



Los Angeles County
Transportation Commission

Orange County
Transportation Commission

Riverside County
Transportation Commission

San Bernardino
Associated Governments

Ventura County
Transportation Commission

INTER-OFFICE MEMO

October 22, 1992

REF: R60-F816

MEMO TO: JOHN RINARD

FROM: RON MATHIEU *RM*

SUBJECT: CALTRANS MASTER COOPERATIVE AGREEMENT
(MCA No. 4056)

Attached for your information is a copy of the final executed Caltrans - SCRRA Master Cooperative Agreement (MCA No. 4056) for the Southern California Commuter Rail Metrolink Project.

cc: ~~J. Miller~~ *8720-1*
K. Takahashi
G. Crary
Chron / RMC



ITEM 6

Los Angeles County
Transportation Commission
Orange County
Transportation Authority
Riverside County
Transportation Commission
San Bernardino
Associated Governments
Ventura County
Transportation Commission
Ex-Officio Members:
Southern California
Association of Governments
San Diego Association
of Governments
State of California

September 14, 1992

TO: SCRRRA MEMBERS AND ALTERNATES - 9/25 MEETING
FROM: EXECUTIVE DIRECTOR
SUBJECT: METROLINK MASTER COOPERATIVE AGREEMENT
BETWEEN SCRRRA AND CALTRANS

ISSUE

The finalized Master Cooperative Agreement between Caltrans and the SCRRRA requires the execution by the Executive Director and a certified copy of the resolution from the Board authorizing such execution of the Agreement.

RECOMMENDATION

Staff recommends that the SCRRRA authorize the Executive Director to execute the Cooperative Agreement with Caltrans which will enable them to issue encroachment permits for work on State right-of-ways.

BACKGROUND

State statutes requires that Caltrans and local agencies enter into a Cooperative Agreement for projects on the State Highway System rights-of-way. The construction of the Metrolink project does impact or cross some of these State rights-of-way and the SCRRRA is required to enter into such a Cooperative Agreement prior to getting any encroachment permits. SCRRRA staff have been negotiating this proposed agreement since September 1991 and have agreed on terms.

BUDGET IMPACTS

This action has no financial impact on the budget.

Prepared by: John Rinard, P.E.
Director, Engineering & Construction

R. Stanger
RICHARD STANGER
Executive Director

*Approved by SCRRRA Board
9/25/92 Barbara Norris
Board Secretary*

8351

Agreement No. 4056

EA: 426001

MASTER COOPERATIVE AGREEMENT
FOR THE
SOUTHERN CALIFORNIA COMMUTER RAIL
METROLINK PROJECT

STATE OF CALIFORNIA
AND
SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

8351

8351

DATED: September 25, 1992.

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MASTER COOPERATIVE AGREEMENT

FOR THE

SOUTHERN CALIFORNIA COMMUTER RAIL

METROLINK PROJECT

8351

This Agreement, dated September 25, 1992, is between the Southern California Regional Rail Authority, herein referred to as "AUTHORITY," and the State of California, Department of Transportation, herein referred to as "STATE."

RECITALS:

.1 AUTHORITY was created pursuant to California Public Utilities Code Section 130255 as a joint agency to plan, design, construct and administer the operation of any and all facilities necessary and convenient for regional passenger rail lines serving the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura.

.2 The Los Angeles County Transportation Commission (LACTC) has been designated as "Administrative Staff" of the AUTHORITY for a term of seven years from July 5, 1992. This term may be extended by the AUTHORITY.

.3 The planned network of regional passenger commuter rail lines controlled by AUTHORITY have been designated as the Metrolink Rail Project, hereinafter referred to as "Project". The routes of the Project are shown on Exhibit 1 attached hereto. Any line or route thereof may also hereinafter be referred to as "PROJECT".

.4 Construction of PROJECT may require the rearrangement of portions of STATE's facilities. The parties desire to cooperate to the end that such rearrangements are held to a minimum, consistent with the requirements of each party, and that when rearrangements are required, they will be made promptly with the least interference in the operations of the parties.

It is the intent of both parties to minimize time, cost and paperwork needed to construct these critically important PROJECTS.

In view of their mutual covenants herein contained the parties agree as follows:

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ARTICLE 1

GENERAL

1.1 Scope of Agreement - This Agreement specifies the procedures which AUTHORITY and STATE will follow in identifying, planning, designing and effecting rearrangements of STATE's Facilities in order for AUTHORITY to construct and operate PROJECT and the manner in which STATE will be reimbursed for its costs related to such activities. Both AUTHORITY and STATE agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any supplemental Agreements hereto.

