



Metro

**CONSTRUCTION COMMITTEE
JULY 16, 2009**

PROJECT: ALL TRANSIT CORRIDOR AND CAPITAL PROJECTS
**CONTRACT: EN074, ENVIRONMENTAL WASTE HANDLING SERVICES,
CH2MHILL CONSTRUCTORS, INC.**
**ACTION: CONTRACT MODIFICATION IN AN AMOUNT NOT-TO- EXCEED
\$3,200,000**

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to execute a Modification to Contract No. EN074 with CH2MHill Constructors, Inc (CCI), to fund additional Environmental Hazardous Materials and Construction Services in an amount not-to-exceed \$3,200,000 increasing the total Contract Value from \$10,400,000 to \$13,600,000.

Within Construction Committee authority: Yes No N/A

RATIONALE

In December 2005, the Board authorized negotiation and award, and the Board funded the Contract in the initial amount of \$5,900,000, based upon a staff cost estimate of work necessary to support MTA's approved Capital Construction Program for FY06 and FY07. In July 2007, Staff requested additional funding in the amount of \$4,500,000 based on MTA's Environmental Compliance and Services Department's (ECSD) estimated cost of CCI's services for FY08 and FY09. Based upon forecasted work for FY10, ECSD is requesting additional funding in the amount of \$3,200,000 which would bring the total authorized amount for this contract to \$13,600,000.

Nearly every capital project, and many ongoing facilities maintenance or restoration activities undertaken by MTA require evaluation and, as necessary, removal or treatment of hazardous or contaminating substances. MTA must comply with all

environmental laws to avoid fines, and civil or criminal liability. To ensure such compliance, MTA has solicited and awarded contracts for environmental services. Under Contract No. EN074, CCI assists with the proper clean up, abating, managing, transporting, and disposing of contaminated or hazardous materials at various MTA operating facilities; and sampling and testing at various locations for contaminated and hazardous soils and water. CCI also performs, under this contract, construction services that require environmental contractor specialization.

Additional examples of services which have been performed under the Contract are the following:

- Emergency response to and remediation of lead dust contamination in the ventilation system of a MTA division office.
- Transporting and lawfully disposing of contaminated soil from the Metro Orange Line.
- Removal and disposal of fuel storage tanks at MTA divisions, and disposal of soil contaminated by leakage from such tanks.
- Construction of leak-resistant and environmentally safe tank and mechanical systems at MTA divisions in order to remain in regulatory compliance.
- Asbestos and lead-based paint removal from structures demolished in connection with construction of the Metro Gold Line East Side Extension.

During FY10, MTA anticipates a continued and expanded need for CCI's services in connection with the Metro Orange Line Extension, Bus Division 9 Transportation Building Demolition, construction of the new Union Division, and the ongoing capital improvements at MTA facilities. A list of projects expected to require environmental services, along with estimated costs of these services, is shown in Attachment A.

FY10 Forecast

Fuel Tank System Upgrades

On going capital upgrades to existing fueling systems in order to remain in compliance with RWQCB, AQMD and LAFD. FY10 projects include upgrading UST sumps and fueling systems that are non compliant at Divisions 18, 7, 6 and 2.

Site Remediation

Projects will require soil and water profiling, transport and disposal. FY10 projects that will require these services include: Bus facilities improvement projects involving excavations for CNG installations at Divisions 10 and 18, Hoist Replacement Projects at Divisions 1, 8, 9 and 15, Emergency Generators at Divisions 4, 9 and 18 and a new employee parking lot located at Division 15.

Metro Orange Line Extension

Project will require hazardous material remediation and response during the planned building demolition and excavation operations.

Union Bus Division

Will require waste profiling, transport and disposal services regarding excavation and demolition activities during site preparation and grading activities.

El Monte Bus Division

Would require waste profiling, transport and disposal services regarding excavation and demolition activities during site preparation and grading activities.

Various Rail Locations

Emergency response for vault pump out and disposal services, soil transport and disposal services for Division 20 Carwash and Storage Building.

