

**Metro**Los Angeles County
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metro.net**CONSTRUCTION COMMITTEE
FEBRUARY 20, 2014****SUBJECT: LOS ANGELES CONSTRUCTION MARKET ANALYSIS STATUS
REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

Receive and file this status report on the Los Angeles Construction Market Analysis report.

ISSUE

At the October 17, 2013 Construction Committee, Metro staff presented results and recommendations of the Los Angeles Construction Market Analysis performed by Leland Saylor Associates (Saylor). The Board instructed Metro staff to return and report on progress in response to Saylor's recommendations.

DISCUSSION

Metro staff noticed a significant upward trend in project bid costs starting in the mid 2012 timeframe. Staff is concerned that increases in bid prices could impact our ability to deliver the Measure R and other projects within existing budgets. A market conditions analysis was performed in order to identify factors which may be related to the increase in bid prices and develop mitigation strategies.

Results of the Analysis

Metro engaged Leland Saylor Associates (Saylor) to perform a comprehensive market analysis to explore factors influencing construction cost in the 2011 to 2013 timeframe. Saylor's analysis indicates the major causes of price increases at Metro are the recovering Los Angeles construction market, the size of the Metro program, Metro specific requirements, processes and procedures and mega project risk (see Attachment A).

Report Recommendations

The following are Saylor's report recommendations and action by staff as a result:

1. Review estimating methodology and unit costs to reflect Metro current environment and the general recovering construction market

Metro and the Associated General Contractors of America (AGC) agreed to form an estimating subcommittee under their joint Metro/AGC Liaison Committee during March 2013. This subcommittee's function is to help Metro better understand how contractors perceive and price contingencies into their proposals for Metro's large design-build projects. Beginning in May, this subcommittee has met monthly to discuss how contractors assess risks and incorporate their potential cost impacts into bids and proposals.

Two major cost areas that have been discussed and evaluated so far are contractor's general expense and overhead costs and disadvantaged business enterprise program compliance costs. Other areas of risk assessment and pricing methodology are planned to be discussed in the future. Metro has already incorporated many of the suggested improvements into its cost estimating methods for its design-build projects.

Since January 2013, Metro has been more carefully monitoring the results of the bids and proposals it receives for projects in order to do a better job at forecasting construction services market conditions. Metro staff makes comparisons between the low bids or proposals received and Metro's Engineer's Estimates or Independent Cost Estimates. This information shows that construction services market conditions have been improving for Metro since the first quarter of 2013 (see Attachment B). This more accurate, current information has helped Metro adjust its pricing methods for Independent Cost Estimates (ICE) to account for these changes in market conditions.

2. Independent third party estimates and reconciliations on larger projects

Beginning in May 2013, Metro made arrangements to have independent check estimates prepared for the major design-build contracts for Metro's Regional Connector and Westside Purple Line Extension projects. For these two projects, Metro chose to have its program management consultant, Hill International, Inc. (Hill), prepare these estimates.

Metro received Hill's completed check estimate for Metro's Request for Proposal (RFP) C0980, Regional Connector Transit Corridor Project Design-Build, during August. This estimate was reconciled with the Regional Connector Project's preliminary engineering design consultant's Engineer's Estimate and used to develop Metro's final ICE for this RFP. Since the proposals received for this RFP are still being evaluated by Metro, it is unknown at this time how they compare to Metro's ICE.

Metro received Hill's check estimate for Metro's RFP C1045, Westside Subway Extension Section 1, based on its original proposal solicitation documents during September. This estimate will be reconciled with the project's preliminary engineering design consultant's engineer's estimate and used to develop Metro's final ICE for this RFP. Since proposals have not been received yet for this RFP, it is unknown at this time how they will compare to Metro's ICE.

3. Include formal risk analysis procedures with Monte Carlo simulation on all projects over \$100M

Metro will include formal risk analysis procedures with Monte Carlo simulation on all projects over \$100 million. Metro staff is in the process of revising the risk management policy and procedures to reflect this change.

