



**Metro**

**CONSTRUCTION COMMITTEE  
October 21, 2004**

**PROJECT: METRO ORANGE LINE PROJECT**

**CONTRACT: CO675 DESIGN/BUILD  
SHIMMICK CONSTRUCTION CO., INC.  
/OBAYASHI CORPORATION, J.V.**

**ACTION: EXECUTE CONTRACT MODIFICATION IN THE  
AMOUNT OF \$1,299,825 TO FURNISH AND INSTALL  
STORM DRAINAGE SYSTEM BETWEEN TYRONE  
AVENUE AND HAZELTINE AVENUE**

**RECOMMENDATION**

Authorize the Chief Executive Officer to execute Contract Modification No. 37 in the amount of \$1,299,825 (which incorporates Change Orders 47.00 and 47.01 previously issued in an amount not-to-exceed \$980,000) to Contract No. C0675 Design/Build with Shimmick Construction Co., Inc./Obayashi Corp., J. V. (SOJV) to furnish and install a storm drainage system between Tyrone Avenue and Hazeltine Avenue for the Metro Orange Line Project. This action is within the current Board-authorized Total Contract Authority of \$168,059,040.

Within Construction Committee authority:       Yes     No       N/A

**RATIONALE**

In February 2003, the Board awarded Contract No. CO675 Design/Build for the Metro Orange Line, which includes design and construction of storm drainage systems along the 13-mile length of the project, except for the Tyrone Avenue/Hazeltine storm drain.

This authorization will allow MTA to execute a contract modification to finalize the agreement with SOJV for a new storm drainage system between Tyrone Avenue and Hazeltine Avenue for a not-to-exceed amount of \$1,299,825. The schedule impacts and its costs, if any, will be addressed in a separate Contract Modification as part of a global schedule recovery plan.

In the late 1970's the City of Los Angeles designed a storm drainage system in Bessemer Street from Hazeltine Avenue to Tyrone Avenue. The City of Los Angeles Drainage Map, which shows major storm drainage systems in the City of Los Angeles, includes this storm drain.

During development of final design, SOJV determined that the Hazeltine to Tyrone Avenue storm drainage system was never built by the City of Los Angeles and that storm water continues to travel as surface flow, flooding Tyrone Avenue across the MTA right-of-way (ROW) and Oxnard Street. This drainage system must be improved to avoid impacting the operation of the proposed busway, bike/pedestrian path (bikeway), Van Nuys Park-n-Ride, and new Tyrone Avenue street improvements across the MTA ROW.

To minimize potential schedule and cost impact claims from SOJV, MTA decided to limit the work required from SOJV to construction only. MTA developed the final design and obtained required storm drain connection permits. The MTA and the City of Los Angeles agreed to equally share the construction cost of a new storm drainage system, most of which will be located beneath the proposed bikeway and within the MTA ROW. City of Los Angeles will maintain this system. Location of the storm drain beneath the bikeway will result in a cost savings and minimizes the construction impacts to adjoining businesses as compared with placing the drainage system under Bessemer Street.

To avoid suspending work prior to this Board action, MTA issued Change Orders No. 47.00 and 47.01 in the total not-to-exceed amount of \$980,000 (within Board-delegated authority) to allow SOJV to procure storm drain pipes and perform initial construction work in accordance with their construction schedule.

### IMPACTS TO OTHER CONTRACTS

For the amount identified within this Board action, only this contract, Contract No. C0675 is impacted. If, however, future Contract No. C0675 actions require funding for any delays extending Contract Milestones; there may be an impact to Contract No. MC067, Construction Management Support Services Consultant to increase Contract No. MC067 CWO No. 1.

### FINANCIAL IMPACT

Original Contract Award	\$150,717,038
Current Contract Modification Authority	\$ 17,342,002
Total Contract Authority	\$168,059,040

The funds for this contract action are available within the FY05 Capital Budget of \$174,932,887; within budget Cost Center No. 8510 for Project 800112 Metro Orange Line Project and the FY05 Capital Budget (as increased by the Board in July 2004) of \$8,061,354 for Project 800114 Metro Orange Line Bikeway Project. The life of project budget for

Project 800112 adopted by the Board in February 2003 is \$329,500,000. The life of project budget for Project 800114 as increased by the Board in July 2004 is \$10,637,860. This recommendation is within the current life of project budget. Since this is a multi-year project, the Cost Center Manager and appropriate Executive Officer will be accountable for budgeting both projects costs in future years consistent with the MTA Board adopted total projects budgets. Funding sources for Project 800112 are a combination of Federal, State and local funding sources. Federal funds in Project 800112 are specifically earmarked for a portion of the Articulated Vehicle Procurement. Funding sources for Project 800114 are a combination of Federal and City of Los Angeles sources.

