

THE

CONSTRUCTION STORY

WHAT'S GOING ON IN METRO CONSTRUCTION

Volume 1, Issue 4

May 1996

Letting Go of the Status Quo

"Any real change implies the breakup of the world as one has always known it, the loss of all that gave one identity."

-James Baldwin

Nobody Knows My Name

If you're tired of pep talks – this won't be one. It's time to look at hard facts. Life at the MTA is changing. New policies and procedures are taking shape, and major personnel changes are occurring regularly. The way we've been doing things has been repeatedly challenged, and the press continues to magnify our every move.

For many employees, it's a time of speculation and fear. "What's next," or even, "who's next," we say. Some will resist the changes, some will embrace them. Lately, some may even wonder if there is still the will to build a rail system. Life at work is becoming more unpredictable by the day.

The reality is that the MTA is an organization in flux .

We're on the line more than ever before, and if we don't change on our own, changes will be forced upon us.

It's human nature to fear change. In any organization, especially one as complex and with as many employees as we have here, human nature is intensified. But perhaps there's less to fear than meets the eye.

One of Joe Drew's first actions when he became CEO was to ask a panel of transit industry peers to evaluate our organizational structure and processes. He listened and wasted little time acting upon their recommendations. In his talk to employees on May 9 he stressed that

service is, and always has been, our focus. We cannot let ourselves become crippled by bureaucracy, he said. Therefore, a concerted effort is under way to improve our internal processes. This, in turn, he says, will restore the public's confidence.

As for the Construction Division, the auditing firm of Arthur Andersen & Co. was asked to probe every aspect of our program. The results so far indicate we're headed in the right direction, but there's much more work to be done.

MTA Board members, too, have joined the effort. At this month's Construction Committee meeting, Director Mel Wilson acknowledged the board's "micro-managing" when it comes to treatment of MTA staff. He has proposed holding a one or two-day retreat in a relaxed atmosphere where board members and staff can come together for a meaningful dialogue about the many issues facing the agency.

Arthur Andersen's Latest Review

Page 2

"We know we have problems," said Director Wil-

son, "and the Arthur Andersen report brought them to the forefront. There were no major surprises...We have fewer resources, we must change the way we do business, and become more accountable. The board has a genuine concern to reform the agency; however, it's time [for board members] to stop being so critical...Remember, when you point the finger, three fingers are pointing back at you."

These events are signs that Mr. Drew and the board are on our side – that there's only one "side" to be on. It's time to trust the process and realize we're all in this together. ✕

Progress Not Perfection Arthur Andersen's Latest Review

Rarely has an organization tried harder to improve itself than the MTA—and in the last ten months there have been no less than 26 audits to make sure the job is done, and done right. Most of the audits have been performed at the MTA's own bidding—and most focus chiefly on the construction program.

No stone left unturned

In its second performance review since the initial report was issued a year ago, the national accounting firm of Arthur Andersen & Co. says that the MTA's construction program is taking the necessary steps to tighten management controls and improve its overall performance

For example, the Arthur Andersen report points out that major changes have been put in place throughout the MTA's top management ranks. "We are hopeful," said the report. "that this mid-course review of the implementation program can serve as a 'call to a renewed commitment' by the MTA's new management team."

In their first review last November, the auditors looked at about 130 of their 150 initial recommendations. The second review, which was released this month, focuses on what are deemed as 58 "critical recommendations" based upon a priority rating by the MTA's own executive management, as well as those issues the auditors consider critical and those areas that represent a significant challenge.

The new report groups results into three categories: Management issues, decision-making processes and functional processes. The findings reflect that of the nine critical management issues, two have been accomplished, four are in process, and three remain areas of concern. The two issues that received "positive results" are the CEO's support of the Construction Division and its executive officer, Stan Phernambucq, and the quality and safety program.

The report further noted that the MTA's overall performance has improved because many of Arthur Andersen's initial functional recommendations have already been implemented. For

example, the key areas of real estate, cost estimating and safety all received positive marks.

Those that remain "in process" include: Restoration of a strong team spirit in the Construction Division, a willingness and conviction to have a true and complete cost picture of each project at any time, and a stronger effort to control costs.

The three management issues that the report describes as "largely unresolved" are: "The MTA Board must demonstrate trust and support to the MTA's Construction Division...step back from micro-managing; the...leader of construction must establish an attitude of healthy skepticism by staff as it relates to the contractual and business relationship with the EMC and CM [Construction Management] firms; the MTA urgently needs to significantly invest in 'Human Resources' to increase construction staffing."