4. Review contractual conditions for fair allocation of risk, appropriate liability requirements, and industry standard insurance requirements

Metro specifies project contractual risk terms, including insurance, so that the cost of project risk is borne by the project. Doing so reduces the likelihood that transit operating resources will be required to pay for legal liabilities related to the project while improving contractor incentives for loss control. We also set our contract risk terms in order to maintain commercially reasonable insurance limits and coverage breadth, lowering the total project cost of risk which includes Metro retained risk, insured risks and contractor retained risks. In order to do so, Metro staff and our insurance broker, Wells Fargo Insurance Services, regularly review our project insurance requirements with global insurance underwriters to validate that our required project insurance coverage is readily obtainable in the marketplace with the terms and limits of coverage we are requesting.

We further confirm that these insurance terms match the project scope and scale. Imposing commercially reasonable and available insurance standards improves competition among insurance companies interested in writing policies for the project, restraining insurance costs. In addition to insurance company outreach, Metro has ongoing, active collaboration with the AGC, their risk management staffs and the largest construction brokerage firms in the world whereby we request comments on draft insurance and contractual risk terms. This early and ongoing review by interested parties allows us to adjust contract provisions in response to a changing insurance marketplace or to address legitimate contractor concerns about insurance availability, limits, terms or price. We have and will continue to revise contractual risk terms.

5. Review change order procedures, focus on staffing to accommodate coming demand in 2014-2019

The Saylor Market Analysis identifies several factors within Metro's Change Order process, as reported to Saylor by contractors, which contribute to delays in payment. The delay of payments for merited changes not only creates risks to contractors but

also disadvantaged business enterprises (DBE) that are affected most by cash flow issues. Saylor's Market Analysis identified a lengthy change order process, inadequate resources to address changes, and lags in obtaining Board approval of changes, as the main contributing factors.

Assembly Bill 2440 (2012 session)

AB 2440 repealed several onerous provisions of law applicable only to the MTA Change Order process. Staff is developing recommendations for permanent changes to Board adopted policy and operating procedures to reflect the more flexible current environment created by the passage of this bill. Lessons learned from the Pilot Program below as well as other best practices from other public agencies and recommendations on Board approval of changes will be incorporated into revised policy and procedures.

Change Order Pilot Program:

The change order process is a necessary element to all construction projects, and delays in that process are of great concern to Metro staff. In January 2013, staff initiated a pilot program to improve the process time associated with changes on the I-405 Sepulveda Pass Widening Project. The pilot introduced two important elements that had an immediate and positive impact on the time needed to resolve change orders for that project. Staff will incorporate these pilot initiatives onto its future major construction projects.

- A. Metro established clear process definitions, roles and responsibilities for the parties that mirror the contract requirements. The main emphasis focuses attention on the discrete steps and durations necessary to process changes, and ensures both parties are cognizant of each phase and their responsibilities within those phases. It helps both parties to establish a common definition of the scope of work for the change order, before proceeding to the next step, an important element in estimating the cost of a change order.
- B. Metro modified its administrative policy to allow for its ICE to be openly shared with the contractor. This change in process allows for the immediate reconciliation of labor and material quantities to be openly evaluated by both parties during the fact finding sessions. It also has a positive effect on the dynamics of the change order process. Contractors and Metro staff can now openly discuss quantity differences in each other's estimates, which allow the parties to share important information and minimize the adversarial atmosphere.

Resource Allocations:

The Saylor Market Analysis asserts that an important contributor to delays in Metro's change order processing is the inadequate resource allocation of skilled and experienced staff. The change order process requires fully dedicated staff to perform the various tasks necessary to determine merit and value of the proposed change order. These resources include personnel in contract administration, estimating, project control and field supervision responsible for assessing base contract and change order

work. Adequate resources will be identified and allocated at the beginning of a major project by the integrated project team to avoid back log and delay.

Board Approval of Changes:

The current Board authorization for staff's approval of change orders, also known as Change Modification Authority (CMA) is \$500,000. It has been increased on a case by case basis to \$1,000,000 on projects such as the Eastside Extension and the I-405 Sepulveda Pass Widening Project.

The Saylor Market Analysis asserts that delays due to Board approval of change orders adds up to seven months in the change order process. Metro staff has found that CMA approval from the Board can add up to two months due to the time necessary to develop and place a staff item on the Board agenda. In order to mitigate any delay the Board may consider an increase in the Board approved CMA, based on the size and expected complexity of the construction project. As an example, a \$1 billion project would benefit from an expansion of CMA authority to \$2 million, whereas a construction project of less than \$100 million may not require an expansion of the existing CMA of \$500,000.