1.2 Definitions - For the purpose of this Agreement, the following terms shall have the meaning set forth below:

- a) Abandonment is defined as the permanent termination of service of an existing Facility, including the permanent closing of highways and other public ways, as authorized by STATE.
- b) AUTHORITY is defined as the Southern California Regional Rail Authority, the Administrative Staff (presently LACTC), its employees and authorized agents.
- c) AUTHORITY Representative is defined as the Executive Director, Southern California Regional Rail Authority or his authorized representative who has the power to conduct reviews, issue work orders and make approvals as required by this Agreement.
- d) Betterment is defined as a Replacement Facility, or portion thereof, requested by STATE and agreed to by AUTHORITY, which will materially increase or upgrade the service capacity, capability, appearance, efficiency or function over that which was provided by the corresponding Conflicting Facility unless required as a consequence of STATE's then current standards for a Replacement Facility as defined in Section 2.4. However, measures to mitigate environmental impacts identified in a Project's final Environmental Impact Report or Statement and which are hereafter mutually agreed to be a Project responsibility shall not be a Betterment. The term betterment shall include any new or upgraded facilities or portion thereof added by AUTHORITY at STATE's request for the purpose of the improvement of STATE's Facilities or services, and

which are not otherwise excluded from the definition of Betterment as set forth above. Betterments shall be entirely financed at the expense of the STATE. A requested increase or upgrade in requirements as a result of a change in STATE Standards as described in Section 2.4 shall not be a Betterment unless required as a consequence of modified STATE Standards then in effect which State Standards are not being applied to STATE projects.

- e) Conflicting Facility is defined as that existing Facility that is so situated as to require Rearrangement in order to construct and operate the PROJECT.
- f) Construction Engineering and Inspection is defined as all engineering subsequent to the award of each construction contract including, but not limited to, construction surveys, quantity measurements, inspection, testing, record keeping, review of progress billings, field design work and indirect charges.
- g) Cost is defined as all direct and indirect costs (functional and administrative overhead assessment) attributable to such work, applied in accordance with STATE's standard accounting practices. Direct costs shall include allowable direct labor and materials costs spent specifically for work performed under this Agreement.
- h) Design Engineering is defined as that engineering and architectural work which results in the production of maps, plans, drawings, and specifications which are necessary to the elimination of conflicts and to effectuate the construction of Rearrangements, Replacement Facilities and the PROJECT under the terms of this Agreement.
- i) Facility is defined as real or personal property located within or immediately adjacent to the route of a Commuter Rail Project, such as structures, improvements, and other properties under the jurisdiction of STATE and shall include, but not be limited to: roads, highways, bridges, sign standards, traffic control systems, roadway lights, landscaping, drainage conduits and maintenance facilities.
- j) Metrolink Project (also referred to herein as PROJECT) is defined as that commuter rail system which AUTHORITY, either presently or at some time in the future, proposes to construct for the public transportation of passengers.

- k) Rearrangement is defined as the removal, replacement, alteration, reconstruction or relocation of a Conflicting Facility or portion thereof, including but not limited to: Replacement of any existing Facility or portion thereof with a Replacement Facility, permanent or temporary reconstruction, relocation or support of an existing Facility or portion thereof and the permanent or temporary relocation of a Conflicting Facility or portion thereof.
- l) Replacement Facility is defined as that Facility which may be constructed or provided under the terms of this Agreement as a consequence of the Rearrangement of a Conflicting Facility or portion thereof and which meets STATE's then applicable State Standards as described in Section 2.4.
- m) STATE Representative is defined as that person or persons designated by the Director of Caltrans as an authorized representative under the terms of this Agreement, who has the power to conduct reviews and make approvals as required by this Agreement.
- n) State Standards are defined as those documented standards which STATE customarily applies to projects financed primarily by State or Federal funds and which involve comparable Design, Rearrangement or construction work, as the case may be.
- o) Substitute Facility is defined as a Facility that is equal to the corresponding Conflicting Facility which is to be Rearranged in terms of service capacity and function, which meets STATE's' then applicable design and construction State Standards as described in Section 2.4.
- p) Temporary Facility is defined as a facility constructed for the purpose of ensuring continued service of a conflicting facility during a Rearrangement.
- q) Work Order is defined as that document which one party shall issue to the other to authorize performance of design and Rearrangement work, the supply of materials, and the obligation of funds and cost limits therefore under the terms and conditions of this Agreement.

1.3 Obligation Contingency - Obligations of STATE under the terms of this Agreement are contingent upon the appropriation of resources by the Legislature and the allocation of resources by the California Transportation Commission. Obligations of

AUTHORITY are contingent upon allocation of resources by the California Transportation Commission and action of the AUTHORITY's governing board.

ARTICLE 2

DESIGN

2.1 Design Coordination - AUTHORITY and STATE's Representatives shall establish general guidelines, working relationships, design schedules for Rearrangements, administrative policies and approval procedures with respect to design review and coordination of construction and Rearrangement of STATE'S Facilities pursuant to this Agreement in order to permit the timely construction and operation of PROJECT. All Rearrangements shall be designed in accordance with STATE's established procedures for project development (including a Project Report for each Rearrangement when applicable), environmental evaluation, design and construction.

2.2 Design Performed by STATE - When AUTHORITY and STATE mutually agree that design for a specific Rearrangement of Facilities to eliminate a conflict shall be performed by STATE, the following procedures shall govern:

- a) AUTHORITY shall issue a Work Order to STATE, upon receipt of which STATE shall, in accordance with a mutually agreed upon schedule, proceed to perform the design of said Rearrangement.
- b) Consistent with its own staffing and workload requirements, STATE shall schedule its design to coincide as closely as possible with AUTHORITY's Design schedule for the corresponding section or portion of PROJECT and shall coordinate throughout the design process with AUTHORITY as necessary to develop plans satisfactory to both AUTHORITY and STATE for each Rearrangement.
- c) During design, but no later than the stage of Design so designated in the schedule, STATE shall provide AUTHORITY with a list of those specific Betterments to Replacement Facilities which STATE desires in a specific section so that the design of said Betterments may be considered for inclusion in the plans.

