

August 15, 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 JULY 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 attached San Fernando Valley Metro Rapidway Contract Modification Report reflects the status of the two construction contracts as of the end of July 2003.

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 A. 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.

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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 B provides contract modifications and remaining contract modification authority values for Contract Nos. C0675 and C0676.

STATUS

As of the July 2003 period end, there are eleven changes, with two executed, initiated for Contract No. C0675. 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. This was pursuant to February 28, 2003 when the MTA Board of Directors authorized (via Recommendation E) the Chief Executive Officer to exercise, if deemed appropriate, Options E-2 through E-8 to Contract No. C0675. There are six changes initiated, with four executed, for Contract No. C0676.

There are several potential Contract Modifications that could substantially draw down the current contract authorization for modification value for Contract No. C0675 Design-Build (busway and bike/pedestrian path projects). Busway enhancements include rubberized asphalt busway paving (excluding intersections) and additional permanent landscape irrigation along the busway between stations. Bike/pedestrian path enhancements include several options that are under review which vary the composition of finishes from colored asphalt pavement to use of stabilized decomposed granite for the pedestrian path. The busway and bike/pedestrian path enhancements value may be in the range between two to four million dollars.

Change Notices 10.00 and 10.01 for Contract No. C0675 and Change Notice 1.00 for Contract No. C0676 have been segregated from the current contract authorization for modification draw down as they are for the Los Angeles Department of Water and Power (DWP) proposed Recycled Water Pipeline Project. These actions allow the Contract Nos. C0675 and C0676 contractors to perform advance work for the proposed 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. All Recycled Water Pipeline contract modifications will be 100% reimbursable by DWP and all expenditures will be tracked separately. DWP 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 A).

NEXT STEPS

Provide the MTA Board of Directors with the San Fernando Valley Metro Rapidway and Bikeway Contract Modification Report for the period ending August 31, 2003.

In September 2003, DWP Board of Commissioners will be presented with the adoption of the Recycled Water Pipeline Project. Subsequent to DWP action, MTA staff will present for MTA Board contract actions required for design and construction required for the Recycled Water Pipeline Project. 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 Project are greater than \$19 million dollars. (A preliminary proposal from the Contract No. C0675 Contractor was received for \$37 million dollars)

ATTACHMENTS

- A. Design-Build Contract Modification Reporting & Approval Authority Matrix
- B. Contract No. C0675 Design-Build and Contract No. C0676 Los Angeles River Bridge Contract Modification Report

**ATTACHMENT A
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 B
SAN FERNANDO VALLEY METRO RAPIDWAY
CONTRACT MODIFICATION STATUS**

CONTRACT C0675, DESIGN-BUILD, SHIMMICK CONSTRUCTION CO., INC/OBAYASHI CORP, 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	(\$10,395.00)
8.00	DELETION OF TWO TRAFFIC SIGNAL CONTROLLERS	(\$35,831.00)
Total Modifications:		(\$46,226.00)

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>
1.00	EXPANDED SPACE FOR PROJECT INTEGRATED OFFICE	Less than One Million
1.01	NTE: EXPANDED SPACE FOR PROJECT INTEGRATED OFFICE	Less than One Million
3.00	DELETE WORK ASSOCIATED WITH PARKING LOT AT TYRONE AND BESSEMER AVENUES	Less than One Million
6.00	UPGRADE LOS ANGELES BUREAU OF STREET SERVICES (BSS) ACCESS ROAD EASEMENT	Less than One Million
7.00	MODIFY R - VALUE AT CERTAIN LOCATIONS	Less than One Million
9.00	REPLACE THE EXISTING SIGNAL HEADS FROM INCANDESCENT LAMP USE WITH LIGHT EMITTING DIODES (LED's)	Less than One Million
11.00	LABOR COMPLIANCE MANUAL	Less than One Million
Total Pending Rough Order of Magnitude Cost:		\$341,043

Projected Remaining Authorization for Modifications after Disposition of Pending Changes \$14,814,685

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CONTRACT MODIFICATION STATUS**

CONTRACT C0675, DESIGN-BUILD, SHIMMICK CONSTRUCTION CO., INC/OBAYASHI CORP, JV

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

OTHER COST EXPOSURE NOT TO BE FUNDED FROM "CONTRACT AUTHORIZATION FOR MODIFICATIONS"

<u>OTHER</u>	<u>TO BE REIMBURSED BY DWP UNDER PROJECT 800116</u>	<u>Cost Range</u>
<u>Change Notice #</u>	<u>Description</u>	
10.00	DWP RECYCLED WATERLINE	More than One Million
10.01	POTHOLING AND DESIGN OF DWP RECYCLED WATERLINE AT SELECT EXISTING ROADWAY INTERSECTIONS	More than One Million

Total Pending Rough Order of Magnitude Cost: * \$19,090,000

* Receipt of proposed estimate from contractor was approximately \$37,600,000.00

<u>OTHER</u>	<u>OPTION EXECUTION (SEPARATE BOARD AUTHORIZATION IN FEBRUARY 2003)</u>	
2.00	EXERCISE OPTION E.6. FIBER OPTIC DUCTS WITHIN CITY OF BURBANK	\$320,250

**ATTACHMENT B
SAN FERNANDO VALLEY METRO RAPIDWAY
CONTRACT MODIFICATION STATUS**

CONTRACT C0676, LOS ANGELES RIVER BRIDGE, BRUTUCO ENGINEERING AND 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
5.00	ADDITIONAL REMOVAL OF EXISTING CHANNEL LINING	\$10,527
6.00	ADDITIONAL CONCRETE THICKNESS IN CHANNEL LINING	\$2,850
Total Modifications:		\$13,377

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>
4.00	ANTI GRAFFITTI REVISIONS	Less than One Million
Total Pending Rough Order of Magnitude Cost:		TBD

Projected Remaining Authorization for Modifications after Disposition of Pending Changes \$349,281

OTHER COST EXPOSURE NOT TO BE FUNDED FROM "CONTRACT AUTHORIZATION FOR MODIFICATIONS"

OTHER TO BE REIMBURSED BY DWP UNDER PROJECT 800116

<u>Change Notice #</u>	<u>Description</u>	<u>Cost Range</u>
1.00	DWP RECYCLED WATER LINE	Less than One Million
Total Pending Rough Order of Magnitude Cost:		TBD