The Saylor Market Analysis makes the recommendation of adopting the practice of approving limited values of a change order on a Not-to-Exceed basis until the staff item goes before the Board. If the Board chooses to challenge the change order recommendation, the advanced authority will have given merit and authority to the change order in question, and would be difficult to reverse. For this reason, Metro staff recommends limiting the use of this advance authority to time critical activities only.

6. Continue efforts to provide advance utility relocation packages

Advance coordination and relocation efforts with utilities such as water, power, communication, fiber, gas, and city facilities have proven to be one of Metro's most important tasks in order to have a successful project. Hence, Metro continues to move forward with proactively relocating in advance conflicting utilities or third party structures that can potentially influence the bidders' costs and schedules, should they remain in their contract. Current ongoing advance relocations via the following paths have proven to be beneficial for the projects and are currently being practiced on each major project and reflected in the RFP's:

- A. Initiate utility relocations via the third party entities. All work to be performed by utility owners.
- B. Due to resource availability issues with the utility owner, initiate a utility relocation via Metro performing a portion of the scope through Metro advance utility relocation contracts, while the remainder is performed by utility owner.
- C. Due to resource availability issues with the utility owner, initiate a utility relocation via Metro performing entire relocation work via Metro advance utility relocation contracts.

D. In cases where construction cannot take place in advance, the intent is to at least prepare the designs to 100% with appropriate City or entity approval so that the Contractor only has to perform the actual construction without having to go through sometimes long and tedious design approval processes.

7. Establish more robust cooperative agreements between Caltrans, City and County of Los Angeles

Metro is proactively working towards setting up agreements with entities that will be impacted by our proposed projects. Furthermore, in the case of existing agreements, Metro is also in discussions with those entities to update and add additional language to better mitigate risks. Language includes, but is not limited to, Buy America provision language as well as more defined and streamlined review cycles.

8. Ensure DBE goal established for large projects reflects the amount of DBE's in the market place ready, willing, and able to take on Metro work

Metro currently certifies between 180 and 250 DBE's per year. In addition, DBE's are certified by Caltrans, Northern California transit agencies, and other recipients of DOT funds. Metro hosts a monthly workshop, "How to Do Business with Metro" with over 200 participants each month to educate small businesses about upcoming opportunities and to improve the small business' ability to successfully propose on contracts. Metro is also researching a bond assistance program, in conjunction with the City and County of Los Angeles, to provide bonding assistance to those firms who need that assistance. Therefore, the list of DBE's is continually growing.

Goals are set on a project by project basis. The project manager identifies potential subcontracting opportunities. Then, together with the Diversity and Economic Opportunity Department (DEOD), they review the listing of firms who are certified in those areas of expertise. The goal is then set according the amount of available firms. DEOD recommends that the proposer contact at least 40% of the people on the list in each subcontracting category to fulfill the goal requirements. DEOD also provides training for the proposers at the pre-proposal conference and a checklist of ways to ensure goal attainment.

For these reasons, we do not anticipate that the DBE goal will outpace available firms.

9. Continually assess labor demand; review Project Labor Agreement (PLA) hiring practices to ensure adequate labor exists to meet goals

An important element of our PLA is Construction Careers Program. This Board policy states the following guiding principles: "The purpose of the Construction Careers Program (CCP) is to provide jobs for LA County workers, thereby, reducing unemployment and stimulating the LA County economy."... "Each project will include an apprenticeship program to provide training for unemployed workers who desire to pursue a career in the construction trades."... "Effective monitoring procedures, regular

status reporting and enforceable remedies for non-compliance will be included in the construction contracts...” “Each contractor will hire a Jobs Coordinator to provide services to support the CCP.”

The construction industry workforce, much like the rest of the American workforce, is facing an aging population. As the “baby boomers” retire there will be increasing demand for construction workers to fill the void left by the retirees. Programs like Metro’s CCP will help to ensure that trained apprentices are ready to move into construction careers as the workload demands.

10. Review Metro staffing levels to match resources to size of projects

Metro develops a staffing plan for each of its major construction projects. These plans are then used to determine where staffing shortfalls may exist so that additional staff can be acquired either through direct hire or the use of consultants. Metro has acquired the services of a recruiter to assist with hard to fill positions and has consultants currently available to assist in any areas necessary.

