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**CONSTRUCTION COMMITTEE
SEPTEMBER 20, 2007**

PROJECT: METRO GOLD LINE EASTSIDE EXTENSION

CONTRACT: C0803, TUNNEL, STATIONS, TRACKWORK AND SYSTEMS, EASTSIDE LRT CONSTRUCTORS

ACTION: CONTRACT MODIFICATION NO. 103.00 IN THE CREDIT AMOUNT OF \$3,551,447

RECOMMENDATION

Authorize the Chief Executive Officer to execute Contract Modification No. 103.00 in the credit amount of \$3,551,447 to Contract No. C0803, with Eastside LRT Constructors to decrease unit price items on tunneling work completed, as well as unit price items for which no work was performed for tunneling activities, which will decrease the Total Contract Price from \$622,502,292 to \$618,950,845.

Within Construction Committee authority: Yes No N/A

RATIONALE

The Metro Gold Line Eastside Extension Project is an \$898.8 million, six-mile Light Rail Transit Project consisting 1.7 miles of two twin-bored tunnels, two underground stations, six at-grade stations, trackwork and systems. In June 2004, the Chief Executive Officer under the authority delegated by the Board of Directors, awarded the C0803 Contract to the Eastside LRT Constructors (a Joint Venture of Washington Group International, Obayashi Corporation and Shimmick Construction Corporation) in the amount of \$600,449,000, based on the Contractor's Best and Final Offer (BAFO). The construction notice to proceed was issued on July 1, 2004.

The C0803 Contract included provisional bid item amounts for tunneling activities. Since all mining operations and finishes have been completed within the 1.7 miles of the two twin-bored tunnels, Eastside LRT Constructors has requested that a contract modification be issued so that they may closeout their contract with Traylor/Frontier-Kemper, the tunneling subcontractor. This contract modification will reduce the tunneling bid items within the contractual Schedule of Quantities and Prices to the actual quantities installed and a credit to Metro.

IMPACTS TO OTHER CONTRACTS

No other contracts are impacted by this action.

FINANCIAL IMPACT

Original Contract Award	\$600,449,000
Current Cumulative Contract Value	<u>\$622,502,292</u>
This action	(\$3,551,447)
New Cumulative Contract Value	\$618,950,845

The funds for this action are available within the Board approved Metro Gold Line Eastside Extension budget in Cost Center 8510 (Construction Contracts/Procurement), under Project 800088, Line Item No. 53101. The recommended action will decrease the Contract No. C0803 Total Contract Value by \$3,551,447.

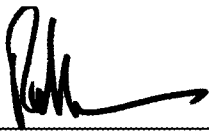
ALTERNATIVES CONSIDERED

The Board may reject this recommendation. However, staff does not recommend rejecting this action as it will not allow Metro to receive a credit and would delay the closeout of tunneling line items within this contract.

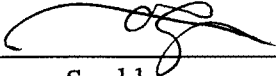
ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2a. Small Business Participation (C0803-Tunnel Portion)
- A-2b. Small Business Participation (C0803 -Design Portion)
- A-2c. Small Business Participation (C0803 - Construction Portion)

Prepared By: Rick Wilson, Senior Project Control Manager
Dennis Mori, Executive Officer Project Management



Richard D. Thorpe
Chief Capital Management Officer
Construction Project Management



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**AUTHORIZE THE CHIEF EXECUTIVE OFFICER
EXECUTE MODIFICATION FOR QUANTITY ADJUSTMENT FOR C0800
TUNNELING WORK BID ITEMS**

1.	Contract Number: C0803		
2.	Design-Builder: Eastside LRT Constructors		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: (\$3,551,210.50)	Recommended Price: (\$3,551,447.00)	
	B. Details of Significant Variances: None		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates: Not Applicable to Contract Modifications		
	A. Issued: N/A		
	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: 7/5/07		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: N/A	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: N/A		
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:	Bid/Proposal Amount:	Best and Final Offer Amount:
	Eastside LRT Constructors	(\$3,551,210.50)	(\$3,551,447.00)
	B. Evaluation Methodology: Per Unit Prices in Schedule of Quantities and Prices		
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 Joe O'Donnell	Telephone Number: 922-7231	
11.	Project Manager: Dennis Mori	Telephone Number: 922-7238	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY
METRO GOLD LINE EASTSIDE EXTENSION PROJECT**

A. BACKGROUND ON CONTRACTOR

Eastside LRT Constructors is a joint venture comprised of Washington Group International, Obayashi Corporation, and Shimmick Construction Company. All three firms have many years of experience in both design-build construction projects and various types of heavy construction work. All three firms have prior contracts with Metro with satisfactory past performance. Washington Group was involved in the design-build Pasadena Gold Line project. Both Obayashi Corporation and Shimmick Construction Company were previously involved in the construction of the Metro Red Line and are currently joint ventured on the design-build Metro Orange Line.

