million

Total Pending Rough Order of Magnitude Cost: *\$11,527,314****

ADDITIONAL FUNDING POTENTIALLY REQUIRED FROM DWP BASED ON CONTRACTOR'S PROPOSAL FOR CN 10.00: **\$29,397,718**

* MTA Board Approved Project Authorization = \$5,000,000.

** Revised estimate from contractor was submitted for \$31,897,718 for the entire alignment.

ATTACHMENT A (continued)
SAN FERNANDO VALLEY METRO RAPIDWAY - LADWP RECYCLED WATER PIPELINE
CONTRACT MODIFICATION REPORT

CONTRACT C0676, LOS ANGELES RIVER BRIDGE - BRUTUCO ENGINEERING & CONSTRUCTION - LADWP RWP

Executed Modifications:

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
1.00	DWP RECYCLED WATER LINE	\$208,465.00
Total Modifications:		\$208,465

Pending Modifications: (Exact estimate not shown to preserve confidentiality of MTA negotiation position)

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
0.00	NONE	0
Total Pending Rough Order of Magnitude Cost:		\$0

**ATTACHMENT B
DESIGN-BUILD CONTRACT MODIFICATION
REPORTING & APPROVAL AUTHORITY MATRIX**

Contract Modification \$ Amount	Approval Authority	Comment
Up to \$1,000,000	Chief Executive Officer	Chief Executive Officer approves and executes Contract Modification under his authority.
>\$1,000,000	Construction Committee/ MTA Board of Directors	Chief Executive Officer executes after Construction Committee recommendation and final approval by the full MTA Board of Directors.
> \$1,000,000	MTA Board of Directors	For time critical Contract Modification, staff may agendaize an item to the full MTA Board of Directors without prior recommendation from the Construction Committee. Chief Executive Officer executes after MTA Board of Directors approval.
For all contract modifications regardless of value The total cumulative change amount will not be greater than the Board approved not to exceed amount for Contract Modifications.	Merit review by County Counsel and Office of Procurement subject to Public Utility Code Section 130243	Staff will issue a monthly update of all executed and pending Contract Modifications and remaining Contract Modification authority value to the Construction Committee for their information.

ATTACHMENT C

Department of Water and Power



the City of Los Angeles

JAMES K. HAHN
Mayor

Commission
DOMINICK W. RUBALCAVA, *President*
LELAND WONG, *Vice President*
ANNIE E. CHO
KENNETH T. LOMBARD
SID C. STOLPER
SUSAN C. PARKS, *Secretary*

DAVID H. WIGGS, *General Manager*
FRANK SALAS, *Chief Administrative Officer*

October 28, 2003

Mr. Roger Snoble
General Manager
Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

RECEIVED
NOV 03 2003

Dear Mr. Snoble:

Subject: Negotiation Procedure with Shimmick-Obayashi Joint
Venture for Recycled Water Pipeline

Thank you for your continuing assistance in pursuing the addition of the recycled water pipeline within the San Fernando Valley Metro Rapidway (Rapidway). I recognize the need to keep the Rapidway on schedule and want to do everything possible to minimize any delays to the completion of the bicycle path and landscaping. It has come to my attention that Metropolitan Transportation Authority's normal change order procedure requires various estimates and audits depending upon the dollar value and that these procedures can become time consuming. Since the Los Angeles Department of Water and Power (LADWP) will bear the cost of the recycled water change orders, and in the interest of avoiding delays, I propose there be a variance to allow LADWP staff to negotiate the price of the recycled water pipeline change order work.

LADWP relies on its project managers to negotiate a fair price directly with contractors. Using LADWP procedure for this work may significantly accelerate the change order process, allowing Shimmick-Obayashi Joint Venture to begin work sooner, and consequently keep the Rapidway on schedule and minimize any delays to the opening of the bicycle path.

If you have any additional questions, please contact Mr. Richard F. Harasick, of my staff, at (213) 367-0910.

Sincerely,

Gerald A. Gewe
Chief Operating Officer - Water System

- c: Mr. Dennis Mori - MTA
- Mr. Roger Dames - MTA
- Mr. Hitesh Patel - MTA
- Mr. Mark Van Gessel - MTA
- Mr. Bharpor Takhar - MTA
- Mr. Richard F. Harasick

Water and Power Conservation ... a way of life

111 North Hope Street Los Angeles, California Mailing address Box 51111, Los Angeles 90051 0100
Telephone (213) 367-4211 Cable address DEWAPOLA