### COST RECOVERY

Potential for Cost Recovery:  Yes       No       N/A

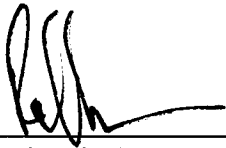
### ALTERNATIVES CONSIDERED

The MTA Board may reject this recommendation. Staff is not recommending this option; as this action will result in potential safety hazards and significant disruptions in the busway operations during periods when storm water flows across busway. In addition, bikeway users and patrons using the easterly portion of the Van Nuys Park-n-Ride lot will be required to walk or ride bicycles across flooded areas within Tyrone Avenue.

### ATTACHMENTS


- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared By:      Hitesh Patel, Deputy Project Manager, Construction Management  
                         Roger F. Dames, Deputy Executive Officer, Project Manager



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Richard Thorpe  
Chief Capital Management Officer  
Construction Project Management



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**Contract C0675 – San Fernando Valley**

**East-West Corridor Bus Rapid Transit Project**

1.	Contract Number: C0675 Change Notice/Change Order 47.0/47.01		
2.	Recommended Vendor:	Shimmick Construction, Inc./Obayashi Corporation, JV	
3.	Cost/Price Analysis Information: See Attachment A-1		
	Bid/Proposed Price: \$2,037,326	Recommended Price: \$1,299,825	
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	Issued: Change Notice 47.0 Issued on April 2, 2004		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposal Due: April 23, 2004		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Commitments: 25% DBE goal for Design 34% DBE goal for Construction	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment:	27.83% Design 36.52% Construction	
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	<b>Bidder/Proposer Names:</b> N/A	<u>Bid/Proposal Amount:</u> N/A	<u>Best and Final Offer Amount:</u> \$ N/A
	B. Evaluation Methodology: Cost Analysis and Technical Evaluation		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Robert P. Sechler	Telephone Number: 213-922-7334	
11.	Project Manager: Roger F. Dames	Telephone Number: 213-922-7280	

## BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

### A. Background on Contractor

Shimmick-Obayashi is a joint venture of two firms. Shimmick Construction Company, founded in 1990, is a general engineering contractor based in Hayward, California. It has considerable experience in heavy public works construction, including the Alameda Corridor. Obayashi Corporation, founded in 1892, is an internationally known contractor based in Japan. Its relevant experience includes subways, dams, power plants, rail lines, bridges, highways, and design-build type contracts.

### B. Procurement Background

Contract No. C0675 is a fixed price contract, state and locally funded, for a design-build delivery system for the San Fernando Valley East-West Metro Rapidway, plus a federally funded bike-way and pedestrian path, and up to eight (8) Contract Options under a Contractor-Controlled Insurance Program. Contract No. C0675 was awarded to Shimmick Construction Company, Inc./Obayashi Corporation, A Joint Venture (SOJV) on April 3, 2003 in the amount of \$150,717,038, which included five Contract Options. The Notice to Proceed (NTP) was issued on May 2, 2003, with a completion date 776 calendar days from the Commencement Date of May 2, 2003 set forth in the NTP.

### C. Proposal Evaluation

The request for proposal and the evaluation of this recommended change was performed in compliance with MTA Procurement Policies and Procedures.

### D. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon price/cost analysis, independent cost estimate, clarification meetings and MASD audit of the Contractor's cost proposal. The proposal and Estimate used different assumptions for the various costs elements, particularly the daily output (Estimate 90ft v. proposed 24ft) of installation of large drainage pipe that constitutes a major portion of work under this change. Development of the negotiated amount and reconciliation of the Contractor's proposal, MASD Audit and MTA Estimate reflected actions ranging from; increased level of daily output from 24ft (proposed) to 48ft of large pipe installation, reduction in performance time and decrease in labor, equipment and other related costs, decreased cost due to utilization of native material for backfill, disallowed costs and reduction in markups. The negotiated and therefore the recommended price is 36% less than the Contractor's proposed cost for CN47.00/47.01 and is within MASD audit findings.

<b>CN No.</b>	<b>Proposal Amount</b>	<b>MTA Estimate</b>	<b>Negotiated Amount</b>
47.00	\$2,037,326	\$789,666	\$1,299,825

**BOARD REPORT ATTACHMENT A-2  
LIST OF SUBCONTRACTORS**

**SMALL BUSINESS PARTICIPATION (CO675)**

This Contract has a Disadvantaged Business Enterprise (DBE) participation goal of 27.83% for Design and a DBE goal of 36.52% for construction. The Contract was awarded on April 3, 2003 and is approximately 88% complete for Design and 15% complete for construction. Current DBE attainment<sup>1</sup> based on the relevant amount<sup>2</sup> is 15.2% for Design and 3.3% for construction. Current DBE participation<sup>3</sup> based on total actual amount paid-to-date to Contractor and total actual amount paid-to-date to DBEs is 32.8% for Design and 12.2% for Construction. The Diversity & Economic Opportunity Department (DEOD) will evaluate the Contract Modification No. TBD to determine DBE participation upon receipt of the required cost information. The status shown below reflects activity through March 2004.