The engineering management "hotseat"

The auditors also reviewed, in a separate report, the MTA's contractual relationship with its Engineering Management Consultant (EMC); the evaluation of the contract itself was the subject of criticism. The contract is vague about "which organization assumes the liability of the design," and it doesn't require the EMC to assume financial or quality risks.

The report recommends that the MTA conduct an 18-24 month evaluation of EMC's performance using a mutually agreed upon and well-defined scope of services, list of responsibilities and specific performance measures. In that period, the MTA will consider implementing most, if not all, of the Arthur Anderson recommendations in an effort to bring better oversight and tighter controls to its overall project engineering and design programs.

"The Arthur Anderson report punctuates our need for better project management oversight," said MTA CEO Joe Drew during the May meeting of the Construction Committee.

"Pockets of Excellence"

As to the report's findings regarding the MTA's own engineering department, the report states

"Leadership is not genius. It is hard work. It is not being clever, it is being conscientious. It is what CEOs are paid for."

Peter Drucker, Management in a Time of Great Change

that there is a “lack of adequate policies and procedures and systemized knowledge sharing mechanisms...and poor execution of their oversight role.” The criticism was tempered by the written comment that “pockets of excellence do exist in the engineering department, represented by some individuals and teams...”

Correct and move forward

As the new Executive Officer for Engineering, Joel Sandberg is charged with developing and implementing an Engineering Improvement Plan; a “tiger team” under the lead coordination of Gwen Williams is being assembled to manage this effort. The team will immediately prepare a spreadsheet listing all recommendations from the Arthur Andersen report and will assess current design procedures to identify necessary revisions. The spreadsheet will divide recommendations into three categories: those requiring EMC action; those requiring joint MTA and EMC action, and those requiring only MTA action.

“It is my pleasure to report that Marty Rubin [EMC’s executive officer] has confirmed EMC’s commitment to the improvement plan and...he is [also] establishing a ‘tiger team’ toward this end,” said Joel.

Alfonso Rodriguez Joins Metro Construction

Alfonso “Al” Rodriguez says his new job at the MTA is almost like a “dream come true.” As a youngster growing up in East Los Angeles, he loved building things. Playing with a child’s building set called “Supercity,” he would pretend he was constructing streets and structures that would somehow transform the neighborhood where he lived.

It’s not surprising that many years later Al would be hired to lead the team to bring a much-needed underground subway system to his former neighborhood. Al joined the MTA last month as the Metro Red Line Project Manager/Deputy Executive Officer for the East Side Extension.

A state licensed civil engineer and land surveyor with 12 years in public works engineering and construction projects, Al recently served as a

senior vice president for the national architectural engineering firm of Bernard Johnson Young, and prior to that was the vice president for construction management and survey at the municipal engineering consulting firm of Willdan Associates. In this capacity, he served as the City Engineer for the City of Rosemead for eight years.

At his Willdan job Al also served on the Fredrick R. Harris team, one of the prime consultants hired by the Southern California Regional Rail Authority to design Metrolink’s San Bernardino route. Similarly, he worked with Union Pacific to improve Metrolink’s Riverside route during his employment at Willdan.

Al graduated from California Polytechnic State University, San Luis Obispo, in 1984 with a B.S. in Civil Engineering. His first civil engineering position was with the Los Angeles County Flood Control District in the Planning Division. Later, before he joined the Willdan firm, he spent a year as a Department of Public Works engineer in the City of Carson, where he managed capital improvement projects and performed right of way engineering.

As an East Los Angeles native, Al is keenly aware of the potential impacts Metro Rail construction will have on the residents and businesses in that community.

“Fortunately, I don’t have to do it alone,” said Al. “I have a great team to work with, including Herb Priluck, Deputy Project Manager for Construction, and Ramesh Thakarar, Deputy Project Manager for Engineering. Together they have over 50 years of tunneling design and construction experience.”

Al and his team will oversee construction of the first segment of the East Side Extension, which includes four stations along a 3.75-mile route that will run east from Union Station. The construction cost for this project is estimated at \$980 million and is expected to be completed in 2002. In the end, Al and his team will make a dream come true for thousands of Los Angeles transit riders.

“If you want to lift yourself up, lift up someone else.”

Booker T. Washington

A Veteran's Wise Perspective

With forty-three years of construction management experience under his belt, John Adams has seen it all. Recently named as the Deputy Executive Officer for Project Management & Technical Services, John has a solid perspective on public works projects the size and caliber of the MTA's.

John's experience dates back to the 1950s when he was involved with the remodeling and expansion work on New York's subway system, and includes long stints working in Miami building a 21-mile-long aerial train structure and in Detroit on a people-mover system. He came to work on L.A.'s Metro System in 1985 when construction started on the Metro Blue Line to Long Beach.

