



Expo

Exposition Metro Line
Construction Authority

707 Wilshire Boulevard
34th Floor
Los Angeles, CA 90017

213.243.5500
BuildExpo.org

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DATE: JUNE 7, 2007

TO: BOARD OF DIRECTORS

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

**ACTION: RECEIVE AND FILE MONTHLY REPORT ON CONTRACTS
AUTHORIZED BY THE CHIEF EXECUTIVE OFFICER**

RECOMMENDATION

Receive and File this monthly report on contracts approved by the Chief Executive Officer (CEO). State legislation that created the Exposition Metro Line Construction Authority and the Authority's Administrative Code grant the CEO authority to approve contracts up to \$250,000. This report details contract awards for May, 2007.

SUMMARY

In the last month, the CEO has entered into contracts for General Liability, Directors and Officers, Workers' Compensation and Commercial Automobile insurance for the Authority, as well as work authorizations with various third party agencies. The total amount of these contracts was \$373,750.

DISCUSSION

Contracts

In March 2007, the Authority's insurance broker, Aon Risk Services, aggressively worked to secure competitive quotes for expiring General Liability, Directors and Officers, Workers' Compensation and Commercial Auto insurance coverage. Based upon the Authority's positive claim history, Aon was able to secure at least two competitive quotes for each coverage area, which resulted in a substantial cost savings on premium amounts.

As a result, the Authority entered into contracts with Liberty Mutual in the amount of \$42,766 for General Liability insurance and AIG in the amount of \$23,696 for Directors and Officers Insurance, for a savings of 45% and 13%, respectively, over the 2006-07 premiums. The Authority also entered into a contract with the State Compensation Insurance Fund in the amount of \$15,949 for an anticipated savings of 28% over the 2006-07 premium. Lastly, the Authority entered into a contract with Hartford Insurance in the amount of \$14,987 for commercial auto insurance for a 16% savings over 2006-07. Terms of coverage are one year. There are sufficient funds in the FY07 and FY08 budgets to cover the cost of these premiums.

Work Orders

The Authority also issued work orders with several third party agencies during the month of May. The Authority issued a work order in the amount of \$68,230 with the Los Angeles County Flood Control District, to perform design review, coordination and inspection of drainage connections. This amount is within the \$100,000 FY budget and \$185,000 earmarked in the overall project budget.

The Authority also issued a work order with the Los Angeles Department of Water and Power (LADWP) for \$115,000 for design review, coordination and meeting attendance from March 2006 through June 30, 2007. This amount is within the \$925,000 earmarked for LADWP-Power in the overall project budget.

The Authority issued two work orders for Time Warner Cable in the amounts of \$21,380 and \$43,913, respectively. These work orders are to cover the design, engineering and construction of the relocation of overhead facilities on Flower Street at 23rd Street and from 27th Street to 33rd Streets. This total amount of \$65,293 is within the \$2.4 million FY07 utility relocation budget and \$150,000 earmarked specifically in the overall project budget for Time Warner Cable.

Lastly, the Authority issued a work order with AT&T Local Services in the amount of \$27,829 for the design, engineering and construction pertaining to the relocation of overhead facilities in the vicinity of Flower from 30th to Jefferson. This amount is within the \$2.4 million FY07 utility relocation budget and \$50,000 earmarked in the project budget for AT&T Local.

Agency	FY 07 Committed	Expended to Date	Project Budget
LADWP – Power	\$115,000	\$363,183	\$1,030,000
LA County DPW – Flood Control	\$68,230	\$0	\$185,000
Time Warner Cable	\$65,293	\$0	\$150,000
AT&T Local	\$27,829	\$0	\$50,000

FINANCIAL IMPACT

There is available funding in the FY07 budget to cover the cost of these contract actions.

NEXT STEPS

The CEO will provide a monthly report to the Exposition Metro Line Construction Authority Board on contracts authorized under the CEO's authority.

ATTACHMENT(S)

None