IMPACTS TO OTHER CONTRACTS

Timely and thorough environmental services in connection with other construction contracts are essential to complete capital projects within schedule and budget. If the value of Contract No. EN074 is not increased; staff's ability to support anticipated MTA projects will be limited. The project managers would have to competitively procure environmental services for their individual projects. Any delay in provision of environmental support may significantly increase MTA's liability for environmental regulatory compliance and contractor monetary claims of delay.

FINANCIAL IMPACT

The funding which may be obligated and spent under the Contract is included in the FY10 budget in each of the project budgets that will require a task order to the contractor to provide the work. Since this is a multi-year contract, the Project Managers and SBU Chiefs will be responsible for budgeting future year costs.

If necessary, additional funding increases, based upon cost estimates of environmental services beyond FY10, will be submitted to the Board for approval.

Impact to Bus and Rail Operating and Capital Budget

The funding for this contract modification will come from various sources of funds (see Attachment A). With the exception of major construction projects funded with specific grant funds, these funds are eligible for bus and rail operating and capital expenditures. No other sources of funds were considered for this activity because the primary beneficiary of the service is bus and rail operations. It is possible that some of the environmental mitigation activities may result in ongoing operating costs. These costs will be discussed with the board as they occur.

ALTERNATIVES CONSIDERED

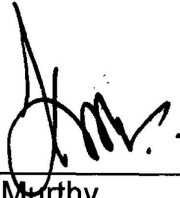
The MTA Board of Directors could decide not to increase the funding for this Contract, and either (1) solicit and award new contract for the environmental services; or (2) solicit and award individual contracts for each environmental task as the need arises. Staff does not recommend either of these alternatives, owing to high costs, delays and, for multiple contracts and administrative inefficiencies.

As a third alternative, MTA could perform all the environmental hazardous materials and construction services in-house. However to do so, MTA would need to hire additional staff with expertise in many different subjects, such as drilling, laboratory science, and operating heavy earth-moving and material handling equipment, as well as purchase earthmoving and material handling equipment, and laboratory equipment. Staff does not recommend this alternative owing to high capital costs to procure personnel and equipment as well as potential for implementation and training delays.

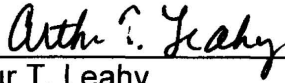
ATTACHMENT

A. Summary of Current and Proposed Work Requiring CCI Services

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Chief Executive Officer

**ATTACHMENT A. SUMMARY OF CURRENT AND PROPOSED WORK
REQUIRING CCI SERVICES**

CURRENT WORK (COMPLETED OR IN PROGRESS)		Fund Sources	
Tank Upgrades/Removals (202026, 202027, 202028)	\$ 3,278,927		
Site Remediation (300012)	\$ 1,320,838		
Metro Orange Line (800112, 800288, 809112)	\$ 2,082,624		
Metro Gold Line Eastside Extension (800088)	\$ 660,607		
Rail Projects (300022)	\$ 200,000		
Lankershim Depot Restoration (800118)	\$ 85,637		
Bus Operations Projects (202181)	\$ 169,427		
Value of Current Work:		\$ 7,798,060	
PROPOSED FUTURE WORK THROUGH FY'10			
Tank Upgrades/Removals (202029)	\$ 2,000,000		TDA
Site Remediation (300012)	\$ 1,000,000		TDA, fare revenue, Prop A 40%
Metro Orange Line Extension (800119)	\$ 1,000,000		Prop 1 B bond
Bus Facilities Capital Projects (various projects)	\$ 1,300,000		TDA
Rail Facilities Capital Projects (various projects)	\$ 500,000		Prop A 35%
Value of Proposed Work:		\$ 5,800,000	
Value of Current Work + Proposed Work:		\$ 13,598,060	
Less Current Contract EN074 Value:		\$ (10,400,000)	
Additional Value (Funding Requested):		<u>\$ 3,198,060</u>	
Additional Value (Funding Requested, Rounded to the Nearest \$100,000):		<u><u>\$ 3,200,000</u></u>	