



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE: PD-1

July 15, 2009

TO: Each Supervisor

FROM: Gail Farber
Director of Public Works

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD MEETING-JUNE 22, 2009

On June 22, 2009, my staff attended the regular Board meeting of the Alameda Corridor-East (ACE) Construction Authority. A copy of the June 22, 2009, agenda and adopted minutes of the May 11, 2009, regular Board meeting are attached. The following items were discussed at the meeting, which are of interest to the County of Los Angeles.

Agenda Item VI – The Chief Executive Officer reported that ACE participated in a meeting on May 20, 2009, with United States House of Representatives Transportation and Infrastructure Committee Chairman Jim Oberstar to update him on the status of ACE projects.

Agenda Item VII – The Board approved staff's recommendation to authorize the Chief Executive Officer to solicit proposals for property acquisition and relocation services, supplementing the existing support contract.

Agenda Item VIII – The Board approved staff's recommendation to authorize the Chief Executive Officer to amend the contract with the law firm of Demetriou, Del Guercio, Springer & Francis to provide additional services for the Baldwin Avenue Grade Separation project and the Temple Avenue Train Diversion project, in the amount of \$70,000, for a new contract amount of \$873,000, and to reassign the contract from Burke, Williams & Sorensen to the ACE Construction Authority.

Each Supervisor
July 15, 2009
Page 2

Agenda Item XI – The Board approved staff's recommendation to accept the Brea Canyon Road Grade Separation project as satisfactorily completed in conformance with the plans and specifications and to approve the final retention payment of \$2,193,176 for a total final authorization value of \$43,863,512 to Griffith Company. Additionally, the Board approved to authorize the contract manager to release the labor and material bond and the faithful performance bond upon expiration of the required lien period.

Agenda Item XII – The Board approved staff's recommendation to adopt an Annual Anticipated Disadvantage Business Enterprise Participation Level of 15 percent for Federal Fiscal Year 2010, of which 7 percent will be achieved by race-neutral methods and 8 percent by race-conscious methods, and to submit it to Caltrans for approval.

The next Board meeting will be held on July 27, 2009, at 2 p.m., at the Irwindale City Hall Chambers.

HF:pr

C100012

P:\pdpub\Federal\ACE-ALAMEDA CORRIDOR EAST\BOARD MEETINGS\ACE Board meeting 06-22-09.doc

Attach.

cc: Chief Executive Office (William T Fujioka, Lari Sheehan)
Executive Office



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, June 22, 2009 – 2:00 P.M.

Irwindale City Hall

5050 Irwindale Avenue

Irwindale, CA 91706

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

- I. Roll Call and Introductions
- II. Pledge of Allegiance
- III. Approval of Minutes of May 11, 2009 Regular Board Meeting (Pages 1-5) Action
- IV. Public Comment
- V. Chairman's Remarks
- VI. Chief Executive Officer's Report (Pages 6-11)
- VII. Approval to Solicit Property Acquisition and Relocation Services (Page 12) Action
- VIII. Approval of Eminent Domain Legal Services Assignment to Demetriou, Del Guercio, Springer and Francis (Page 13-14) Action
- IX. Approval of Ongoing Support Services and Annual Task Orders (Pages 15-19) Action
 - Capital Representation Group
 - Prince Global Solutions
 - Padilla & Associates
 - Big Independent Cities Excess Pool
 - First Southwest Company
 - CLMC, Inc.
 - Paragon Partners

The ACE Construction Authority is constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member. Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes. All disclosable public records related to this meeting are available for viewing at the ACE office above during normal working hours.

Approval of Ongoing Support Services & Task Orders (cont'd)

| | Action |
|--|-------------|
| <ul style="list-style-type: none">• Del Richardson & Associates• MWH• Terry Hayes & Associates• JL Patterson & Associates• Wagner Engineering• Lee Andrews Group• LPC Public Relations | |
| X. Approval of Suspension of Intelligent Roadway Rail Interface System (IRRIS) Project (Pages 20-22) | Action |
| XI. Approval of Brea Canyon Road Construction Contract Close Out and Project Acceptance (Pages 23-24) | Action |
| XII. Approval of Annual Anticipated DBE Participation Level (Page 25) | Action |
| XIII. Review of Professional Services Contract Audit Program (Pages 26-28) | Information |
| XIV. Review of Candidate ACE Actions for San Gabriel Valley Council of Governments Approval (Pages 29-36) | Information |
| XV. Adjournment | Action |

Alameda Corridor-East Construction Authority

Board of Directors Meeting

May 11, 2009 Minutes

Chairman Spohn called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 2:05PM.