B. PROCUREMENT BACKGROUND

Procurement of Contract No. C0803 was for a design-build system, in accordance with Public Utilities Code §130242, issued as a two-step Invitation for Bid (IFB) for a fixed price contract. The Acquisition Strategy Panel of August 7, 2001, for the Metro Gold Line Eastside Extension Project originally planned two separate contracts, Contract No. C0800, Tunnel and Station Excavations, utilizing the traditional design-bid-build delivery system, and Contract No. C0801, Stations, Trackwork and Systems utilizing a design-build delivery system. The IFB for Contract No. C0800 was issued on November 26, 2002. Bids were received on February 26, 2003, but all bids were rejected as non-responsive to the Disadvantaged Business Enterprise (DBE) goal.

Staff determined that issuing the C0800 and the C0801 scopes of work in one solicitation under Contract No. C0803 could mitigate delays for the Project Schedule. The IFB C0803 provided the opportunity for Bidders to compete for the three separate contract opportunities: C0800, C0801, and/or C0803. The recommended Contractor was determined by means of a two-step sealed bid. In the first step, bidders submitted Technical and Qualifications Submittals (TQS), which were evaluated for technical acceptability. In the second step, those bidders determined to be technically acceptable were invited to submit sealed price Bids. The IFB stipulated the basis for award is to the technically acceptable, lowest-priced responsive and responsible bidder.

All bids exceeded the Metro construction project budget by more than 10%. One of Metro's rights listed in the IFB was "Request from the low Bidder(s) Best and Final Offers (BAFOs), which may be negotiated, as an alternative to cancellation of an IFB, in the event the bid(s) exceed the MTA Project Construction Budget by 10% or more". On February 9, 2004, Metro requested a BAFO from the apparent low bidder, Eastside LRT Constructors. On February 23, 2004, Metro received a BAFO (Bid) in the amount of \$609,964,000, which included the base contract work in the amount of \$586,750,120, the Provisional Sums amount of \$13,698,880, to cover specified additional work that may be necessary during the performance of the work, Options in the amount of \$3,655,000, that may be exercised at a later date, and Delay Compensation in the amount of \$5,860,000, which will only be paid if compensable delays are incurred during performance of the Contract at the fixed daily rates bid. Staff recommended, and the CEO awarded Contract No. C0803 to Eastside LRT Constructors.

C. EVALUATION OF PROPOSAL

The recommended price is in compliance with Metro Procurement Policies and procedures.

D. COST / PRICE ANALYSIS

The recommended price has been determined to be fair and reasonable as it is based on the actual Work performed at the Unit Prices in the Schedule of Quantities and Prices.

BOARD REPORT ATTACHMENT A-2a
SMALL BUSINESS PARTICIPATION (Contract #C0803 – Tunnel portion)

This Contract has a Disadvantaged Business Enterprise (DBE) participation commitment of 13.11%. The contract was awarded to Eastside LRT Contractors on June 1, 2004 and is approximately 92% complete. Current DBE attainment¹ based on the current contract amount² is 14.45%. Current DBE participation³ based on total actual amount paid-to-date to Contractor and total actual amount paid-to-date to DBE firms is 17.03%. The 14 original subcontractors/suppliers have performed or are performing as listed below. Also, the Contractor has demonstrated Good Faith Efforts by utilizing nine additional DBE firms, which were not listed with the original team.

Original Award Amount	\$212,563,757
Current Contract Amount²	\$212,563,757
Total Actual Amount Paid to Date to Prime	\$180,481,457

Subcontractor's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Abratique and Associates	0.14%	0.19%	0.22%	Performing
Ace Fence Company	0.48%	0.57%	0.67%	Performing
Anthony Marmolejo Construction	2.97%	3.07%	3.62%	Performed
CGO Construction	0.28%	0.28%	0.33%	Performed
G&C Equipment	2.26%	3.91%	4.61%	Performed
Ghazi Precast	0.86%	0.76%	0.89%	Performing
Island Environmental Services	1.07%	0.04%	0.05%	Performed
Medlin & Associates	0.38%	0.00%	0.00%	Substituted
RMD Rebar	1.38%	0.95%	1.12%	Performing
RT Construction	2.45%	1.45%	1.72%	Performing
Seville Group	0.47%	1.08%	1.27%	Performed
Sudhakar Company	0.06%	0.06%	0.07%	Performing
Sullivan Concrete Textures	0.11%	0.07%	0.09%	Performing
W. C. Goolsby, Inc.	0.20%	0.15%	0.18%	Performing
MBI Media, Inc.	N/A	0.03%	0.04%	Performed
Antich Consulting	N/A	0.11%	0.13%	Performed
Mariman Security	N/A	0.32%	0.38%	Performed
VSA and Associates	N/A	0.14%	0.16%	Performing
Morgner Tech. Management	N/A	0.04%	0.05%	Performed
Ultrasystems Environmental	N/A	0.02%	0.02%	Performing
G&C Equipment – Procurement Services	N/A	0.10%	0.12%	Performed
Manual Tejada Trucking	N/A	0.42%	0.49%	Performed
EW Corporation	N/A	0.69%	0.80%	Performing
TOTAL	13.11%	14.45%	17.03%	Performing

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

²Current Contract Amount = Original Contract Amount + Contract Cost Modifications

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

For August 2007 Board Report, based on the June 2007's Form 103. E-mailed to Joe O'Donnell July 13, 2007.