"We're not an anomaly here; in fact, we compare favorably with projects all over the world," said John. "We're not unique to problems when it comes to building major rail systems. It's complicated work and mishaps occur. In every case, lessons are learned, mitigation measures are taken, and the project moves on to completion. When you have such a highly visible project, you will always deal with public and political controversy."

In commenting on the Arthur Andersen report, John says "It's good to look at our own organization as it relates to EMC, to see how both entities can become more responsible and cost effective. However, even before the Arthur Andersen report, we were auditing ourselves through an internal audit last year under the auspices of Bill Moore's Quality Assurance Department. As a result, a new checks and balances system is already in place."

As to our safety record, John says he's been on projects during his career when safety was not a top priority. "We lost two people in Miami," he said, "and that's not the case here on the Red Line. We must protect our workers first and foremost – and there's always room for improvement."

"In my opinion, rail construction work involves an orderly process from design to construction

within a constant overlay of chaos. It's just the way it is in our business," says John. ☒

Metro Speak

Dispelling Media Myths

by Daniel Jackson, Dir. of Construction Safety

Recent news accounts in Los Angeles area newspapers about worker safety at MTA construction sites have been misleading and, for the most part, factually inaccurate. I want to emphasize that worker safety is the highest priority at the MTA. Secondly, the following points will set the record straight:

- During 1995, more than 2 million hours of work were completed on Red Line contracts in the Wilshire/Vermont areas. That work produced a lost-time injury rate of just 2.5 injuries per 200,000 hours. This rate is about half the national average for this type of dangerous heavy construction work. In fact, 14 of the 21 contractors (including Parsons/Dillingham) working in this area completed the year without a single lost-time injury.
- During the first quarter of 1996, all contractors except three completed their work without a lost-time injury. This resulted in a disabling injury rate of only 1.0, which compares more than favorably to the latest national average of 4.9 for the construction industry.
- Workers at our North Hollywood projects have even bettered this record. Since the beginning of the North Hollywood work, more than 1,500,000 work hours have been completed with only two lost-time injuries. This resulted in a lost-time injury rate of 0.3 – less than 10% of the national average.
- On our third major project, the Pasadena Blue Line, almost 500,000 work hours have been completed without a single lost-time injury. In fact, this project has had only eight recordable injuries to date. This number is about one-fourth of the national average for this type of construction work.

The MTA's Construction Safety staff does not

"We're not an anomaly here; in fact, we compare favorably with projects all over the world."

Construction Division's John Adams

sit on its laurels, however. In cooperation with contractor safety professionals and Cal-OSHA, we continue to work toward the goal of zero injuries on Metro Rail projects.

Hats Off

Kudos go out this month to the following staff who have gone "above and beyond" in their work efforts, and for projects that have received outside recognition:

Third Party Coordinator Bonnie Verdin, for her long and tireless efforts to obtain a L.A. County Department of Public Works permit for Metro Rail tunneling under the Los Angeles River at Lankershim Boulevard. "Bonnie went out of her way to expedite the approval process," said Dennis Mori, deputy project manager of engineering for Segment Three-North Hollywood. "For two weeks she made daily trips to the county Flood Control District to carry documents back and forth. Her eager persistence means we can proceed with tunneling under Lankershim without costly delays."

Wayne Moore and Valerie Heydar, Director of Program Management Analysis and Contract Administrator, respectively, for their more than two month's efforts to get contractors paid on time. "Given the complications of dealing with a new FIS, the process wasn't easy," said Stephen Polechronis, project manager for Segment 2-Mid Cities. "All of the project control and contract administrator staffs have been under fire and working harder lately to speed up and improve the payment process. Wayne and Valerie particularly have worked longer hours to hand process invoices and work with accounting to walk through items to honor the commitments we made to our contracting partners."

Pasadena Blue Line cost containment team deserves credit says David Sievers, project manager for the line. "Representatives from the construction, operations and planning departments came together with the EMC, our construction managers, and the Metro Transit Consultants (Fluor Daniels), to reduce the total

project cost from \$997 million to about \$804 million." In particular, David identified three people who are doing "an outstanding job in bringing a resolution to the cost containment issues:" Frank Barbagallo of Operations, Linda Meadow of Construction, and Steve Brye of Regional Transportation Planning and Development. The proposed cost of \$803.9 will be presented for approval at the June meeting of the MTA Board.