1. In attendance were:

Tim Spohn
Steven Atchley
David Gutierrez
David Spence
Patricia Wallach
Rosemarie Vasquez
Gloria Molina

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Deanna Stanley
Charles Tsang
Victoria Butler
Cynthia Ambrose
Carlos Monroy
Regina Talamantez

Guests

Keith Gillfillan, Moffatt Nichol
Duane Kenegay, Moffatt Nichol
Connie Sandifer, Oliver, Sandifer & Murphy
Damon Juha, Freeman, Freeman & Smiley
David Voorhees, Unilever
Bruce Russell, Jacobs Engineering
Gene Bougdanos, HDR

2. **Pledge of Allegiance** –Vice Chair Rosemarie Vasquez led the pledge of allegiance.
3. **Approval of Minutes of April 27, 2009** – A motion was made to approve the minutes of March 23, 2009. Vasquez/Atchley/Unanimous.
4. **Public Comments** – Damon Juha, Freeman, Freeman & Smiley representing Unilever at 19161 E. Walnut Drive. He indicated Unilever’s concern was with the proposed detour road for the Nogales Street grade separation project. He

reported Unilever was a producer of 400 brands. The affected Unilever site employed 65 people and the proposed detour route via Otterbein could have substantial impacts on the employees. He expressed his appreciation for continued discussions with Paul Hubler and Ricky Choi of ACE regarding an alternative route. He indicated he looked forward to continuing discussions.

5. **Chairman's Report** – Chairman Spohn indicated the American Council of Engineering Companies of California will be honoring Rick Richmond with the Engineering Achievement Award at their annual banquet. He indicated Mr. Richmond was chosen for his leadership of the ACE Project and its accomplishments and indicated he deemed it appropriate that the project purchase a table to the event. The Board agreed and member Vasquez asked if it were appropriate for invite past Board members and the Board agreed.
6. **CEO's Report** – Mr. Richmond briefly updated the Board on SB 652.
7. **Approval of FY 2010 Budget** – Mr. Richmond reviewed the FY '09 goals. He indicated that the goals were divided into three categories: project, funding/finance and outreach. Of the project goals four were accomplished, 1 partially accomplished and three not. Funding/Finance – five were accomplished, 1 partially accomplished and 2 not accomplished. And of the four set outreach goals all were accomplished. He reviewed project implementation goals for FY '10 which were: Complete the Temple Avenue fourth track right-of-way; 80% construction complete on the Sunset Avenue project. Complete right of way and have the construction contract out to bid on the Nogales Street project. Construction underway at Baldwin Avenue and complete the environmental process, substantially complete design and preconstruction utility relocations underway for the San Gabriel Trench project. He reviewed funding/administration goals which included: establish eligibility for grant application and apply for FRA funds; seek FY '10 federal appropriations; seek dedicated freight trust fund or existing federal funding in SAFETEA-LU reauthorization; advocate container fees, obtain clean financial audit and maintain at least 95% of note proceeds invested. He reviewed outreach goals which included: groundbreaking ceremonies for Baldwin Avenue and Nogales Street projects, continue business, community and safety outreach, launch e-newsletter, implement a revised DBE program and conduct at least one environmental outreach meeting for the San Gabriel Trench project. He reviewed budget versus estimated actual expenditures for FY '09 and a comparison of FY '10 budget.
A motion was made to approve the FY '10 budget
M/S/C/Atchley/Vasquez/Unanimous

8. **Approval of Selection and Award of Contracts for Legal Services**

Contract – Mr. Silvey indicated though the matter was to be discussed in open session he would prefer to recuse himself from the discussions and he departed from the dais area. Chairman Spohn indicated that at the request of the SGVCOG, he and Mr. Richmond had attended a morning meeting with the SGVCOG's Executive Director and President, Dave Spence, to discuss ACE's legal services contracts. At this meeting, the SGVCOG's new legal counsel provided a written opinion indicating that ACE did not have the power to enter into contracts for legal services. A copy of this opinion was provided to the ACE Board.

At Mr. Spohn's request, Mr. Richmond then reviewed the procurement process that ACE had used for the two legal services contracts on the agenda . He explained that five proposals were received for package A (general counsel and property acquisition) and seven proposals for package B (property acquisition only). A Technical Evaluation Committee comprised of an attorney from the City of Long Beach, an attorney from the County Counsel's Office, an ACE staff member and Mr. Richmond interviewed the three highest ranking firms for each contract package. The Committee recommended Burke, Williams & Sorensen for package A and Oliver, Sandifer & Murphy for Package B.

Ms. Vasquez asked Mr. Richmond for clarification regarding the legal opinion from the SGVCOG. Mr. Richmond indicated he did not agree with the written opinion. He explained that he had little time to study it and that in the time available he had not been able to obtain guidance from ACE's counsel. Mr. Richmond explained that ACE has the power to enter into contracts necessary to run the ACE Project and he considers legal services to be a necessary element of the Project.

