



**OPERATIONS COMMITTEE
MAY 15, 2008**

SUBJECT: CONTRACT C0693, BALFOUR BEATTY RAIL, INC.

**ACTION: APPROVE AN INCREASE IN THE CONTRACT MODIFICATION
AUTHORITY IN THE AMOUNT OF \$120,000**

RECOMMENDATION

Approve an increase in Contract Modification Authority (CMA) to Contract No. C0693 with Balfour Beatty Rail, Inc. (BBRI), to provide funding for pending changes in the amount of \$120,000, increasing the current CMA from \$100,000 to \$220,000.

RATIONALE

As part of our commitment to enhance safety for our customers and the general public, the Board approved a contract for the installation of additional warning devices at crossings on the Metro Blue Line. Contract No. C0693, a fixed price, bid/build, federally funded procurement, was originally issued in the amount of \$1,459,976 for the installation of four-quadrant gates at five intersections in the City of Compton. All installations are located on our Right-of-Way (ROW) along the Blue Line corridor. The locations are as follows:

- Greenleaf
- Alondra
- Myrrh
- Compton
- Elm

In addition to Contract C0693, two other contracts were issued for project 205012. Contract Number PS-3650-001 in the amount of \$702,602 was issued to Telvent Farradyne for the design of the four-quadrant gates, and Work Order # F214-205012-UP-05-07 in the amount of \$1,523,011 was issued to the Union Pacific Railroad (UPRR) for the installation of four-quadrant gates on the UPRR side of the ROW.

During the civil work and installation work processes, six changes to the contract with BBRI were negotiated in the amount of \$99,278. Staff relied on the \$100,000 CMA, allowed

by the Board approved Procurement Policy, over the life of the contract. The six changes increased the initial Contract Value from \$1,459,976 to \$1,559,254.

At present, all civil work and installation of exit gate mechanisms has been completed. As of the writing of this report, additional modifications need to be made before the new system can be tested and activated. Additionally, BBRI may request further changes due to un-anticipated delays because of weather, and emergency track welding, that caused the contractor to lose track allocation, and access to complete the work as originally scheduled. The CMA increase requested is for work that has not been performed but needs Board approval to continue.

IMPACTS TO OTHER CONTRACTS

If the Board does not approve the CMA request, the four quad gates at the five crossings will not become operational and the safety enhancement that that system would provide to the crossings will not be achieved.

FINANCIAL IMPACT

The funds for this action are available within the Board approved Four-Quadrant Gates Expansion Capital Project included in the FY08 budget in Cost Center 3910, Project 205012. The Life of Project budget is \$5,655,000.

ALTERNATIVES CONSIDERED


The Board of Directors may choose not to authorize the spending authority for contract modifications. However, this alternative is not recommended, since rejection could result in prolonged claims, arbitration, and possible court action. More importantly, if the CMA is not approved, the quad gate system will remain inactive which will delay the safety enhancements planned for these crossings

ATTACHMENTS

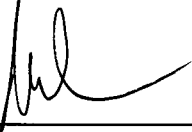
- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared by:

Abdul Zohbi, System Safety Manager



Michael J. Cannell
General Manager, Rail Operations



for Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

CONTRACT C0693, BALFOUR BEATTY RAIL, INC.

1.	Contract Number: C0693		
2.	Recommended Vendor: Balfour Beatty Rail, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: N/A	Recommended Price: N/A	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed price		
5.	Procurement Dates:		
	A. Issued: 1/16/07		
	B. Advertised: 1/31/07		
	C. Pre-proposal Conference: 2/13/07		
	D. Proposals Due: 3/16/07		
	E. Pre-Qualification Completed: 3/2/07		
	F. Conflict of Interest Form Submitted to Ethics:		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: DALP 20% DBE	Date Small Business Evaluation Completed: 4/5/07	
	B. Small Business Commitment: Details are in Attachment A-2 (include % contractor committed to)		
7.	Invitation for Bid/Request for Proposal Data: Basic Contract		
	Notifications Sent: N/A	Bids/Proposals Picked up: 17	Bids/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: N/A	<u>Bid/Proposal Amount:</u> N/A	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: In Compliance with Procurement Policies and Procedures. Details are in Attachment A-1.C		
9.	Protest Information: N/A		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Charles W. Fitzsimmons	Telephone Number: (213) 922-7301	
11.	Project Manager: Abdul Zohbi	Telephone Number: (213) 922- 2114	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT SUMMARY**

CONTRACT C0693, BALFOUR BEATTY RAIL, INC.

A. Background on Contractor

Balfour Beatty Rail, Inc. (BBRI), formerly Marta Track Constructions, is the US unit of the UK's Balfour Beatty Rail Limited. BBRI designs and builds railroads and light-rail and heavy-rail transit systems throughout the US. The company constructs large and complex infrastructure systems for railroads, transit organizations, and other industrial clients.

BBRI has completed Contract C0743 Pasadena Gold Line Midway Yard Storage for us in 2006 and their performance was acceptable and in accordance with the contract specifications. BBRI is currently performing as a major subcontractor for the Metro Gold Line Eastside Extension Project and as a prime contractor for the Alameda Corridor Transportation Authority in a five year maintenance contract.

B. Procurement Background

Contract No. C0693 is a fixed price bid/build contract. On March 16, 2007, we received only one bid from 17 plan holders. A telephone canvas of several contractors was conducted to ask why they had not submitted a bid proposal. The responses included time constraints due to other commitments; inability to provide the required expertise; requirements that the General contractor perform at least sixty percent of the total contract price; and other of our terms and contracts. The award amount of \$1,459,976 for five grade crossings was determined to be fair and reasonable based upon a comparison with our Independent Cost Estimate of \$2,308,286.

Six changes have been negotiated to date for this Contract at a total of \$99,278:

Change	Description	Amount
1.00	Extra Asphalt at Greenleaf Crossing – NW Quadrant	\$4,637
2.00	Sidewalk Improvement at Myrrh Crossing – NW Quadrant	\$24,081
3.00	Sidewalk & Crosswalk Improvement Work at Compton Blvd. – NW Quadrant	\$33,500
4.00	Sidewalk Improvement at Compton Crossing – NE Quadrant	\$17,000
5.00	Project Signs in all Crossings & Video Inspection inside 2 Manholes	\$5,060
6.00	Additional Signal Engineering at C&S Buildings	\$15,000
Total		\$99,278

C. Evaluation of Proposals

Staff will be evaluating an anticipated Request for Change for Extended Overhead and Delay costs submitted by BBRI for Contract C0693. These changes were required for ADA and safety reasons that were not anticipated in the original design.

D. Cost/Price Analysis Explanation of Variances

Staff will complete cost analysis and negotiate the claims if accepted at a fair and reasonable price in compliance with Procurement Policies and Procedures.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUB-CONTRACTORS**

CONTRACT C0693, BALFOUR BEATTY RAIL, INC.

PRIME CONTRACTOR – Balfour Beatty Rail, Inc.

Small Business Commitment

N/A

Other Subcontractors

N/A

Total Commitment: 0%

