



Expo

**Exposition Metro Line
Construction Authority**


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DATE: JANUARY 11, 2007

TO: BOARD OF DIRECTORS

FROM: RICHARD D. THORPE 
CHIEF EXECUTIVE OFFICER

ACTION: APPROVE THE FY07 CALTRANS ANNUAL WORK PLAN

RECOMMENDATION

- A. Approve the attached FY07 Caltrans Annual Work Plan in an amount not-to-exceed \$650,000 (inclusive of \$260,000 previously authorized by the Chief Executive Officer (CEO) and the Board), contingent upon Board approval of the Phase 1 FY07 Mid-Year Budget Adjustment, Item (6b); and
- B. Authorize the CEO to execute the FY07 Caltrans Annual Work Plan (Attachment A), or substantially the same, on behalf of the Authority, contingent upon Board approval of the Phase 1 FY07 Mid-Year Budget Adjustment, Item (6b).

SUMMARY

This action, when added to the interim work authorizations approved under the CEO's authority and the December 2006 Board action, provides full funding for Caltrans' review and input into the project design and construction for FY07 in the total amount of \$650,000.

The FY07 budget was approved at the May 2006 Board meeting. Since that time, Authority staff has been negotiating specific work agreements with each of the agencies, departments, utilities and other third parties who will review and/or have oversight responsibilities on various elements of the project. As a result of these negotiations, it was determined that funding for certain Third Party agencies was insufficient and a comprehensive evaluation of the Third Party budget category was necessary. This evaluation has been completed and the

recommended budgetary adjustments are described in the Phase 1 Project Budget Revision Board Item (6a) and Phase 1 FY07 Mid-Year Budget Adjustment Item (6b).

DISCUSSION

During the design and construction of rail transit projects such as the Exposition Light Rail Transit Project (Project), significant support from local jurisdictions is required. This support has been typically obtained via Annual Work Plans (AWP) authorized and funded by the agency responsible for the project's design and construction.

To ensure that critical project support by Caltrans continued while negotiation of the FY07 AWP was completed, the CEO executed an interim work authorization in the amount of \$150,000. During the extensive negotiations with Caltrans, it became clear that both the approved FY07 budget and life of project budget for Caltrans third party review, was not sufficient to meet the needs of the project. Accordingly, during the December 2006 Board meeting, Authority staff requested and received approval of an additional work authorization in the amount of \$110,000 to continue work until staff completed a comprehensive evaluation of the Third Party budget category. This evaluation of the Third Party budget category has been completed and is summarized in Board items 6a and 6b. During this evaluation process, it was determined that the original FY07 budgeted amount of \$260,000 for Caltrans third party review, should be increased to \$650,000.

Authority staff's efforts to proactively manage these costs will include: controlling the design review process by conducting pre-reviews and early coordination of design efforts to establish/clarify standards and requirements; reviewing submittals for completeness; ensuring that third party requirements are identified and addressed prior to sending to the third party; reviewing timesheets with each third party organization on a weekly or bi-weekly basis to ensure that hours charged are appropriate, and conducting executive and staff level partnering with third parties.

FINANCIAL IMPACT

Contingent upon approval of Board Item 6b, the recommended action is within the FY07 budget.

NEXT STEPS

The CEO will execute the AWP, which fully funds the Caltrans' FY07 requirements associated with the project.

ATTACHMENT(S)

A. Caltrans Annual Work Plan

ATTACHMENT A

Work Order	
Contract/MCA No.: <u>801-800113</u>	Date Issued: _____
Work Order No.: <u>EN-07-005</u>	Revision No.: <u>1</u>
Issued to: Caltrans	
Category of Work: Annual Work Plan for Fiscal Year 2006-2007. Plan Review Services and Coordination and Construction Phase Services to Support Final Design and Construction.	
Scope of Work and Justification: Review of plans, coordination of design and construction activities, attendance at meetings, and inspection services in support of Mid-City/Exposition Light Rail Transportation Project for Fiscal Year 2006-7. The previous authorizations were two interim work orders to allow finalization of the work order estimate by Caltrans. The initial authorization (\$150k) was almost completely spent by the end of September 2006 resulting in a second authorization of \$110,000.	
Schedule: <i>(This Work Order Only)</i>	
Start Date: October 1, 2006	Completion Date: June 30, 2007

Estimated Cost:

<i>Total Estimate</i>	\$ 650,000
<i>Previously Authorized</i>	\$ 260,000
<i>This Revision</i>	\$ 390,000

Estimated Credits:

Betterments	N/A
Salvage	N/A
Expired Service Life	N/A
Incentive Credit Adjustment	N/A
Estimated Total Credits	N/A

Authorization:

<i>Total Estimate</i>	\$ 650,000
Authority Share	N/A
Less Credits	N/A
Total Authorization	\$ 650,000

This Work Order or Revision:

Change in Scope _____
Change in Budget _____
Change in Expiration _____
Change Requested by _____
Contingent Approval _____

This Work Order is released as authorization for work to continue. Any expenditures or reimbursements resulting from this Work Order are subject to the terms set forth in the finalized Master Cooperative Agreement ("MCA") by and amongst California Department of Transportation (Caltrans) and the Exposition Metro Line Construction Authority (Authority) (inclusive of the terms obligating one party or the other to pay for particular work).

It is stipulated between the parties that the amounts set forth in this Work Order are estimates only of the costs associated with the Scope of Work. Actual Costs shall be determined by the finalized terms of the MCA. In the absence of a **written** Work Order revision issued by the Authority, the Authority shall not be obligated to pay for any work, whether or not described herein, when the cost for such work is in excess of the amount set forth in this Work Order, and the party to whom this Work Order is issued shall not be authorized to perform work in excess of this amount. All billings shall be subject to audit by the Authority and shall note all labor rates, overhead rates, and/or the prices of materials charged.

When a Work Order revision is given on contingent approval, it is to be understood that the conditions or circumstances surrounding the revision are still to be subject to verification and justification. Until these steps are satisfactorily completed, the Authority's responsibility for any change in costs may be limited. As part of the change verification process, the Authority may identify the potentially responsible parties, (i.e., contractor, agency, etc.). The Authority reserves all rights as stated in the MCA.

Authorization:

Initiator	Date	Director of Engineering and Construction	Date
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For Financial Services Use Only – Account Distribution:

By _____ Project Controls

Requisition No. _____ Vendor No. _____ P.O. No. _____

Task #	Project	Cost Center	Object Code	Amount
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