



**CONSTRUCTION COMMITTEE
JULY 15, 2004**

PROJECT: METRO ORANGE LINE

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

ACTION: EXECUTE CONTRACT MODIFICATION IN THE
AMOUNT OF \$1,030,239 FOR COMMUNITY LANDSCAPE
ENHANCEMENTS

RECOMMENDATION

Authorize the Chief Executive Officer to execute Contract Modification No. 26 to Contract No. C0675 Design/Build with Shimmick Construction Co.,Inc./Obayashi Corp., J. V. (SOJV) for the design and construction to replace all temporary landscape irrigation systems with permanent irrigation systems, and to upgrade all permanent irrigation systems to allow future use of recycled water for the Metro Orange Line Project in the amount of \$1,030,239, increasing the Total Contract Value from \$156,577,600 to \$157,607,839.

Within Construction Committee authority: Yes No N/A

RATIONALE

Current Landscape Irrigation System:

In February 2003, the Board awarded Contract No. CO675 Design/Build for the Metro Orange Line, which included a provisional sum line item in the amount of \$1,000,000 for Community Landscape Enhancement.

Contract No. C0675 requires a permanent irrigation system for the landscaping at the bus stations, park and ride lots and along the soundwalls, and a temporary irrigation system for the drought tolerant landscaping for other areas of the busway. The Contractor is required to maintain the permanent and temporary irrigation system for a two (2) year period.

The Contractor bid an at-grade drip emitter temporary irrigation system, which could be left above ground at the end of the two year plant establishment period. This temporary irrigation system would last approximately three years, be subject to damage when walked on, become brittle due to exposure to the sun, and not allow for future use without significant additional costs.

Proposed Landscape Irrigation System:

On December 23, 2003, a Landscape Advisory Committee representing the community along the busway corridor unanimously recommended a permanent irrigation system for drought tolerant landscaping to assure more rapid plant growth and long term sustainability. MTA staff agrees with the recommendations from the community and elected officials. The proposed upgrade would include replacement of the temporary above ground drip irrigation system with a permanent underground rotor/spray/bubbler irrigation system, and changing the entire irrigation system to comply with the appropriate codes and regulations for utilization of potable or recycled water.

This irrigation system will be initially connected to a potable water supply. After Los Angeles Department of Water and Power (LADWP) completes their proposed Recycled Water Pipeline project in the vicinity of the busway, MTA will be able to connect the irrigation system to the Recycled Water Pipeline without significant changes. Use of recycled water will reduce long term water costs and is environmentally responsible, satisfying a significant Sustainable Building Concept goal.

A Change Notice was issued on September 24, 2003, requesting a proposal for an upgrade of the landscape irrigation system. The Contractor's proposed cost for this change was approximately \$8 million and requested a 133-calendar day time extension.

MTA staff rejected the Contractor's proposal, and worked with the Contractor to clarify and better define specific requirements for a cost efficient permanent irrigation system, which could eventually utilize recycled water. The Contractor's proposal, received on May 28, 2004, requested a total \$2,223,689 and unspecified days of delays for this new work. MTA staff has negotiated a final price of \$2,030,239 for the design and construction of this new work. The schedule impacts and its associated costs, if any, will be addressed in a separate Contract Modification as a part of a global schedule recovery plan.

In order to minimize delays to the project, MTA staff has authorized \$590,000 from the \$1,000,000 provisional sum already available under the Community Landscaping Enhancements line item in Contract No. CO675 to fund landscape irrigation design, and pipe installation where construction is underway. The contract allows the MTA to issue a Contracting Officer's Directive to direct the Contractor to proceed with this work up to \$1,000,000 without increasing the Total Contract Value. The net increase to Contract Value is \$1,030,239 (negotiated total \$2,030,239 minus \$1,000,000 provisional sum).

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.

In future years, when the LADWP Recycled Water Pipeline project is completed, a separate procurement would be required to connect the landscape irrigation system to the Recycled Water Pipeline.

FINANCIAL IMPACT

Original Contract Award	\$150,717,038
Current Cumulative Contract Value	\$156,577,600 as of 6/1/04
This Action	\$1,030,239
New Cumulative Contract Value	\$157,607,839

The funds for this contract action are available within the FY05 Capital Budget of \$144,341,000; within budget Cost Center No. 8510 for Project 800112 Metro Orange Line Project. The life of project budget adopted by the Board in February 2003 is \$329,500,000. This recommendation will increase the current Contract No. C0675 Total Contract Value by \$1,030,239. Since this is a multi-year project, the Cost Center Manager and appropriate Executive Officer will be accountable for budgeting the project costs in future years consistent with the MTA Board adopted total project budget. Funding sources for Project 800112 are a combination of State and local funding sources.

COST RECOVERY

Potential for Cost Recovery: Yes No N/A

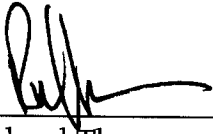
ALTERNATIVES CONSIDERED

The MTA Board may reject this recommendation and limit the Community Landscape Enhancements to within the \$1,000,000 provisional sum included in the Contract C0675. However, rejection will not allow the staff to incorporate significant comments from the community for a complete permanent irrigation system to sustain landscaping along the entire busway corridor. Rejection will also result in significant future additional cost, and disruptions to the MTA bus operations and passengers to upgrade to a permanent irrigation system utilizing recycled water after the plants are established.

ATTACHMENTS

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

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



Richard Thorpe
Chief Capital Management Officer
Construction Project Management



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 38.03		
2.	Recommended Vendor: Shimmick Construction, Inc./Obayashi Corporation, JV		
3.	Cost/Price Analysis Information: See Attachment A-1		
	Bid/Proposed Price: \$ 2,223,689	Recommended Price: \$ 2,030,239	
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: Change Notice 38.00 issued on February 13,2004		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: N/A		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: N/A	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:		
	A. Bidders/Proposers Names: 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

N/A

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon price/cost analysis, independent cost estimates, clarification meetings and MASD audit of the Contractor's various cost proposals. The recommended price is 9% less than the contractor's proposed cost for CN 38.03.

CN No.	Proposal Amount	MTA Estimate	Negotiated Amount
38.03	\$2,223,689	\$2,230,112	\$2,030,239

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 attainment¹ based on the relevant amount² is 15.2 % for Design and 3.3% for Construction. Current DBE participation³ 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 Contract Mod. No. 26 to determine DBE participation upon receipt of the required cost information.

DEOD is currently auditing the activity shown below as reported by SOJV through March 2004. DEOD will continue to monitor this project to ensure SOJV's compliance with prompt payment requirements.

Design

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

* DBE firms added to project 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%
TOTAL	27.83%	-	15.20%	32.83%

Construction

Original Award Amount (Construction) \$ 135,719,520
 Relevant Contract Amount² (Construction) \$ 138,026,167
 Total Actual Amount Paid to Date to Prime (Construction) \$ 32,628,838

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%	0.00%
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%
TOTAL	36.52%	-	2.88%	12.18%

¹Current Attainment = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Current Contract Amount

²Relevant Contract Amount = Original Contract Value + Contract Cost Modifications

³Current Participation = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Actual Amount Paid-to-Date to