- d) STATE shall submit a set of the completed design plans to AUTHORITY for review and approval. Submitted with the design plans shall be STATE's estimate of the cost less applicable credits in accordance with Article 9 herein and STATE's estimate for the time needed to perform the required Rearrangement work.
- e) If existing public and/or private utilities conflict with the construction of Rearrangement, STATE will make all necessary arrangements with the owners of such utilities for their protection, relocation or removal in accordance with STATE policy and procedures. STATE will inspect the protection, relocation or removal of such utilities. If there are costs of such protection, relocation or removal which STATE or AUTHORITY must legally pay, AUTHORITY will pay such costs.
- f) STATE will identify and locate all high and low risk underground facilities within a STATE right of way and protect or otherwise provide for such facilities, all in accordance with STATE's "Policy on High and Low Risk Underground Facilities Within Highway Rights-of-Way." Costs of locating, identifying, protecting or otherwise providing for such high and low risk facilities shall be paid by AUTHORITY. AUTHORITY hereby acknowledges the receipt of STATE's "Policy on High and Low Risk Underground Facilities Within Highway Rights-of-Way" and agrees to construct the Rearrangement in accordance with such policy.
- g) STATE personnel who prepare the plans, specifications and estimates (PS&E) will be available to AUTHORITY, at cost to AUTHORITY, through completion of construction of Rearrangements to interpret the PS&E and to review and make recommendations for change orders, required shop drawings, falsework designs and other working drawings.

2.3 Design Performed by AUTHORITY - When AUTHORITY and STATE mutually agree that AUTHORITY shall perform design of a specific Rearrangement, AUTHORITY and STATE shall perform the activities referred to in the following subparagraphs:

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- a) Coordination of design and the development of the PS&E shall be accomplished through AUTHORITY Representative who shall confer from time to time with STATE's Representative. As soon as coordination allows, but not later than the stage of Design so designated in the joint schedule, STATE shall inform AUTHORITY what Betterments, if any, STATE may desire.
- b) AUTHORITY shall permit STATE to monitor the selection of consultants who prepare the PS&E. AUTHORITY agrees, if reasonably requested by STATE, to discontinue the design services of any personnel of consultants preparing the PS&E of Replacement Facilities considered to be unqualified on the basis of credentials, professional expertise, failure to perform in accordance with scope of work and/or other pertinent criteria.
- c) The final design documents and drawings of architectural, structural, mechanical, electrical, civil or other engineering features of Rearrangements shall be prepared by or under the direction of architects or engineers registered and licensed in the applicable professional field in the State of California. Any reports, specifications, right-of-way maps and documents and each sheet of the plans shall bear the professional seal, certificate number, registration classification, expiration date of certificate and signature of the professional responsible for their preparation. All necessary right-of-way maps and documents shall be prepared by or under the direction of a person authorized to practice land surveying in the State of California.
- d) Personnel who prepare the PS&E will be available to STATE, at no cost to STATE, except for STATE requested Betterments, through completion of construction of Rearrangements for reasonable consultation as necessary, to interpret the PS&E and to review and make recommendations for change orders, required shop drawings, falsework designs and other working drawings.
- e) During the progress of design, at the stages of completion mutually agreed upon, Authority shall submit to STATE for STATE's approval, PS&E for the Rearrangement of STATE's Conflicting

Facilities. Within a reasonable time after receipt thereof, STATE shall review the PS&E and transmit its comments to the AUTHORITY. AUTHORITY shall consider STATE's comments and shall revise the PS&E accordingly.

- f) If existing public and/or private utilities conflict with the construction of Rearrangement, AUTHORITY, or STATE if requested by AUTHORITY, will make such necessary arrangements as can be effectuated with the owners of such utilities for their protection, relocation or removal in accordance with STATE policy and procedures. AUTHORITY, or STATE as the case may be, will inspect the protection, relocation or removal of such utilities. If there are costs of such protection, relocation or removal which STATE or AUTHORITY must legally pay, AUTHORITY will pay such costs.

- g) AUTHORITY will identify and locate all high and low risk underground facilities within the Facility right of way and protect or otherwise provide for such facilities, all in accordance with STATE's "Policy on High and Low Risk Underground Facilities Within Highway Rights-of-Way." Cost of locating, identifying, protecting or otherwise providing for such high and low risk facilities shall be paid by AUTHORITY.

2.4 General Design Criteria - Rearrangement of STATE's Conflicting Facilities shall conform to then applicable STATE Standards, all as are in effect as of the date of the Work Order authorizing design or construction of the Rearrangement Facility.

Any changes in the design standards as may be required by STATE, as noted above, shall be incorporated into the Design Engineering for all Rearrangements in accordance with STATE's policy in effect on the date of implementing revisions to those design or construction standards.

2.5 Design Standards - Changes in Approved Plans - During design of Project plans impacting a STATE Facility by AUTHORITY or STATE, the standards of engineering and materials to be employed in the Rearrangement shall not exceed the standards then utilized in the performance of work on projects financed by STATE or federal funds unless so agreed in writing by the parties. AUTHORITY or STATE may make changes in previously approved plans prior to or during the progress of the work only with written concurrence of the other party.

