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Metropolitan Transportation Authority

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**CONSTRUCTION COMMITTEE
JUNE 19, 2014**

SUBJECT: CRENSHAW/LAX TRANSIT PROJECT

**ACTION: APPROVE AN INCREASE IN CONTRACT MODIFICATION
AUTHORITY**

RECOMMENDATION

Approve an increase in Contract Modification Authority (CMA) to Contract No. C0990 with Metro Builders and Engineers Group LTD., in the amount of \$1,967,835, increasing the current CMA from \$1,389,750 to \$3,357,585. This action does not increase the Life of Project Budget.

ISSUE

Contract C0990 is a firm fixed price contract to re-locate utilities in advance of the Crenshaw/LAX Transit Corridor Design-Build contract. Approval of additional CMA will allow staff to continue to process contract modifications in a timely manner and avoid potential costly construction delays to the follow-on Design-Builder.

DISCUSSION

An advanced utility relocation contract was initiated on the Crenshaw/LAX Transit Project as proactive schedule mitigation to allow the follow-on Design-Builder a clean slate to commence initial construction activities such as soldier pile installation and decking operations. A clean slate minimizes the schedule and cost risks that the Design-Builder would have in working with the various third party utility companies which allowed the Design-Builder to provide Metro a better competitive bid price. Having the major utility relocations taken care of in advance by the Advance Utility Relocation Contractor C0990, allows the follow-on Design-Builder to focus on immediate construction activities and stay on schedule.

The relocation of several utilities in advance of the Crenshaw/LAX Transit Project Design-Builder was identified as critical to the project. The utilities to be relocated in advance include the wet utilities along the Harbor Branch and Crenshaw Boulevard segments of the corridor, and the relocation of three (3) existing duct banks that feed various Navigational Aid System (NAVAIDS) on the south airfield complex of LAX. The duct banks must be relocated in advance to allow for the construction of the track

alignment. The following are descriptions of modifications listed on Attachment A that contributed to the reduction in CMA:

- Large amounts of contaminated soil discovered on 59th street,
- Design changes by the Department of Water and Power after contract award for four water crossings along Crenshaw Blvd,
- A “differing site condition” on 59th Place where the Contractor ran into “running sand” requiring the use of a more comprehensive, more labor intensive shoring system,
- Excavations for a sewer main that previously contained unsuitable backfill material requiring the contractor to replace the unsuitable material with slurry backfill to stabilize the trench, and
- The discovery of unstable soils at 59th Place and Crenshaw Blvd which changed the construction methodology from “open cut” to jack and bore, to facilitate the construction across Crenshaw Blvd and reduce the risk of cave-ins and traffic disruptions.

Currently, there is insufficient CMA to cover the identified pending and potential Contract Modifications for Contract C0990. Staff requests approval of an additional \$1,967,835 of CMA for the Project to complete the scope of work for Contract C0990. This additional CMA authority coincides with staff’s existing authority to process individual change orders of less than \$300,000 if sufficient CMA exists.

A perspective on the overall cost of this advance utility contract: first, as compared to the 2nd lowest bidder this contractor had a winning bid that was 40% lower than the 2nd low bidder in initial bid price (\$3,117,500). Second, because of this significant difference in initial bid price, the maximum final cost of the Metro Builders contract, in the end, will be comparable to the initial bid price of the 2nd lowest bidder. Summarizing, the project accepted the risk of taking a significantly lower bidder with the benefit of a financial buffer to cover unforeseen conditions. It is worthy to note that if the second lowest bidder had been selected, similar unforeseen conditions would have been encountered and the result would have been an even greater cost to the project.

A matrix of executed modifications and pending modifications is shown in Attachment A.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

The funds for this action are included in the FY14 and FY15 budgets under project 865512 (Crenshaw LAX Transit Project) in cost center 8510(Construction Project Management). Since this is a multi-year project, the Executive Director, Engineering and Construction and Project Manager will be responsible for budgeting in future fiscal years.

IMPACT TO BUDGET

The sources of funds identified for the Crenshaw / LAX Project include Local funding sources such as Measure R 35%, Proposition A, Proposition C and General funds. State funding sources include Proposition 1B (SLPP / PTMISEA) and Regional Improvement funds (RIP). Federal sources include Section 5309 Bus Funds, CMAQ, RSTP and TIGER funds. Of these funds, Prop A 35%, Prop C 40% and General Funds are eligible for use in bus and rail operations. The remaining funds are not eligible for operation. No other fund sources are considered at this time.

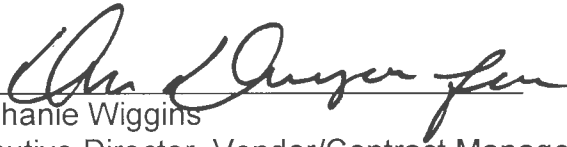
ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended as it will prevent or delay the completion of the advanced relocation of utilities if contract modifications are unable to be issued which will directly impact the cost and schedule for the Crenshaw/LAX Transit Project.