11. “Embrace partnering on all levels” (Quote from contractor survey)

Metro utilizes partnering in our major construction projects. We have a special provision in our contracts that outlines the intent of the partnering process, the participation and responsibilities, the workshops and selecting a mutually acceptable third party facilitator, and the rights of the parties. Metro staff agrees that agencies that have a partnering mentality can garner competitive bids. Metro project teams make every attempt throughout each project’s life to partner with the contractor team, the support staff and the third party facilitator. The Gold Line Eastside Extension is an example of when partnering has worked to quickly resolve issues, assume appropriate risk for unforeseen conditions, process merited changes quickly and allow for timely approvals. Metro will strive to improve the partnering process in existing contracts, and seek contractor input in order to improve partnering in future contracts.

NEXT STEPS

Metro staff will continue to work on addressing the Los Angeles Construction Market Analysis report’s findings and recommendations. We intend to engage Leland Saylor Associates to assist in some follow up analysis, including benchmarking against our peer organizations.

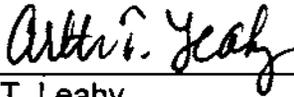
ATTACHMENTS

- A. Los Angeles Construction Market Analysis, Executive Summary
- B. Variance Between Metro’s Estimates and Low Bids

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Brian Boudreau
Executive Director, Program Management

A handwritten signature in black ink, appearing to read "Arthur T. Leahy", written over a horizontal line.

Arthur T. Leahy
Chief Executive Officer

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
LOS ANGELES CONSTRUCTION
MARKET ANALYSIS



August 26, 2013

I. Executive Summary

A. Key Points

i. Key Findings Having Significant Impact on Construction Costs in the Los Angeles Infrastructure Construction Market

Economic, labor and spending trends indicate recovering construction economy

Examination of key economic indicators (Gross Domestic Product (GDP), employment, construction employment and construction spending) all point to a recovering market. In the California and national market, this effect is moderate; the recovery in the Los Angeles construction market has been more rapid. Both nationally and locally, the construction recovery has been led by rising home prices, resulting in increased residential spending. Locally, from 2009 to current, construction starts have increased 30%, while construction employment is currently at 2009 levels. Employment in heavy civil category, however, has increased by 19% in the past two years, leaving employment in that category only 7% under the peak in 2007. It is likely the effect of the recovering market is contributory to the price increases experienced by LACMTA in the 2012-2013 timeframe.

Bidding trends analysis

An analysis of 111 infrastructure bids in the 2011-2013 timeframe indicate on average, bids received were 12% under engineer's estimate in 2011, 13.5% under engineer's estimate in 2012, and approximately 3% under estimate in 2013. By contrast, LACMTA's bids (excluding projects under \$3 million) were 6% over engineer's estimate in 2012 and 33% over estimate in 2013 (only two projects over \$3 million bid in 2013, thus too small to predict trends). The trend in 2013 for bids closer to the estimate is evidence the market is becoming less competitive and more balanced. This trend is magnified in the Metro bidding pool.

Contractor Survey

While our data points to a recovering market, most contractors did not cite a tightening in the market as a reason for rising prices to LACMTA. Most contractors surveyed believed LACMTA had a higher risk profile than is industry standard, and this could be a contributory factor in higher prices at LACMTA. Interviews indicated the greatest possibility of risk came from unforeseen conditions and delays in third party approvals. This risk is compounded by the change order process, which many indicated can take six to seven months or even longer for approved change orders.

Other factors cited were more complex administrative requirements and higher than normal insurance and bonding requirements, including clauses for unlimited liability and consequential damages.

Contractor suggestions for reducing cost were:

- Continue to reduce risk of unforeseen conditions with advanced utility relocations
- More robust cooperative agreements with Caltrans and City and County of Los Angeles to lessen risk of delay due to third party approvals
- Improving the change order processing procedure to reduce delays in payments of approved changes
- Escalation clauses on select materials to reduce risk of escalation
- Split large transit programs into smaller packages
- Review unlimited liability and consequential damages clauses

Independent Analysis of Causes of Price Increases

Our analysis indicates the four major causes of price increases at LACMTA are:

- The recovering Los Angeles construction economy
- Specific LACMTA requirements, processes and procedures
- Size of the LACMTA program
- Tendency for mega projects to exceed budgets

Recovering Los Angeles Construction Market

The recovery in the construction industry is increasing bid prices in 2013, and this effect is magnified in the LACMTA bids, both in increases in bid prices and reduction in the number of bidders. While labor and material increases are stable at 2-3%, 2013 marks the end of the hyper competitive market evidenced in 2009-2012. The enormous increases in productivity during the recession, along with very low margins, are now beginning to revert to more normal productivity and margins. Independent analysis indicates the recovering market, coupled with specific LACMTA conditions, policies and procedures, are the primary factors in rising costs in the LACMTA pool.