2.6 Construction Staging Plan - During design of a PROJECT section impacting a STATE Facility, AUTHORITY shall develop construction staging plans for each section subject to STATE's approval. Construction staging plans shall provide for the handling of vehicular and pedestrian traffic on highways disrupted during construction of PROJECT and shall show construction phases, road closures, detours, signs and other pertinent information. To assist AUTHORITY in coordination of the development of construction staging plans, STATE shall furnish AUTHORITY, in writing during design, the following information:

- a) Facilities over which service must be maintained;
- b) Facilities over which service may be abandoned;
- c) Proposed sequence of construction of Facility Rearrangements;
- d) Estimates of duration of highway closures or restrictions necessary to construct Facility Rearrangements.

2.7 Coordination of Rearrangements - During the process of Design Engineering, AUTHORITY and STATE shall decide whether the necessary Rearrangements of Conflicting Facilities on any section can best be performed by STATE prior to construction of PROJECT; by STATE concurrently with construction of PROJECT; or by AUTHORITY; or through a combination of said alternatives.

2.8 Coordination of New State Facilities - If STATE plans to construct new Facilities that cross or otherwise would occupy proposed locations that would conflict with construction of PROJECT, STATE shall attempt to make arrangements to install such new Facilities in a manner that will meet the requirements of PROJECT. Where the projected presence of PROJECT will cause additional costs to STATE to accommodate PROJECT, STATE will request that those costs will be paid by AUTHORITY. AUTHORITY shall have 60 working days to agree to STATE's request and estimate of costs. Should AUTHORITY reject those estimates, STATE may proceed with its new Facilities without adjustment to accommodate AUTHORITY's proposed PROJECT and AUTHORITY may proceed with a subsequent Rearrangement of these new STATE Facilities.

2.9 Reproducible Contract Documents - AUTHORITY and STATE agree to provide the other with suitable reproducible copies of those final contract documents they have prepared or caused to be prepared to govern the performance of a given Rearrangement by a contractor of either party so that each party may compile a complete set of contract documents.

ARTICLE 3

PERMITS

3.1 Permits - After approval of the design of Rearrangements as set forth in Article 2 herein and upon proper application by AUTHORITY, STATE shall issue an encroachment permit authorizing AUTHORITY to proceed with the work.

AUTHORITY's construction contractor shall also be required to obtain an Encroachment Permit from STATE prior to commencing any work within STATE rights of way or which affects STATE Facilities. The application by AUTHORITY's contractor for said Encroachment Permit shall be made through the office of the State District Permit Engineer and shall include proof said contractor has payment and performance surety bonds covering construction of PROJECT. STATE will issue said permit upon its reasonable determination of the satisfaction of any bond requirements and conformance of the proposed work to the approved PS&E.

AUTHORITY shall include in the Work Orders, funds to reimburse STATE for costs involved in any additional required review of design plans and for Construction inspection costs.

ARTICLE 4

ACQUISITION OF RIGHTS-OF-WAY

4.1 Rights-of-Way Joint Use - In those instances wherein PROJECT is permitted to traverse or cross STATE's rights-of-way, STATE shall convey to AUTHORITY or its designees such joint use easements and construction easements for all purposes appurtenant to the construction, operation and maintenance of PROJECT. STATE shall convey said joint use easements to AUTHORITY, at no cost to AUTHORITY, provided STATE is permitted under applicable law to grant said easements at no cost to AUTHORITY.

AUTHORITY agrees that these conveyances shall not preclude the future development by STATE of multiple use of the properties on which the PROJECT facilities will be located and AUTHORITY consents and covenants to pay all reasonably necessary costs associated with the future relocation of PROJECT facilities to the extent that they may interfere with future extensions or enlargements of STATE's Facilities unless otherwise provided by Statute.

4.2 Joint Use Agreement - STATE agrees to negotiate a Joint Use Agreement with AUTHORITY, or its designees, which conveys the use of portions of STATE's right-of-way for PROJECT facilities, including for PROJECT construction, operation and maintenance, on a case-by-case basis.

4.3 Approval of Conveyances - AUTHORITY acknowledges that joint use without charge and all right-of-way conveyances by STATE to AUTHORITY are subject to approval by the California Transportation Commission and Federal Highway Administration.

4.4 AUTHORITY Rights of Way - In those instances where AUTHORITY (or a member agency) has acquired railroad rights of way encumbered with easements to STATE for highway purposes and/or encumbered with construction and maintenance agreements for a State highway, nothing herein shall be construed as relieving either AUTHORITY or STATE from the rights and obligations of those easements and/or agreements.

