



**Expo**

**Exposition Metro Line  
Construction Authority**


707 Wilshire Boulevard  
34th Floor  
Los Angeles, CA 90017

213.243.5500  
BuildExpo.org

**6.f**

**DATE:** January 11, 2007

**TO:** BOARD OF DIRECTORS

**FROM:** RICHARD D. THORPE   
CHIEF EXECUTIVE OFFICER

**ACTION:** AUTHORIZE THE CEO TO ISSUE A NOTICE-TO-PROCEED FOR LONG LEAD TIME ELEMENTS OF CONTRACT PACKAGE A(2), SANITARY SEWER LINE

---

**RECOMMENDATION**

Authorize the Chief Executive Officer (CEO) to issue a Notice-to-Proceed for long lead time elements of Contract Package A(2), Sanitary Sewer Line to Flatiron/Fluor/Parsons (FFP), a joint venture, in an amount not-to-exceed \$800,000.

**SUMMARY**

Contract Package A(2) consists of Corridor Improvements between 23<sup>rd</sup> Street and Vermont Avenue. A key element of this construction package is the replacement of an existing 44 inch brick sanitary sewer that conflicts with the rail line.

The Authority and the Contractor continue to conduct negotiations. It is anticipated that a mutually satisfactory cost for the work will be reached upon conclusion of these negotiations. The action requested herein provides for the procurement of new sanitary sewer pipe up to the Authority's fair cost estimate. This action is time sensitive due to the lead time associated with procurement of the pipe, and the need to subsequently perform this work during the off season to accommodate the needs of the community.

## **DISCUSSION**

FFP has organized the project into eighteen (18) separate work packages which will be developed to 100% design and awarded subject to satisfactory negotiation. Package A2, 23<sup>rd</sup> Street to Vermont Avenue Corridor Improvements has a number of elements such as curb, gutter and street improvements, trackway, stations, and landscaping. Most of these elements remain under design development. One significant element of Package A2 is the replacement of roughly 2100 feet of existing 44" brick sanitary sewer and 700 feet of 21" sanitary sewer pipe that run under the ROW of the project. Relocation of this utility is a predecessor activity to all other improvements and is therefore a time sensitive activity.

The proposed replacement includes 1530 feet of new 48" pipe (44" is not a standard size) and 690 feet of 60" pipe.

The contractor prepared a detailed cost estimate addressing quantities, unit prices, production rates, and other cost elements. The Authority prepared its own independent estimate. The Authority and the Contractor are meeting to attempt to resolve scope and cost differences and arrive at a mutually acceptable cost.

The Contractor's initial proposal was \$799,848. The Authority's initial fair cost estimate was \$800,014. Negotiation sessions are continuing with the contractor to finalize quantities and it is fully expected that a mutually agreeable price will be developed within the Board authorized amount. The Cost Analysis is shown in Attachment A.

## **FINANCIAL IMPACT**

Funds for the proposed action are available from the FY 07 budget category Design/Build Contract. The potential for cost recovery will be explored with the City of Los Angeles under the terms of the Master Cooperative Agreement which stipulates that changes to the contract drawings after award of the Design Build contract (Design Freeze) requested by the City shall be paid for by the City.

## **NEXT STEPS**

If this action is approved by the Board, the CEO will issue a limited Notice to Proceed to FFP. FFP will submit various prerequisite documents, plans, and permit applications per contract and Agency requirements.

## **ATTACHMENT(S)**

A. Cost Analysis

EXPOSITION METRO LINE CONSTRUCTION AUTHORITY COST ANALYSIS TO SUPPORT LIMITED NOTICE TO PROCEED MEMORANDUM			
<b>Contract No.</b>	1-06		
<b>Description:</b>	Procurement of 60" and 48" Sanitary Sewer Piping for Construction Package A2		
<b>Prepared by:</b>	B. Gandy		
<b>Cost Analyst Approval:</b>	V. Asfour		
<b>I. Reference Documents: (attached as necessary):</b>			
(A)	Independent Cost Estimated	Dated:	<u>1/2/2007</u>
(B)	Contractor's Cost Proposal	Dated:	<u>1/3/2007</u>
(C)	Technical Evaluation	Dated:	<u>1/3/2007</u>
(D)	Request for Revised Cost Data	Dated:	<u>N/A</u>
(E)	Revised Cost Data Received	Dated:	<u>N/A</u>
<b>II. Introduction: I have reviewed the Contractor's Revised Cost Proposal in the amount of 799,848.</b>			
The Cost Proposal Covers: Limited Notice to Proceed for procurement of new sanitary sewer pipe for Construction Package A2			
<b>III. Conclusion and Recommendations: (check one, as appropriate)</b>			
<input type="checkbox"/>	Cost is acceptable as proposed, no cost reductions recommended.		
<input checked="" type="checkbox"/>	Revised Cost is acceptable as proposed, cost reductions recommended were made		
<b>Summary Results Of Cost Analysis By Cost Element:</b>			
	<b>Contractor's Proposal</b>	<b>Authority's Fair Cost Estimate</b>	<b>(Reduction)/Add</b>
Original Proposal	\$ 799,848	\$ 800,014	\$ 166
			<u>0</u>
			<u>\$ 166</u>
Revised Proposal	\$ 800,000	\$ 800,000	\$ -
			<u>\$ -</u>
			<u>\$ -</u>
Final Cost	N/A	N/A	\$ -
			<u>\$ -</u>
<b>IV. Record of Negotiations:</b>			
Price Quote was received from Ameron International and a technical evaluation was performed. The Contractor submitted a Proposal that was found to be acceptable for a Not-to-Exceed price to procure the Sanitary Sewer Piping (60" and 48") for Construction Package A2. Upon completion of the A2 Construction Package, a Notice-to-Proceed shall be issued for the entire A2 LSFP Construction Package that shall supercede this Limited Notice to Proceed.			