



**Expo**

Exposition Metro Line  
Construction Authority


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Los Angeles, CA 90017

213.243.5500  
BuildExpo.org

**6.a**

**DATE:** NOVEMBER 2, 2006

**TO:** BOARD OF DIRECTORS

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

**ACTION:** AUTHORIZE THE CEO TO ISSUE A NOTICE-TO-PROCEED FOR CONTRACT PACKAGE A(4) 61" WATER LINE RELOCATION, TO FLATIRON/FLUOR/PARSONS, A JOINT VENTURE (FFP)

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**RECOMMENDATION**

1. Authorize the CEO to issue Notice-To-Proceed for Contract Package A(4), 61" Water Line Relocation, in the amount of \$3,058,355; and
2. Authorize a Construction Contingency of \$140,000 or 5% of the direct cost, for a total authorization of \$3,198,355.

**SUMMARY**

This construction package consists of the replacement of a large diameter water line, crossing under the Exposition ROW just east of Figueroa St. At its current location, the water line would penetrate the trench structure associated with the undercrossing of Flower and Figueroa Streets. Approximately 300 feet of water line will be relocated below and slightly to the west of the future trench structure.

The Authority and the Contractor have conducted negotiations and reached a mutually satisfactory cost for the work.

**DISCUSSION**

FFP has organized the project into eighteen (18) separate work packages which will be developed to 100% design and awarded, subject to satisfactory negotiation. The second of these is Package A(4), 61" Water Line Relocation. This contract package includes the relocation of approximately 300 feet of 61"

water line. At its current location, the water line will interfere with the future trench structure for the Flower and Figueroa Streets grade separation.

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

The Contractor's initial proposal was \$3,523,000. The Authority's initial fair cost estimate was \$2,670,000. After several negotiating sessions where the scope of work was clarified and differences in the estimates were resolved, it was agreed that a fair cost for the subject contract package was \$3,058,355, excluding the 5% Construction Contingency. The Cost Analysis is shown in Attachment A.

### **FINANCIAL IMPACT**

Funds for the proposed action are available from the FY07 budget category Design/Build Contract, including the recommended contingency amount.

### **NEXT STEPS**

If this action is approved by the Board, the CEO will issue a Notice-to-Proceed to FFP. FFP will submit various prerequisite documents, plans, and permit applications per contract and Agency requirements. Separate pre-construction meetings will be held for area residents and businesses. Construction will commence thereafter.

### **ATTACHMENT(S)**

A. Cost Analysis

EXPOSITION METRO LINE CONSTRUCTION AUTHORITY COST ANALYSIS TO SUPPORT PRE-NEGOTIATION MEMORANDUM																																									
<b>Contract No.</b>	1-06																																								
<b>Description:</b>	Construction Package A4																																								
<b>Prepared by:</b>	B. Gandy																																								
<b>Cost Analyst Approval:</b>	J. Miller																																								
<b>I. Reference Documents: (attached as necessary):</b>																																									
(A)	Independent Cost Estimated Dated: 9/17/2006																																								
(B)	Contractor's Cost Proposal Dated: 9/15/2006																																								
(C)	Technical Evaluation Dated: 9/18/2006																																								
(D)	Request for Revised Cost Data Dated: 9/18/2006																																								
(E)	Revised Cost Data Received Dated: 10/23/2006																																								
<b>II. Introduction: I have reviewed the Contractor's Revised Cost Proposal in the amount of \$3,058,355</b>																																									
The Cost Proposal Covers: Contractor's Scope of Work for Construction Package A4																																									
<b>III. Conclusion and Recommendations: (check one, as appropriate)</b>																																									
<input type="checkbox"/>	Cost is acceptable as proposed, no cost reductions recommended.																																								
<input checked="" type="checkbox"/>	Revised Cost is acceptable as proposed, cost reductions recommended were made.																																								
<b>Summary Results Of Cost Analysis By Cost Element: (Attach explanation for variance over 10 percent of proposed item or over \$25,000)</b>																																									
	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Proposed</u></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Recommended</u></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Reduction</u></th> </tr> </thead> <tbody> <tr> <td>Contractor's Original Proposal</td> <td style="text-align: right;">\$ 3,523,000</td> <td style="text-align: right;">\$ 2,670,000</td> <td style="text-align: right;">\$ 853,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$ 853,000</td> </tr> <tr> <td>Contractor's Revised Proposal</td> <td style="text-align: right;">\$ 3,387,000</td> <td style="text-align: right;">\$ 2,929,275</td> <td style="text-align: right;">\$ 457,725</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$ 457,725</td> </tr> <tr> <td>Contractor's Final Revised Proposal</td> <td style="text-align: right;">\$ 3,058,355</td> <td style="text-align: right;">\$ 3,058,355</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$ -</td> </tr> </tbody> </table>		<u>Proposed</u>	<u>Recommended</u>	<u>Reduction</u>	Contractor's Original Proposal	\$ 3,523,000	\$ 2,670,000	\$ 853,000				0				\$ 853,000	Contractor's Revised Proposal	\$ 3,387,000	\$ 2,929,275	\$ 457,725				-				\$ 457,725	Contractor's Final Revised Proposal	\$ 3,058,355	\$ 3,058,355	-				-				\$ -
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<b>IV. Record of Negotiations:</b>																																									
Direct labor hours were reviewed in detail and, with the exceptions noted on the attached technical evaluations (reference letter e,f,etc...), were found to be acceptable as proposed.																																									