ARTICLE 5

CONSTRUCTION OF REARRANGEMENT

5.1 STATE Performance of Rearrangement - When AUTHORITY and STATE mutually agree, STATE will advertise, award and administer construction of the Rearrangement of Conflicting Facilities necessary to eliminate a conflict with the PROJECT. In such event:

- a) STATE shall commence work as mutually agreed and thereafter diligently prosecute such Rearrangement to completion as authorized by Work Order and in conformance with the design plans and specifications.
- b) Rearrangement work shall coincide closely and be coordinated with AUTHORITY's construction schedule for the Project Rearrangement as approved by STATE, including the schedule for construction of rearrangements of other utility, cable and pipeline facilities in the same segment or portion of the Project. STATE shall coordinate its work with other facility owners and contractors performing work that may connect, complement or interfere with STATE's work hereunder or with its Facilities. STATE shall, to the extent legally possible, include for

AUTHORITY's benefit in any contracts it lets for performance of Rearrangement work, provisions for liquidated damage delays in performance under such contracts.

- c) STATE shall not award a construction contract to construct Rearrangements until after receipt of AUTHORITY's deposit as required in Article 11.5 of this Agreement.
- d) STATE will consult with AUTHORITY on all change orders with an estimated cost of over \$50,000, or as otherwise provided by a Work Order, before implementation without AUTHORITY's approval, except when necessary for the safety of motorists and/or pedestrians or for the protection of property, in which case AUTHORITY shall receive prompt notice of STATE's action.
- e) In the event that Temporary Facilities are necessary to effect a Rearrangement, STATE may use lands owned or controlled by AUTHORITY for the purpose of erecting such Temporary Facilities thereon, provided that AUTHORITY shall have approved in writing the location and duration of such Temporary Facilities. Upon completion of Rearrangement Facilities in their permanent locations, STATE shall remove all such Temporary Facilities and restore the area as near as practical to its original condition, all at AUTHORITY's cost.
- f) STATE shall notify AUTHORITY at least 5 working days prior to commencing the work of each Rearrangement so that AUTHORITY may make arrangements for such inspection and record keeping as AUTHORITY may desire.
- g) STATE shall not order or direct work which would exceed the total Cost specified in any Work Order without the prior written approval of AUTHORITY, excepting only construction claims over which STATE has no control. STATE agrees to use its best efforts to perform the Work specified in each Work Order within the cost and time frame specified therein. If at any time STATE has reason to believe that the costs which it expects to incur under any Work Order will be exceeded by ten percent (10%), higher or lower than the previously specified estimate or bid cost, STATE

shall notify AUTHORITY in writing to that effect, giving the revised cost estimate for the work authorized in said Work Order. Should AUTHORITY not authorize the additional work, STATE shall cease effort under the Work Order except that AUTHORITY shall be responsible for all necessary costs to cease work and return STATE Facilities to either their prior condition or a safe condition at STATE's option.

- h) Construction of any Rearrangement will be the subject of separate future Work Orders.

5.2 AUTHORITY Performance of Rearrangement - When AUTHORITY and STATE mutually agree, AUTHORITY may advertise, award and administer construction of any Rearrangement of Conflicting Facilities. In such event, all work by AUTHORITY or AUTHORITY's contractor shall conform to the PS&E agreed to by AUTHORITY and STATE during design. If changes in design plans of a Rearrangement are necessary, AUTHORITY shall submit such changes to STATE for review and approval.

AUTHORITY agrees to construct its Rearrangement in accordance with STATE's "Policy on High and Low Risk Underground Facilities Within Highway Rights-of-Way".

AUTHORITY shall be responsible for all stop notices or mechanics' liens filed by AUTHORITY'S contractor or sub-contractors for work performed on STATE Facilities.

5.3 "As-Built" Drawings - AUTHORITY and STATE shall each maintain a set of "as-built" drawings of Rearrangements performed by AUTHORITY and STATE during the progress of construction. Upon completion of the Rearrangement work, the party that performed the work shall furnish the other party with full size positive reproducible as-built plans showing all Replacement Facilities installed and all contract records, including survey documents and microfilm copies of all structure plans.

ARTICLE 6

INSPECTION

6.1 Inspection During Construction - All work performed by either party which affects construction of PROJECT shall be inspected by AUTHORITY. Rearrangement of STATE Facilities to be maintained by STATE shall be inspected by STATE. Such STATE inspection services shall be authorized by AUTHORITY under an appropriate Work Order so that upon such completion of the

Rearrangement STATE will have a basis for the acceptance of that work. STATE inspectors shall coordinate with AUTHORITY Representative so as to provide safe access to the PROJECT sites by STATE inspectors. AUTHORITY's Representative may inspect all the Rearrangements of STATE Facilities to ensure that the work has been performed in accordance with approved designs. At such inspections, each party shall inform the other of any deficiencies or discrepancies in any work discovered in the course of such inspection.

6.2 Final Inspection - As soon as the work performed by AUTHORITY on any specific Rearrangement of STATE Facilities has been completed, AUTHORITY shall notify STATE in writing that said Rearrangement is ready for final inspection. The final inspection of any Rearrangement to be maintained by STATE shall be attended by Representatives of AUTHORITY and STATE. At such inspections, each party shall inform the other of any deficiencies or discrepancies in any work discovered in the course of such final inspection. AUTHORITY shall then direct any necessary corrective work to the extent required to make the Facility conform to the approved designs. Upon acceptance of the Rearrangement by STATE, STATE shall assume full responsibility for the Facility except for hidden defects not discovered by STATE.