ATTACHMENTS

A. Contract Modification Authority (CMA) Summary

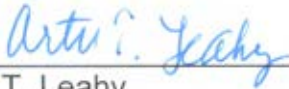
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ATTACHMENT A

CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY

Mod. No.	Description	Status	Cost
N/A	Initial Award	Approved	\$ 7,827,500
1	Additional Potholing	Executed	\$ 1,900
2	Contaminated Soil at 59 th Place	Executed	\$ 251,864
3	Electrical Panels at LAWA	Executed	\$ 1,440
4	Subcontractor Additions (no cost)	Executed	\$ -
5	Extended Casing at Runway 25L	Executed	\$ 15,977
6	Retention and Escrow Accounts (no cost)	Executed	\$ -
7	Temporary LAX Security Shed	Executed	\$ 2,094
8	25 Manhole A & B	Executed	\$ 2,019
9	60 th St. Daytime Traffic Control	Executed	\$ 7,613
10	Contaminated Soil Disposal for 67 th Street	Executed	\$ 118,067
11	Deletion of South Victoria Crossing	Executed	\$ (103,000)
12.1	La Brea Deletion	Executed	\$ (1,050,000)
13	Adjustment to total Cost	Executed	\$ (40,254)
14	LAX Manhole C Precast – Cast in Place	Executed	\$ 41,166
15	Deletion of Sewer Encasement 67 th Street	Executed	\$ (4,863)
16	Additional Potholing on 50 th Place	Executed	\$ 1,900
17	Existing Leaking Sanitary Sewer	Executed	\$ 6,550
19	Extend Jack Bore Casing 25L 25R	Executed	\$ 15,223
20	Existing Utility Conflicts	Executed	\$ 20,907
21	Leimert Park Storm Drain Realignment	Executed	\$ 74,843
22	DWP Design Changes	Executed	\$ 143,000
23	Furnish and Install 6 Inner-duct	Executed	\$ 4,812
24	Contaminated Soil Removal – 54 th St	Executed	\$ 13,459
25	LAWA Waterline and Gas Line Conflict	Executed	\$ 5,766
26	Design Changes to Manhole 67 th	Executed	\$ (26,256)
27	Shutdown at LAX-LAWA-CEED	Executed	\$ 4,455
28	Trench Stabilization on Victoria Ave	Executed	\$ 123,500
29	Differing Site Condition – Cave	Executed	\$ 219,675
30	59 days Due to Differing Site Condition	Executed	\$ 171,996
31	Jack and Bore Sewer – 59 th Street	Executed	\$ 210,000
32	Trench Cave-in Crenshaw Blvd. 59 60	Executed	\$ 76,831
33	Trench cave-in Victoria, Harbor Sub	Executed	\$ 188,946

Mod. No.	Description	Status	Cost
34	Resurvey Sewer Main on 67th	Executed	\$ 1,134
35	Median Removal on Crenshaw and 67th	Executed	\$ 4,820
36	Pavement Replacement at LAX	Executed	\$ 24,200
37	Install Manhole at Station 7+40	Executed	\$ 78,000
38	Install Sewer Main 60th	Executed	\$ 42,736
39	Saw cutting performed on Saturdays	Executed	\$ 6,495
40	Manhole Replacement on 67 th Street	Executed	\$ 105,000
41	Peak Hour Restrictions on 67 th Street	Executed	\$ 96,240
42	Unknown Utility Conflict on 67hStreet	Executed	\$ 9,000
43	Gas Line Conflicts on Aviation Blvd	Executed	\$ 9,000
44	Peak Hour Restriction on 59/6	Executed	\$ 28,983
45	Peak Hour Restriction on Saturday 67th	Executed	\$ 6,288
46	Fiber Optic Conflict on 67 th Street	Executed	\$ 19,944
47	DWP Water Line Welding	Executed	\$ 90,817
48	Unknown Conduit Structure	Executed	\$ 20,594
49	Unforeseen Gas Line 59 th /Sending Pit	Executed	\$ 11,342
50	Sever Changes on Victoria and 57th	Executed	\$ (132,879)
51	Installation of Water Service & Sewer	Executed	\$ 75,981
CO/4	Remove Replace Curb and Gutter on 67th	Executed	\$ 35,000
Potential Changes			
CN/52	Remove Additional Contaminants 54th	Pending	\$ 40,459
CN/59	Additional Contaminated Soil on 67th	Pending	\$ 250,000
TBD	Additional Cost for Brick Manhole Boring	Pending	\$ 60,000
TBD	21 Day Delay Costs	Pending	\$ 100,000
TBD	Traffic Signal Relocation at 48 th Ave	Pending	\$ 10,000
TBD	Unstable Soil Encountered at Slauson	Pending	\$ 10,000
TBD	Two Lateral Connections at Victoria	Pending	\$ 100,000
TBD	Different Flanges Requested by City	Pending	\$ 2,517
TBD	Unresolved claims and delays	Pending	\$ 1,452,285
Subtotal – Approved/Recommended/In-Process Modifications			\$ 1,032,325
Subtotal – Pending Changes/Modifications			\$ 2,025,260
Total Mods and Pending Changes			\$ 3,057,585
Prior CMA Authorized by the Board			\$ 1,389,750
Increased CMA requested			\$ 1,967,835
Total CMA including this action			\$ 3,357,585
Remaining CMA for Future Changes			\$ 300,000