Civil Engineering Magazine features the Metro Green Line (complete with great photos) in its May issue. The article, entitled "Green Light," says that "construction of the \$718 million Metro Green Line, the latest addition to the Los Angeles County Metropolitan Transportation Authority's rail plan, required flexible coordination between agencies and a new computer program to handle change orders." Writer John Casey interviewed various representatives from the MTA (Dave Sievers, Lynn Struthers, Louisa Simpson), from O'Brien-Kreitzberg (Ted Branton), and Caltrans Division Chief for District 7 (Frank Quon). Copies of the article may be obtained by contacting *The Construction Story's* editor, Wendy Taylor.

L.A. Business Council Design Award
The Los Angeles Business Council awarded the Metro Green Line, Marine/Redondo Beach Station, a 1995 Urban Beautification Award. The Marine/Redondo Beach Station, with its glass canopy shaped to reflect the area's proximity to the ocean and two satellite sculptures that move overhead to cast prismatic colors, is one of the MTA's first-completed artist/architect design team projects. It was designed by artist Carl Cheng and Escudero Fribourg Architects.

The City of Redondo Beach contributed about \$450,000 to the station enhancements, and the nearby aerospace firm, TRW, contributed \$100,000. TRW employees actually fabricated the station's satellite sculptures out of real satellite materials. ☒

"The smallest good deed is better than the grandest good intention."

Joseph
Duquet

New Construction Division Employees

Wallace Lossner, Senior Cost Estimator, Program Management, and Ralph Sbragia, Construction Safety Analyst, Construction Safety.

Marilyn Morton Joins MTA

Marilyn enjoys a familiarity with MTA construction projects by virtue of her 12 years at Parsons/Dillingham as a Community Affairs Manager for the Metro Red Line; she also wore the hat of Regional Manager for Government Relations at The Parsons Corporation in Pasadena. As MTA Public Affairs Manager, Construction, Marilyn will provide leadership to the MTA's public affairs officers for Segments 2 and 3, the East Los Angeles Extension, and the Pasadena Blue Line project. "Public Affairs is the frontline to the community, and I look forward to the challenges ahead," she said.

Rapid Response Teams Lessen Impacts

The MTA Board this month approved a new program called the Construction Impact Response Program (CIRP), which will provide financial help to property owners adversely impacted by subway tunneling. To deal quickly with property damage due to subway construction, the MTA will set aside \$2 million in next year's budget to pay businesses' or homeowners' repair bills, mortgage installments or emergency hotel bills with either low interest loans or good faith payment on claims. The goal is to respond as rapidly as 72 hours after a claim is made.

A seven-person Rapid Response Team (RRT) is being set up for each construction project. The teams will be comprised of a representative from the tunneling contractor, an independent claims adjuster, and MTA construction, public affairs, risk management, budget and legal departments. The Risk Management Department will oversee the program

A pilot program has already begun in North Hollywood, and response teams will soon be initiated in Hollywood, the Wilshire District and on the Eastside. The MTA will seek recovery of mitigation expenditures from insurance carriers and will, where applicable, negotiate with business owners and residents for offset or

recovery against future claims they may file against the MTA.

Penalizing Contractor Infractions

Per a motion by Director Zev Yaroslavsky at this month's meeting, the MTA board approved the policy of penalizing contractors who "routinely violate safety, noise and nighttime work specifications or restrictions during subway or light rail construction." The financial penalties will range from \$1,000 for a first offense, \$5,000 for the second, and \$10,000 for offenses thereafter. For major infractions, the scale will range from \$5,000 to \$15,000.

New Contracts Alert

New or renewed contract proposals must be presented to the board at least two scheduled meetings prior to the expiration of existing contracts or the effective date of new contracts. Approved requisitions for renewal or replacement of a contract, along with the scope of work/specifications, should be submitted to Contracts at least six months prior to expiration or award date.

Staff will present proposed contracts to be effective on October 1 to the board no later than the August meeting, which means that applicable board reports must be in the hands of the Board Secretary by the end of July. Under this new policy, the approved Request for Contract Action for any proposed contract to be effective Sept. 1 or earlier, would have been submitted to Contracts by now. ☒

"The secret of success is constancy of purpose."

Benjamin Disraeli

The Construction Story

A monthly employee publication of the MTA's Construction Division

Wendy Taylor	Managing Editor
Sara Anne Fox	Copy Editor
Terry McMahon	Design
Al Moore	MTA Printing Services
Stanley Phernambucq	Executive Officer, Construction

Photos by Ken Karagozian: The masthead photo shows construction rebar workers at Santa Monica & Vermont. The centerfold photo shows construction worker "Brenda" posing in front of one of the two new tunneling machines at Universal City. The new machines have been dubbed "Thelma and Louise" by the construction crews.