ARTICLE 7

DISPOSITION OF SALVAGED MATERIALS

7.1 Salvage by AUTHORITY - AUTHORITY may salvage certain materials belonging to STATE during the course of Rearrangement. If salvage is to be reused, subject to consent of STATE, materials removed shall be stored by AUTHORITY until such time as the progress of work allows the reinstallation of such materials. Materials which are not to be reused and which STATE desires to retain shall be returned by AUTHORITY to a mutually suitable location. If the materials removed by AUTHORITY are not reusable and are not desired by STATE, such materials shall become the property of AUTHORITY unless Design plans provide otherwise.

7.2 Salvage by STATE - Salvaged materials which are removed by STATE and which are suitable for reuse shall be retained by STATE.

7.3 Salvage Credits - AUTHORITY shall receive a credit for salvage for such materials described herein retained by STATE as provided in Article 9 of this Agreement.

ARTICLE 8

REIMBURSEMENTS

8.1 Reimbursement to STATE - The issuance of a Work Order shall obligate AUTHORITY to reimburse STATE for all activity or work performed or materials acquired for each Rearrangement and for STATE's design, construction and inspection work as described in this Agreement; and such reimbursement shall be for the actual direct and indirect costs incurred by STATE for such activities or work performed or materials acquired under the terms of this Agreement, less credits to AUTHORITY, as provided in Article 9 of this Agreement. STATE shall maintain records showing actual time expended and costs incurred under each Work Order.

8.2 Reimbursement to AUTHORITY - In those cases in which Rearrangement or other work under this Agreement is performed by AUTHORITY, STATE shall reimburse AUTHORITY by way of credits, as defined in Article 9 of this Agreement or by separate invoiced payment.

8.3 Reimbursement for Abandoned Facility - In those cases wherein AUTHORITY and STATE agree that the construction of AUTHORITY's PROJECT will eliminate the service need for a specific Conflicting Facility, such Conflicting Facility may be abandoned by STATE, and AUTHORITY shall not be required to replace or compensate STATE for such Conflicting Facility, except for reasonable costs incurred in severing and demolishing such facility and restoring subground and ground surfaces.

ARTICLE 9

CREDITS

9.1 Credits to AUTHORITY - AUTHORITY shall receive a credit from STATE against work performed under this Agreement for salvage materials and Betterments. The amount of credits shall be determined by mutual agreement of the parties based upon applicable STATE books, records and documents.

To assist in the determination of credits due AUTHORITY under this Agreement, AUTHORITY and STATE may conduct an inspection survey of each Conflicting Facility during the Design stage. Pursuant to a Work Order STATE shall provide AUTHORITY, to the extent such exist and are known and available, with drawings, plans or other records necessary to conduct such survey. The survey shall describe the physical attributes of the Conflicting

Facility such as number, length, diameter, dimensions, type of material, number and type of service connections. The survey shall further describe for each Conflicting Facility, the date of construction or installation; the present condition; and whether materials contained therein are salvageable.

9.2 Credit for Salvage - Credit for salvage shall be allowed for items of materials and equipment recovered from STATE's existing Facilities in the performance of work which are subsequently accepted by STATE. The amount of a salvage credit, if any, shall equal the cost to STATE of like or similar used materials.

9.3 Credit for Betterments - Credit for Betterments shall be allowed as defined in this Agreement. The amount of a Betterment credit shall be the estimated cost of the Replacement Facility, minus the estimated cost of a Substitute Facility; and said estimated costs shall be based on the unit price schedules agreed to by the parties or the unit prices bid, whichever is less. The estimated amount of Betterment credit, if any, shall be preliminarily determined by the parties during the Design and shall be subject to future adjustment after bid and upon authorization of funds by the California Transportation Commission and the encumbrance of available funding by STATE as appropriate.

ARTICLE 10

INDEMNITY

10.1 Indemnity by Authority - AUTHORITY agrees to indemnify, defend and save harmless STATE, its officers, agents and employees from and against any and all liability, expenses (including defense costs and legal fees), claims, losses, suits and actions of whatever kind, for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with AUTHORITY's (or its agents or contractors) performance, acts or omissions hereunder.

10.2 Indemnity by STATE - STATE agrees to indemnify, defend and save harmless AUTHORITY, its member agencies, agents, officers and employees from and against any and all liability, expenses (including defense costs and legal fees), claims, losses, suits and actions of whatever kind, for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury or property damage arising from or connected with STATE's (or its agents or contractors) performance, acts or omissions hereunder.

ARTICLE 11

WORK ORDERS AND BILLINGS

11.1 Work Performed by STATE - All work performed by STATE under the terms of this Agreement shall be initiated by Work Orders as provided herein. STATE shall have no obligation to perform work hereunder, except to the extent that funds have been furnished by AUTHORITY pursuant to Article 11.4 and 11.5. State review of PS&E and other documents, drawings, etc. furnished by AUTHORITY may not be subjected to complete reengineering or technical study, therefore AUTHORITY cannot rely on STATE review to validate AUTHORITY work product.

11.2 Work Orders - AUTHORITY shall issue Work Orders to STATE to authorize the performance of all work or purchase of all materials and equipment required under the terms and conditions of this Agreement. STATE or STATE's contractor or subcontractor may perform any work so authorized. Each Work Order issued under the terms of this Agreement shall specify the work to be performed and any materials or equipment to be acquired, the maximum amount of money which STATE may expend therefor and the estimated starting and finishing dates for work so authorized. Should STATE refuse or be unable to perform the work as required in a Work Order, AUTHORITY may perform said work and STATE shall cooperate with and assist AUTHORITY as herein provided.