Ms. Vasquez expressed concern that the ACE Board was being advised of the SGVCOG's new position at the last minute. She also indicated there was a selection process in place and she had confidence in the manner by which the process was followed by ACE staff.

After significant discussion, Mr. Spence indicated the SGVCOG had always approved the legal services contracts of ACE. Ms. Molina asked Mr. Richmond to comment on Mr. Spence's remarks. Mr. Richmond indicated the initial legal services contract covering ACE was put in place prior to the existence of ACE and that until recently both ACE and the SGVCOG shared the same counsel. Each agency began separate procurements last year. Mr. Richmond indicated it has not been the practice for legal services contracts to be approved by the SGVCOG for any of the other legal firms providing services to ACE.

Ms. Molina suggested that the Board move forward and consider the Technical Evaluation Committee's recommendation. Separately, she requested that staff

return to the Board at a subsequent meeting with a listing of possible ACE Board actions which could require SGVCOG Governing Board approval so that the ACE Board could decide whether guidance and clarifications from the Governing Board might needed.

A motion was made to authorize the Chief Executive Officer to execute a contract with the firm of Burke, Williams & Sorensen, LLP for Package A – general counsel and property acquisition legal services for the amounts established in each year’s annual budget and annual task order and to authorize the Chief Executive Officer to execute a contract with the firm of Oliver, Sandifer & Murphy for Package B – property acquisition legal services for amounts established in each year’s annual budget and annual task orders.

M/S/C/Vasquez/Molina/Passed/Spence:opposed

9. **Approval of Selection and Award of Contract for Phase II Traffic Study and Concept Plans** - Mr. Richmond reminded the Board that proposals were sought to update the Phase II grade separation locations originally proposed in 1998. He reviewed the procurement process and scope, cost and schedule. He indicated there were seven proposals received and four teams interviewed. The Technical Evaluation Committee ranked KOA with JL Patterson highest and the recommendation was to begin negotiations with KOA. However, should negotiations be unsuccessful the procedures allowed negotiations with the second highest rated, CH2MHill.

A motion was made to authorize the Chief Executive Officer to negotiate and execute a contract for an amount not-to-exceed \$550,000 with KOA Corporation for the Phase II Traffic Study and Grade Separation Concept Plans and in the event negotiations are unsuccessful the same with CH2MHill.

M/S/C:Vasquez/Wallach/Unanimous

10. **Approval of Contract Amendment for Ortiz Enterprises** – Mr. Richmond reported the original contract issued in 2004 with Ortiz Enterprises was for construction of the East End Avenue and Reservoir Street grade separations in the City of Pomona. Ongoing delays and increased commodity costs contributed to increased authorizations over the five years of construction. Near the end of construction cost issues were negotiated but as of January 2009 a number of claims remain unresolved. Mr. Richmond reviewed the components of the increased authorization and alerted the Board that there are two unresolved claims which will move to dispute resolution.

A motion was made to increases the Chief Executive Officer’s change order authorization by \$567,763 for a final contract authorization of \$37,434,247 to

accommodate change orders compensating the general contractor and subcontractor for the East End Avenue and Reservoir Street grade separations.
M/S/C/Wallach/Vasquez/Unanimous

11. **Approval of Contract Amendment for Moffatt & Nichol for Design Services for the San Gabriel Trench Project** – Mr. Richmond reminded the Board that the initial contract for design services for the San Gabriel trench was for 35% design of the project. Mr. Richmond reviewed the two design/construction methods – design/bid and design/bid/build. He indicated it was determined that the preferred method would be design bid build which would require Moffatt and Nichol to continue services through final design. He reviewed other tasks required for the project. He anticipated work on this phase would be complete in 18 months and the Authority was pleased with the services provided by Moffatt & Nichol.

A motion was made to authorize the Chief Executive Officer to execute amendment #3 to the Design and Engineering Services Agreement with Moffatt & Nichol for the not to exceed amount of \$18,304,601 for a total contract value of \$25,203,004.

M/S/C/Gutierrez/Atchley/Unanimous

Mr. Spence requested staff provide the Board with an update on the status of contract audits at the next meeting.

12. **Adjournment** - The meeting was adjourned at 3:32PM



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: CEO Report

The following are items of note since the last meeting:

Meeting with Chairman Oberstar – Congresswoman Grace Napolitano and Congressman Adam Schiff arranged for and participated in an ACE-San Gabriel Valley Project update meeting on May 20 with House Transportation and Infrastructure Committee Chairman Jim Oberstar, whose committee is drafting federal surface transportation program legislation. Chairman Oberstar expressed his continued familiarity with and support for the ACE-San Gabriel Valley Project and noted that he intends to include in the bill a program of federal grants – perhaps competitively awarded – for surface transportation projects of national significance. Letters of appreciation have been sent to the Members of Congress.

