



Metro

Metropolitan Transportation Authority

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REVISED
CONSTRUCTION COMMITTEE
November 18, 2004

PROJECT: METRO ORANGE LINE PROJECT

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

**ACTION: EXECUTE CONTRACT MODIFICATION NO. 41.00 IN
THE AMOUNT OF \$138,980 FOR RUBBERIZED
ASPHALT CONCRETE PAVEMENT ALONG SELECTED
SEGMENTS OF THE BUSWAY**

RECOMMENDATION

Authorize the Chief Executive Officer to execute Contract Modification No. 41.00 to Contract No. C0675 Design/Build with Shimmick Construction Co., Inc./Obayashi Corp., J. V. (SOJV) to add Rubberized Asphalt Concrete (RAC) pavement along selected segments of the busway in the amount of \$ 726,619 and to delete Asphalt Concrete (AC) or Portland Cement Concrete (PCC) pavement in the credit amount of \$587,639 with a net value of \$138,980.

This action is within the current Board-authorized Total Contract Authority of \$168,059,040.

Within Construction Committee authority: Yes No N/A

RATIONALE

In February 2003, the Board awarded Contract No. CO675, a design/build contract for the Metro Orange Line, which included the design and construction of AC or PCC pavement for the busway.

This authorization will allow staff to execute a contract modification to finalize the agreement with SOJV for the design and construction of RAC pavement at selected locations along the busway. The schedule impacts and its costs, if any, will be addressed in a separate contract modification as part of a global schedule recovery plan.

Residual noise ~~Rubberized~~ impacts were identified along various segments of the busway that could be further mitigated by using **Rubberized** Asphalt. The majority of these busway segments are located parallel to the city streets, where soundwalls are not feasible, or are adjacent to second-story residential buildings, which cannot be shielded by soundwalls, or are at intersections with city streets, where soundwalls must terminate.

Based on County of Los Angeles' experience, staff has recognized that replacing the top layer of the pavement section (wearing course) with RAC tends to reduce vehicle tire noise and may help further mitigate residual noise impacts.

RAC uses recycled rubber (vehicle tires) as part of the component of the asphalt, which helps the environment, and reaffirms our commitment to incorporate various sustainable building concepts in the development of the Orange Line. Staff will enter into an agreement with the City of Los Angeles for long-term maintenance of RAC pavement crossing street intersections.

With the support from the County and City of Los Angeles staff, and to avoid suspending work prior to this Board action, staff issued Change Order No. 12.03 in the total not-to-exceed amount of \$90,000 to allow SOJV to design and construct RAC pavement at selected locations in accordance with their construction schedule. The net value of the recommended action is within the Chief Executive Officer's Board delegated authority of \$1 million for changes; however, Board approval of this change is sought because the absolute value (\$1,314,258) of the change exceeds that delegation.

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 CWO No. 1.

FINANCIAL IMPACT

Original Contract Award	\$150,717,038
Current Contract Modification Authority	\$ 17,342,002
Total Contract Authority	\$168,059,040

The funds for this contract action are available within the FY05 Capital Budget of \$174,932,887; within budget Cost Center No. 8510 for Project 800112 Metro Orange Line Project and the FY05 Capital Budget (as increased by the Board in July 2004) of \$8,061,354 for Project 800114 Metro Orange Line Bikeway Project. The life of project budget for Project 800112 adopted by the Board in February 2003 is \$329,500,000. The life of project budget for Project 800114 as increased by the Board in July 2004 is \$10,637,860. This

recommendation is within the current life of project budget for both projects. Since these are multi-year projects, the Cost Center Manager and appropriate Executive Officer will be accountable for budgeting both projects costs in future years consistent with the Board adopted total projects budgets. Funding sources for Project 800112 are a combination of Federal, State and local funding sources. Federal funds in Project 800112 are specifically earmarked for a portion of the Articulated Vehicle Procurement. Funding sources for Project 800114 are a combination of Federal and City of Los Angeles sources.

COST RECOVERY

Potential for Cost Recovery: Yes No N/A

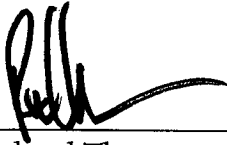
ALTERNATIVES CONSIDERED

The Board may reject this recommendation. Staff is not recommending this option; as this action will result in cost and schedule impacts to C0675 contract for deletion of RAC from current design; and costly removal and reconstruction of wearing course and disruptions in the bus operations if staff elects to add RAC in the future as additional noise mitigation at selected locations.

ATTACHMENTS

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

Prepared By: Hitesh Patel, Deputy Project Manager, 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 12.03		
2.	Recommended Vendor:	Shimmick Construction, Inc./Obayashi Corporation, JV	
3.	Cost/Price Analysis Information: See Attachment A-1		
	Bid/Proposed Price: \$197,190 (net) Absolute Value : \$1,399,663	Recommended Price: \$138,980 (net) Absolute Value : \$1,314,258	
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	Issued Change Notice 12.03 Issued on January 22, 2004		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposal Due: Feb 13, 2004		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Commitments: 25% DBE goal for Design 34% DBE goal for Construction	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:		
	Bidder/Proposer 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
Contract C0675**

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 bikeway 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

The request for proposal and the evaluation of this recommended change was performed in compliance with MTA Procurement Policies and Procedures.

D. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon cost analysis, independent cost estimate, clarification meetings and MASD audit of the Contractor's cost proposal. Since the majority of work was to be performed by subcontractors, the proposed prices for deleted and added work items were primarily based on the bid unit costs included in the original subcontracts with the Contractor. The bid unit prices used were competitive and generally lower than the corresponding unit costs estimated by MTA and this resulted in cost variances for additions and deletions of various work items. Development of the negotiated amount and reconciliation of the Contractor's proposal, MASD Audit and MTA Estimate reflected actions ranging from; quantity adjustments, additional and necessary costs for rubber plant mobilizations and operation, additional costs for providing asphalt paving for selected street intersections to keep smooth traffic flow, disallowed costs and reduction in markups. The negotiated and therefore the net recommended price is 29.6% less than the Contractor's proposed cost for CN12.03.

CN No.	Proposal Amount	MTA Estimate	Negotiated Amount
12.03	\$197,190 (Net) \$1,399,663(Absolute)	\$23,699 (Net) \$1,433,653 (Absolute)	\$138,980 (Net) \$1,314,258 (Absolute)

**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 97% complete for Design and 46% complete for Construction. Current DBE attainment¹ based on the relevant amount² is 24.56% for Design and 7.78% 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 5.48% for Design and 17.96% for Construction.

DEOD is currently auditing the DBE progress shown below as reported by SOJV through the June 29, 2004 pay estimate. Currently, SOJV is not in compliance with the Dispute Resolution DBE requirements for this contract.

Design

Original Award Amount (Design)	\$ 11,677,268
Relevant Contract Amount ² (Design)	\$ 13,228,768
Total Actual Amount Paid to Date to Prime (Design)	\$ 59,145,381**

DESIGN				
Total Commitment	% Complete	Total Current Attainment	Total Current Participation	Compliance Status
27.83%	97.46%	24.56%	5.48%**	<u>PERFORMING</u>

Subcontractor Name	% Commitment	% Current Attainment	% Current Participation
KATZ OKITSU & ASSOCIATES	8.56%	6.58%	1.47%
TATSUMI & PARTNERS	6.74%	5.28%	1.18%
RICHARD CHONG	2.97%	3.82%	0.85%
WILLIAM YANG	0.81%	0.86%	0.19%
ASAHI SURVEYING	3.91%	3.40%	0.76%
ANTICH SURVEYING	1.96%	2.18%	0.49%
FPL & ASSOCIATES *	0.00%	0.19%	0.04%
SANCHEZ DESIGN	1.60%	0.02%	0.00%
THE SIERRA GROUP	1.28%	0.15%	0.03%
YX & ASSOCIATES *	0.00%	2.08%	0.47%
TOTAL	27.83%	24.56%	5.48%**

* DBE firms added to project by SOJV for additional DBE attainment.

** Participation is currently calculated against paid-to-date for Design and Construction. Design payments must be broken out for more accurate reporting.

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 Prime

Construction

Original Award Amount (Construction) \$ 135,719,520
 Relevant Contract Amount² (Construction) \$ 136,291,461 **
 Total Actual Amount Paid to Date to Prime (Construction) \$ 59,145,381***

CONSTRUCTION				
Total Commitment	% Complete	Total Current Attainment	Total Current Participation	Compliance Status
36.52%	45.94%	7.78%	17.96%	PERFORMING

Subcontractor Name	% Commitment	% Current Attainment	% Current Participation
ROMERO GENERAL CONSTRUCTION	9.54%	0.90%	2.08%
RAINBOW CONSTRUCTION	5.56%	4.16%	9.58%
WESTERN PAVING	4.81%	0.43%	0.99%
WC BROWN WELDING	4.76%	0.21%	0.49%
ACE FENCE	2.43%	0.21%	0.49%
CUT CORE DEMOLITION	0.72%	0.61%	1.42%
BCB STEEL	0.59%	0.06%	0.14%
CONRAD CONSTRUCTORS	0.22%	0.13%	0.31%
BLUE SKY AKA UNITED TRAFFIC	0.05%	0.05%	0.11%
PW TRUCKING	0.01%	0.10%	0.22%
ROSE SUPPLY	1.96%	0.38%	0.88%
INDUSTRIAL WHOLESALE	0.80%	0.16%	0.38%
LOOP MASTERS	0.16%	0.00%	0.00%
DI CARLOS ASSOCIATES	0.66%	0.00%	0.00%
IMPERIAL IRRIGATION	0.59%	0.00%	0.00%
GALLO'S	2.10%	0.00%	0.00%
FAREAST LANDSCAPE	1.27%	0.00%	0.00%
TRISTAR TRANSPORTATION	0.06%	0.00%	0.00%
WESTERN PAVING	0.13%	0.00%	0.00%
CUT CORE DEMOLITION	0.08%	0.00%	0.00%
ABRATIQUE & ASSOCIATES *	0.00%	0.16%	0.37%
MORGNER TECHNOLOGY MGT *	0.00%	0.02%	0.05%
WAGNER ENGINEERING *	0.00%	0.20%	0.45%
TOTAL	36.52%	7.78%**	17.96%***

* DBE firms added to project by SOJV for additional DBE attainment.

** Relevant Contract Amount used to calculate attainment must be verified to ensure all DBE change order dollars have been properly reported.

*** Participation is currently calculated against paid-to-date for entire Design and Construction. Construction payments must be broken out for more accurate reporting.

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

²Relevant Contract Amount = Original Contract Value + Contract Cost Modifications affecting DBE scope of work

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