11.3 Work Order Changes - Any proposed changes in a Work Order issued under this Agreement shall be submitted in writing to AUTHORITY for its prior approval; provided, however, that any proposed change occasioned by field construction difficulties may be submitted to AUTHORITY orally, by telephone, and later confirmed in writing by STATE; and in such event, AUTHORITY agrees to act on such oral request promptly. STATE agrees to promptly request written revisions of Work Order maximum amounts in the event of anticipated cost overruns or completion delays. AUTHORITY may terminate any Work Order at any time, but AUTHORITY shall be liable to STATE for reimbursement in accordance with this Agreement of Costs, if any, already incurred, and Costs, if any, necessary to restore STATE's Facilities in the process of Rearrangement to a permanent condition suitable for the provision of service to the public. Should AUTHORITY fail to correct terminated Work Orders, STATE shall be reimbursed for costs expended in excess of the maximum cost specified in the Work Order to return STATE Facility to operable public service or restore those Facilities to their original condition, at option of State. No Costs will be paid to STATE to correct defective performance by STATE without the prior written approval of AUTHORITY.

11.4 Procedures for STATE Billings to AUTHORITY - The parties agree that the following procedures will be observed for submission of monthly billings by STATE to AUTHORITY on a progress basis for work performed by STATE under a specific Work Order. STATE's billings shall begin as soon as practicable following the commencement of a specific Rearrangement or other work under a given Work Order. Billings shall be in quadruplicate, shall specify costs incurred for that billing, shall bear AUTHORITY's Work Order number, and will be supported by copies of invoices and other cost data and shall be maintained for audit on file in STATE's Accounting Center and shall be addressed to AUTHORITY Representative. Each billing shall be noted as either progress or final. The final billing, with a notation that all work covered by a given Work Order has been performed, shall be submitted to AUTHORITY as soon as practicable following the completion of said Rearrangement, shall recapitulate prior progress billings and shall show inclusive dates upon which work billed therein was performed.

11.5 Advance Deposit - AUTHORITY agrees to deposit with STATE, within 25 days of receipt of billing therefor (which billing will be forwarded immediately following STATE's bid advertising date of a construction contract for Rearrangement), an amount which represents 100 percent of the estimated construction engineering and construction costs required to complete Rearrangement unless a lesser portion is agreed upon in the Work Order.

11.6 Procedures for AUTHORITY Billings to STATE - In those cases in which AUTHORITY performs Rearrangement or other work payable by STATE under the terms of this Agreement, AUTHORITY shall submit regular monthly progress billings to STATE indicating actual work performed for those credits properly reimbursable to AUTHORITY under this Agreement after first obtaining consent by STATE and an encumbrance document establishing a fund limit for STATE payments. AUTHORITY billing shall begin as soon as practicable following the commencement of a specific Rearrangement or other work. Each billing shall be noted as either progress or final. The final billing, with a notation that all work covered thereby has been performed, shall be submitted to STATE as soon as practicable following the completion of said Rearrangement or other work.

11.7 Payment of Billings - The parties shall pay each billing presented under the foregoing procedures within 30 days of receipt thereof, provided, however, that such payments shall be conditional, subject to post-audit adjustments, and that AUTHORITY may withhold credit amounts due AUTHORITY as described in Article 9 if STATE has not posted such credits within 60 days after submittal of written requests for same by AUTHORITY.

11.8 Payment Control - Unless provided for otherwise in a Work Order, this Agreement shall provide the sole authority and guidance for Cost reimbursements, credits and payments.

ARTICLE 12

RESOLUTION OF DISPUTES

12.1 Attempts to Resolve - In the event of a claim or dispute arising out of this agreement, both parties shall make good faith efforts to resolve said dispute through negotiation.

12.2 Arbitration - Where No Work Stoppage - Failing a dispute resolution through these good faith efforts, or in the absence of good faith efforts to resolve the dispute, either party may serve upon the other a written demand for arbitration. The parties within 10 days thereafter, or within such extended period as the parties agree to in writing, shall attempt to agree upon a mutually satisfactory arbitrator. If they are unable to agree, each party, prior to the expiration of said time period, shall designate one person to act as arbitrator. The two designated arbitrators shall promptly select a third arbitrator (hereinafter "neutral arbitrator").

If either party fails to designate its arbitrator within the 10 days after the date of delivery of the demand for arbitration for the agreed extended period, or if the two designated arbitrators are unable to select a neutral arbitrator within 5 days after their appointment, a neutral arbitrator shall be designated pursuant to Section 1281.6 of the California Code of Civil Procedure. Section 1283.05 of the California Code of Civil Procedure is specifically made applicable to this Agreement, but only with respect to those issues not involving work stoppage. A hearing date shall be promptly set after the selection of arbitrators. The arbitrator's award, whether under this section or Section 12.3, shall be supported by law and substantial evidence, and further, the arbitrator shall issue written findings of fact and conclusions of law. The making of an award failing to comply with the requirements of the immediately preceding sentence shall be deemed to be in excess of the arbitrator's powers and the court shall vacate the award if after review it determines that the award cannot be corrected without affecting the merits of the decision upon the controversy submitted.