BOARD REPORT ATTACHMENT A-2b
SMALL BUSINESS PARTICIPATION (CO803 – Design portion)

CO801 DESIGN

This Design-Build Contract has a Disadvantaged Business Enterprise (DBE) participation commitment of 21.76% for Design. The contract for Design was awarded to Eastside LRT Constructors on June 1, 2004 and is 93% complete. Current DBE attainment based on the current contract amount is 18.35%. Current DBE participation³ based on total actual amount paid-to-date to the contractor and total actual amount paid-to-date to DBEs is 22.27%. A total of 17 DBE subcontractors are listed to perform. Fourteen subcontractors are performing as shown below.

Original Award Amount	\$ 30,000,000
Current Contract Value²	31,795,391
Total Actual Amount Paid to Date to Prime	\$ 26,833,938

Subcontractor	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Abratique & Associates	2.55	2.69	3.26	Performing
Abratique & Associates	.64	.43	.52	Performing
GC Tech.	.54	.54	.66	Performing
William J. Yang & Associates	2.17	1.16	1.41	Performing
Richard Chong	2.88	1.01	1.23	Performing
MCE Group	.44	.00	.00	Not performing**
MHI Group.	5.20	2.39	2.90	Performing
ACEx Technology	2.83	3.53	4.28	Performing
Melendrez	1.44	1.58	1.91	Performing
Cornerstone	.72	.60	.73	Performing
D'Leon	2.29	.82	.99	Performing
Geomatic Transportation Services	.05	.00	0	Not performing**
IK Curtis Inc.	.01	.00	0	Not performing**
*Linda J. Meadows & Associates`	.00	.53	.65	Performing
*Bullocks & Associates	.00	.89	1.08	Performing
*Antich Consulting	.00	1.50	1.82	Performing
*Davis Blueprint	.00	.68	.83	Performing
TOTAL	21.76%	18.35%	22.27%	

* Added DBE's

** Not eligible for DBE credit

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

²Total Current Contract Amount=Original Award Amount plus Change Orders

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

PREPARED: July 13, 2007 BY: TOM L. SINGLETON
 DATA IS BASED ON MAY 2007 DBE REPORTS

BOARD REPORT ATTACHMENT A-2c
SMALL BUSINESS PARTICIPATION (CO803 – Construction portion)

CO801 Construction

This Design-Build Contract has a Disadvantaged Business Enterprise (DBE) participation commitment of \$ 51,500,000 or 17.2 % for Construction. The contract for Construction was awarded to Eastside LRT Constructors on June 1, 2004 and is 24.6% complete. To date, the Design Builder, Eastside LRT Constructors, has committed \$50,321,777 or 16.44% to DBE subcontractors. Current DBE attainment² based on the current contract amount is 5.10%. Current DBE participation³ based on total actual amount paid-to-date to the contractor and total actual amount paid-to-date to DBEs is 37.33%. A total of 24 DBE subcontractors are listed to perform. Twenty-two are performing as shown below.

Original Award Amount	\$ 300,263,963.00
Current Contract Value²	308,077,067.00
Total Amount Paid to Prime	\$ 69,816,719.38

Subcontractor	Commitment	Current Attainment¹	Current Participation³	Current Status
RMD Rebar	2.85	1.46	10.80	Performing
Anthony Marmolejo Construction	.20	.20	1.45	Performing
G & C Equipment	3.90	1.56	11.55	Performing
G & C Equip (procurement)	.13	.07	.50	Performing
ACE Fence Company	.12	.05	.36	Performing
Seville Group	1.56	.47	3.48	Performing
Abratique and Associates	.04	.01	.05	Performing
W.C. Goolsby	.03	.04	.28	Performing
Sudhaker Company	.08	.05	.42	Performing
MBI Media, Inc.	.03	.01	.10	Performing
SCA Environmental Inc.	.00	.00	.01	Performing
Meriman Security	.26	.14	1.07	Performing
VSA and Associates	.16	.00	.01	Performing
Tejada Trucking	.79	.69	5.10	Performing
Hope Bullock	.03	.03	.25	Performing
CGO Construction	.05	.04	.33	Performing
Sullivan Concrete Textures	.02	.08	.62	Performing
Metco	3.25	.03	.23	Performing
G & C Equipment	2.40	.02	.13	Performing
Alatorre & Associates	.06	.01	.04	Performing
Apex Doors and Frames	.10	.00	.00	Not performing*
Colavan & Son	.23	.00	.00	Not performing*
S & M Landscape	.12	.11	.35	Performing
United Traffic Services	.03	.03	.20	Performing
TOTAL	16.44%	5.10%	37.33%	

*Contract start dates pending

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

²Total Current Contract Amount=Original Award Amount plus Change Orders

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