Size of the LACMTA Program

However, another factor not mentioned by contractors which may be having a significant effect on the LACMTA bids, and is likely to become a more urgent concern in the 2014-2017 time frame: the size of the LACMTA "30/10" plan. Examinations of LACMTA's yearly capital expenditures indicate LACMTA capital spending has increased 33% from 2011 to 2013. A possible contributory effect on LACMTA's increase in bid prices may be the contractor pool familiar with bidding LACMTA work is becoming more saturated as a whole. Supporting this conclusion is the employment data for heavy civil construction in Los Angeles: an increase of 19% in the last two years, which greatly outpaces overall employment growth in Los Angeles as well as general construction employment growth.

Currently (to a lesser degree), LACMTA is “making its own market”; i.e., the biggest competition for resources will come from LACMTA itself; and this effect will likely become even more evident as larger increases in the program put more pressure on resources in the 2014-2017 window. This effect may be exacerbated by the additional pressures of the growing housing market, potentially siphoning off laborers and carpenters.

Moving into the future, LACMTA anticipates a staggering \$13.9 billion in construction spending from current to 2019. This is equivalent to 1.5 times Caltrans’ entire annual capital outlay. Rarely are transit programs of this magnitude performed in such a limited geographical area in such a short period of time, so it’s difficult to predict the extent to which this may affect bid prices. However, with approximately \$5 billion of work being let in the 2013-2015 timeframe alone, we believe there is a strong possibility, similar to spikes in the 2004-2006 economy, LACMTA may experience spikes in bid prices far in excess of labor and material increases in 2015-2017, possibly as early as 2014.

While there is currently an excess of available labor in California, the excess capacity shown in the Los Angeles is much less, especially in the heavy civil category. Many construction workers retired or left the industry, so the 20% differential in the LA labor market from the peak to today is somewhat illusory. Statewide, the available capacity is much greater, so much will depend on the infusion of labor resources from other areas, and how quickly that could occur.

LACMTA Specific Requirements, Processes and Procedures

While Saylor has not conducted any kind of audit on LACMTA specific conditions, contractor interviews indicate the pool perceives LACMTA projects generally contain more risk than is industry standard. Greatest areas of risk noted were unforeseen conditions, delays in third party approvals, not being compensated for those delays, and delays in change order processing if the changes are approved. In addition, LACMTA is viewed as having higher administrative burdens than the general infrastructure community, including the Project Labor Agreement (PLA) and upcoming changes to Disadvantage Business Enterprises (DBE) program.

Mega Project Risk

Although mega projects bid in the 2009-2011 timeframe generally came in under engineer’s budget, mega projects (\$600 + million) have a long history of exceeding their budgets. Several mega projects bid in the 2012-2013 timeframe (Metro Crenshaw, SF MUNI 3rd Street Light Rail, Transbay Transit Center) exceeded engineer’s estimates, with the common denominator that they were all in dense urban corridors. The risks inherent in construction are magnified in large, complex, multi-year programs, and the possibility could exist that contractors are more sensitive to these risks than agencies and engineers, and price the risk premium into their bids.

Forecast of future price increases

While we expect labor and materials to rise in the 3-3.5% range in the 2014-2015 timeframe, spikes in bid pricing may exceed that growth, depending on constraints in

labor. These spikes are a result of lower productivity due to newer workers entering the market, coupled with both contractor and subcontractor margin growth due to lack of competition. In such spikes, bid prices can increase 9-10% per year, as evidenced in 2005-2006 Turner Building Index, and even higher, as evidenced by the Caltrans Historical Price Index 2004-2005 timeframe.