**Design**

Original Award Amount (Design)	\$ 11,677,268
Relevant Contract Amount <sup>2</sup> (Design)	\$ 12,662,302
Total Actual Amount Paid to Date to Prime (Design)	\$ 5,862,397

Small Business Participation:

\* These DBE firms have been added by SOJV for additional DBE attainment.

DESIGN				
<u>Total Commitment</u>	<u>% Complete</u>	<u>Total Current Attainment</u>	<u>Total Current Participation</u>	<u>Compliance Status</u>
27.83%	87.86%	15.20%	32.83%	PERFORMING

Subcontractor Name	% Commitment	% Complete	% Current Attainment	% Current Participation
KATZ OKITSU & ASSOCIATES	8.56%	65.90%	5.20%	11.24%
TATSUMI & PARTNERS	6.74%	69.93%	4.20%	9.07%
RICHARD CHONG	2.97%	100.0%	3.48%	7.51%
WILLIAM YANG	0.81%	34.26%	0.25%	0.55%
ASAHI SURVEYING	3.91%	54.19%	0.77%	1.66%
ANTICH SURVEYING	1.96%	52.09%	0.94%	2.03%
FPL & ASSOCIATES *	0.00%	26.92%	0.20%	0.43%
SANCHEZ DESIGN	1.60%	0.00%	0.00%	0.00%
THE SIERRA GROUP	1.28%	13.44%	0.16%	0.34%
<u>TOTAL</u>	27.83%	-	15.20%	32.83%

Construction

Original Award Amount (Construction) \$ 135,719,520  
 Relevant Contract Amount<sup>2</sup> (Construction) \$ 138,026,167  
 Total Actual Amount Paid to Date to Prime (Construction) \$ 32,628,838

Small Business Participation:

CONSTRUCTION				
<u>Total Commitment</u>	<u>% Complete</u>	<u>Total Current Attainment</u>	<u>Total Current Participation</u>	<u>Compliance Status</u>
36.52%	14.89%	2.88%	12.18%	PERFORMING

Subcontractor Name	% Commitment	% Complete	% Current Attainment	% Current Participation
ROMERO GENERAL CONSTRUCTION	9.54%	1.03%	.10%	0.41%
RAINBOW CONSTRUCTION	5.56%	30.98%	1.69%	7.17%
WESTERN PAVING	4.81%	0.00%	0.00%	0.00%
WC BROWN WELDING	4.76%	0.00%	0.00%	0.00%
ACE FENCE	2.43%	2.20%	0.05%	0.22%
CUT CORE DEMOLITION	0.72%	91.65%	0.61%	2.57%
BCB STEEL	0.59%	8.57%	0.05%	0.21%
CONRAD CONSTRUCTORS	0.22%	63.80%	0.12%	0.50%
BLUE SKY AKA UNITED TRAFFIC	0.05%	0.00%	0.00%	0.00%
PW TRUCKING	0.01%	10.92%	0.00%	0.01%
ROSE SUPPLY	1.96%	0.94%	0.02%	0.08%
INDUSTRIAL WHOLESALE	0.80%	6.87%	0.05%	0.23%
LOOP MASTERS	0.16%	0.00%	0.00%	0.00%
DI CARLOS ASSOCIATES (A DBE SUPPLIER)	0.66%	0.00%	0.00%	0.00%
IMPERIAL IRRIGATION	0.59%	0.00%	0.00%	0.00%
GALLO'S	2.10%	0.00%	0.00%	0.00%
FAREAST LANDSCAPE	1.27%	0.00%	0.00%	0.00%
TRISTAR TRANSPORTATION	0.06%	0.00%	0.00%	0.00%
WESTERN PAVING	0.13%	0.00%	0.00%	0.00%
CUT CORE DEMOLITION	0.08%	0.00%	0.00%	0.00%
ABRATIQUE & ASSOCIATES *	0.00%	100.00%	0.14%	0.57%
MORGNER TECHNOLOGY MGT *	0.00%	54.63%	0.02%	0.09%
WAGNER ENGINEERING *	0.00%	26.23%	0.03%	0.13%
<b>TOTAL</b>	<b>36.52%</b>	<b>-</b>	<b>2.88%</b>	<b>12.18%</b>

<sup>1</sup>Current Attainment = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Current Contract Amount

<sup>2</sup>Relevant Contract Amount = Original Contract Value + Contract Cost Modifications

<sup>3</sup>Current Participation = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Actual Amount Paid-to-Date to Prime