



**Expo**

Exposition Metro Line  
Construction Authority

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BuildExpo.org

## **6.b**

**DATE:** June 7, 2007

**TO:** BOARD OF DIRECTORS

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

**ACTION:** AUTHORIZE THE CEO TO ISSUE A NOTICE-TO-PROCEED FOR CONTRACT PACKAGE A3, TRENCH STRUCTURE, TO FLATIRON/FLUOR/PARSONS, A JOINT VENTURE (FFP)

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### **RECOMMENDATION**

1. Authorize the CEO to issue a Notice-to-Proceed for Contract Package A3, Trench Structure, to Flatiron/Fluor/Parsons (FFP), a joint venture, in an amount not-to-exceed \$36,997,359; and
2. Authorize a Construction Contingency of \$1,850,000 or 5% of the direct cost, for a total authorization of \$38,847,359.

### **SUMMARY**

Construction Package A3 consists of the trench structure near the University of Southern California campus, the relocation and installation of underground utilities including water, sanitary sewer, storm drain, electrical ductbanks and associated elements along Flower Street and Exposition Boulevard from 23<sup>rd</sup> Street to just West of Vermont Avenue. This Construction Package also includes excavation and disposal of potentially hazardous soil with high levels of arsenic along the entire right-of-way from downtown to Washington/National.

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

## **DISCUSSION**

Construction Package A3 consists of the trench structure near the University of Southern California campus, relocation and installation of underground utilities and associated elements along Flower Street and Exposition Boulevard, from 23<sup>rd</sup> Street to just West of Vermont Avenue.

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 to attempt to resolve scope and cost differences to arrive at a mutually acceptable cost.

The Contractor's initial proposal was \$47,946,000. The Authority's initial fair cost estimate and April Board authorization was \$32,300,000. 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 Construction Package was \$36,997,359. The increase to the Authority's estimate was due primarily to an increase in the amount of shoring for the utilities, additional soil grouting requirements at the Galen Center parking structure footing, demolition and removals at the trench, traffic control requirements, corrosion control for grounding, and an additional City requirement to use slurry backfill on all utility installations. The Summary of Negotiations is shown in Attachment A.

This Construction Package also includes funding for the excavation, removal and disposal of hazardous soil along the alignment. There will be future work in later packages to complete the removal and remediation of non-hazardous contaminated soil.

## **FINANCIAL IMPACT**

Funds for the proposed action are available in the FY07 Design-Build Contract budget category, including a recommended Contingency amount of 5% of the direct cost. However, this Construction Package is above the Authority's budget for this work. If this trend continues, the overall project budget will be at risk.

## **NEXT STEPS**

If this action is approved by the Board, the CEO will issue a Notice-to-Proceed to FFP. FFP will submit various documents, plans, and permit applications per contract and Agency requirements and begin trench work.

## **ATTACHMENT(S)**

A. [Summary of Negotiations](#)