Therefore, we recommend LACMTA to update its current database and estimating methodology to reflect current prices being received by LACMTA; add a minimum of 3.5% per year for labor and material escalation, and build in a market contingency for price spikes likely to occur during the 2014-2017 window. Further recommendations are as follows:

B. Recommendations to Reduce Potential for Cost Overruns

Review estimating methodology and unit costs to reflect Metro current environment and the general recovering construction market

As many of LACMTA's bids are exceeding estimates, Saylor recommends a review of the LACMTA estimating methodology to ensure it captures cost drivers in the current economy as well as any cost impacts of Metro specific conditions and processes. Our understanding is that most engineers providing estimates to LACMTA currently include 5% design contingency; for the complex rail projects, LACMTA may consider raising design contingency to account for scopes of work (such as systems) that are generally only performance specifications in the proposal documents.

Independent third party estimates and reconciliations on larger projects

On larger projects, many owners have independent third party estimates in addition to the engineer's estimate, and have the two estimates reconciled. This often identifies differences in interpretation of scope, areas that are unclear, and sheds light on assumptions made by the estimators.

Include formal risk analysis procedures with Monte Carlo simulation on all projects over \$100M.

LACMTA projects, especially large multi-year programs, can multiply common construction risks. The risks should be assessed by LACMTA personnel familiar with common risks on LACMTA work. Additional risks include the potential of a rapidly rising construction market. If appropriate, LACMTA may want to add a risk contingency to the estimate.

Review contractual conditions for fair allocation of risk, appropriate liability requirements, and industry standard insurance requirements

Although Saylor has not performed a contract audit, contractor interviews indicate that they perceive contractor risk, requirements (on some projects) for unlimited liability, and insurance limits to be higher than industry standard, adding to cost. We recommend a review of current contractual conditions to assess cost impacts.

Review change order procedures, focus on staffing to accommodate coming demand in 2014-2019

Contractors mentioned delay in processing changes to be a significant risk in LACMTA construction. With \$5 billion in work beginning in the 2013-2015 window, there will likely be increasing demand on the change management function. Even in the best run projects, change orders due to unforeseen conditions are inevitable, and delays in merit determination and payment of approved changes can increase contractor risk and costs. Saylor recommends a review of current change management procedures, and incorporation of industry best practices to streamline the process. To accommodate demand, it is recommended that LACMTA review staffing levels to assure adequate staffing of the change management function, and possibly establishing metrics for timely processing of changes.

Continue efforts to provide advance utility relocation packages

One of the largest risks perceived by the LACMTA contractor pool includes the potential of unforeseen condition costs due to utility relocations. The contractors perceived that LACMTA was trying to address this risk with advance utility relocation packages.

Establish more robust cooperative agreements between Caltrans, City & County of Los Angeles

The other significant perception of risk was the potential for delay due to third party approvals. Contractors perceived that more cooperative agreements between agencies would reduce risk, and therefore, have a potential to reduce cost.

Ensure DBE goal established for large projects reflects the amount of DBE's in the market place ready, willing, and able to take on Metro work

The current program shows \$5 billion in contracts being let in the 2013-2015 timeframe. The goal should consider how many DBE's are certified, can bond, and perform work in this timeframe. If goal outpaces available DBE's, this could impact costs.

Continually assess labor demand; review PLA hiring practices to ensure adequate labor exists to meet goals

The PLA will facilitate training of apprentices to accommodate demand. Continue to proactively work with unions and contractors to ensure labor exists to meet 2015-2019 demand. Should the economy continue to improve, review implementation of the hiring goals to assess added costs, if any, to the program. .

Review Metro staffing levels to match resources to size of projects

The demands of managing \$13.9 billion in construction 2013-2019 may outpace current LACMTA staffing. Additionally, the complexity of the LACMTA program requires a high level of skill and the ability to push through approvals with other agencies to accomplish timely completion. The ability to hire and retain highly skilled project managers and support staff is integral to the success of any large building program. The Associate General Contractors is reporting that selected markets are showing difficulty in hiring skilled staff,

including engineers and supervisory position, and every effort should be made to recruit and retain skilled project management staff to run and manage the complex projects in LACMTA's 30/10 plan.

"Embrace partnering on all levels" (Quote from contractor survey)

Contractors indicated that agencies that have a partnering mentality will garner the most competitive bids. They perceive partnering as assisting the contractor to resolve issues, assuming appropriate risk for unforeseen conditions, processing merited changes quickly, and partnering with other agencies to ensure timely approvals.

Attachment B

Variance Between Metro's Estimates and the Low Bids Received by Metro From 1/1/12 to 12/31/13 for Projects Greater Than \$5 Million Each