12.3 Arbitration - Work Stoppage - In no event shall work be stopped in the event of a claim, or dispute, except where it is absolutely necessary to first resolve the dispute in order to be able to continue work. In the event that work is stopped, a neutral arbitrator shall be immediately designated pursuant to Section 1281.6 of the California Code of Civil Procedure. No neutral arbitrator shall be selected who is unable to hear the dispute within five days after being selected. Notwithstanding Sections 1282.2(b) and 1286.2(e) (regarding postponement of the hearing) of the California Code of Civil Procedure, where work is stopped the neutral arbitrator may not adjourn the hearing except upon the stipulation of all parties to the arbitration. In addition to all other issues the neutral arbitrator shall also determine whether it was necessary to stop work; the other party shall be entitled to damages arising out of any such unnecessary work stoppage.

12.4 Impartiality of Arbitrator - No person shall act as neutral arbitrator who in any way has any material, financial or personal interest in the results of the arbitration or has any past or present relationship with any of the parties or their counsel unless such interest or relationship is disclosed to both parties and each consents to the use of that arbitrator. Failure to disclose any such interest or relationship shall be grounds for vacating the award.

12.5 Compensation of Arbitrator - Each party shall pay the expenses and fees of the arbitrator it selects. The expenses and fees of the neutral arbitrator shall be paid in accordance with the provisions of Section 1284.2 of the California Code of Civil Procedure.

12.6 Other Governing Provisions - Except as otherwise provided herein, any arbitration under this section shall be governed by the California Arbitration Act.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Approvals; Further Documents

13.1.1 Where this Agreement requires approval, consent, permission, satisfaction, agreement, or authorization by either party, such approval, consent, permission, satisfaction, agreement, or authorization shall not be unreasonably withheld.

13.1.2 The parties agree to execute such further documents, agreements, instruments, and notices as may be necessary or appropriate to effectuate the transactions contemplated by this Agreement.

13.2 Notices

13.2.1 Any notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed to be given as of the time of hand delivery to the addresses set forth below, or three (3) business days after deposit in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows:

To STATE:

State of California
Department of Transportation
120 S. Spring Street
Los Angeles, California 90012
Attention: Chief, Public Transportation,
Ridesharing & Rail Branch

To AUTHORITY:

Southern California Regional
Rail Authority
818 West Seventh Street
Los Angeles, California 90017
Attention: Executive Director

13.2.2 The parties may also designate other procedures for the giving of notice as required or permitted under the terms of this Agreement, but each such alternate procedure shall be described in writing and signed by a designated Representative of the parties.

13.3 Waiver

The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect the rights at a later time to enforce the same. No waiver by any party of any condition, or of any breach of any term, covenant, representation, or warranty contained herein, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of any breach or any other term, covenant, representation or warranty.

13.4 Entire Agreement; Modification

This Agreement contains the entire agreement of the parties with respect to the matters addressed herein. This Agreement may not be amended, modified, superseded or canceled, nor may any of the terms, covenants, representations, warranties or conditions hereof be waived, except by a written instrument executed by the party against whom such amendment, modification, supersedure, cancellation or waiver is to be charged.

13.5 Time of Essence

In accomplishing all work required under this Agreement time is of the essence. Milestones for the completion of Project construction will be set forth in the appropriate Work Orders.

13.6 Severability

In the event that any portion hereof is determined to be illegal or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions hereof, all of which shall remain in full force and effect.

13.7 Gender and Tense

As used in this Agreement, the masculine, feminine and neuter gender, and the singular or plural number shall each be deemed to include the other or others whenever the context so indicates.

13.8 Headings

The various section headings herein are for convenience only, and shall not affect the meaning or interpretation of this Agreement or any section hereof.

13.9 Incorporation of Exhibits

Every exhibit to which reference is made in this Agreement is hereby incorporated in this Agreement by this reference.

13.10 Counterpart Originals

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original, and all of which together shall constitute one and the same instrument.

13.11 Force Majeure

Neither party shall be held liable for any damages or loss due to delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances or unusually severe weather conditions.

13.12 Termination

This Agreement shall terminate upon completion and acceptance of the construction contracts for PROJECT or by mutual agreement or on July 1, 2001, whichever is earlier in time; however, the ownership, operation, maintenance, claims and indemnification clauses shall remain in effect until terminated or modified in writing by mutual agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first written above.

"STATE"

STATE OF CALIFORNIA
Department of Transportation

JAMES W. van LOBEN SELS
Director of Transportation

By *James W. van Loben Sels*

Approved as to Form and Procedure:

William B. Smith
Attorney
Department of Transportation

Approved as to Funds and Procedure:

Agnes for R. V. Wilbourn
District Accounting Administrator

"AUTHORITY"

SOUTHERN CALIFORNIA REGIONAL
RAIL AUTHORITY

By *Richard Stanger*
Richard Stanger
Executive Director

ATTEST:

By *Barbara Norris*

APPROVED AS TO FORM:

By *Robert C. Pearman*
Robert C. Pearman, Jr.
ROBINSON & PEARMAN
Special Counsel to LACTC/SCRRRA

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