Contracting – Our Administrative Code delegates to the CEO the authority to approve new contracts or change orders for Board-approved contracts within certain limits, with a requirement that I report to the Board any such contract action. In addition to the changes identified in the monthly construction reports, the following changes have occurred:

| <u>Consultant/Vendor</u> | <u>Reason for Change</u> | <u>Change Amount</u> | <u>Total Contract Value</u> |
|----------------------------|----------------------------|----------------------|-----------------------------|
| Interior Demolition, Inc. | Contract Task Order No. 01 | NEW | \$ 116,324 ^{A)} |
| Miller Environmental, Inc. | Contract Task Order No. 01 | NEW | \$ 103,657 ^{A)} |

^{A)} Figure is value of Contract Task Order

Community Outreach Update – Staff has conducted the following project outreach activities:

- Coordinated tours of the Sunset Ave. Grade Separation project construction site for geotechnical engineering students from California State Polytechnic University, Pomona;
- Staffed an ACE Project informational display table at the annual awards banquet meeting of the Los Angeles County Chapter of the American Council of Engineering Companies of California;

- Distributed construction alert notice regarding demolition and removal of residential properties on Baldwin Avenue for the Baldwin Avenue grade separation project;
- Conducted ongoing business support program, community outreach and construction coordination activities for Sunset Ave. Grade Separation and Temple Ave. Fourth Track projects.

**ALAMEDA CORRIDOR EAST
PROJECT STATUS REPORT
TEMPLE AVE 4TH TRACK INFRASTRUCTURE PROJECT**

For the Month: **May 2009**

| | | |
|------------------------------|--|------------------|
| Scope: | The Project involves the construction of a new fourth mainline embankment that runs parallel to the UPRR Los Angeles Subdivision tracks for 2.7 miles. The work also includes, but is not limited to, the construction of retaining walls, roadways, pier protection walls, bridge widening, channel wall improvements, culverts, drainage ditches, utility relocation and protection. Temporary work consists of shoring, excavation support systems, and traffic control features. | |
| Contractor: | Sema Construction | |
| Construction Manager: | PB Americas | |
| Contract Award: | August 29, 2008 | |
| Limited Notice to Proceed: | September 18, 2008 | |
| Notice to Proceed: | November 17, 2008 | |
| Original Completion: | October 13, 2009 | Time Elapsed 60% |
| Revised Contract Completion: | October 13, 2009 | |

| Schedule Summary | Estimated Start | Estimated Completion | % Complete |
|---|-------------------|----------------------|------------|
| UP MP 28.75: Industry Spur Bridge | June 15, 2009 | Sept 21, 2009 | 25% |
| UP MP 28.76: UPRR Culvert | July 01, 2009 | Oct 02, 2009 | 0% |
| UP MP 28.90: SR 57 Pier Protection Wall | June 15, 2009 | Sept 21, 2009 | 25% |
| UP MP 28.90: SR 57 Retaining Wall | April 06, 2009 | June 30, 2009 | 70% |
| UP MP 28.91: UPRR Culvert | June 07, 2009 | July 22, 2009 | 0% |
| UP MP 29.59: UPRR Culvert | July 01, 2009 | Oct 02, 2009 | 0% |
| UP MP 29.60: LACDPW New Channel Wall | July 01, 2009 | Oct 02, 2009 | 0% |
| UP MP 29.60: LACDPW Channel Wall Retrofit | July 01, 2009 | Oct 02, 2009 | 5% |
| UP MP 29.61: Humane Way PPW | July 07, 2009 | Sep 07, 2009 | 0% |
| UP MP 30.02: SR 71 Pier Protection Wall | July 07, 2009 | Sep 07, 2009 | 25% |
| UP MP 30.02: SR 71 Retaining Wall | March 16, 2009 | June 15, 2009 | 90% |
| UP MP 30.10: Retaining Wall | February 18, 2009 | May 30, 2009 | 90% |
| Embankment: Station 1490+00 – 1515+00 | June 19, 2009 | Sep 30, 2009 | 0% |
| Embankment: Station 1515+00 – 1530+00 | June 19, 2009 | Sep 30, 2009 | 0% |
| Embankment: Station 1530+00 – 1564+00 | June 19, 2009 | Sep 30, 2009 | 40% |
| Embankment: Station 1564+00 – 1590+00 | June 19, 2009 | Sep 30, 2009 | 0% |
| Embankment: Station 1590+00 – 1615+00 | June 19, 2009 | Sep 30, 2009 | 0% |

| Financial Summary | | | |
|--|-----------------|--|-----|
| Original Contract Value | \$12,104,916.85 | | |
| C.O.s Approved This Month | \$112,000.00 | | |
| C.O.s Approved to Date | \$112,000.00 | | |
| Current Contract Value | \$12,216,916.85 | | |
| Invoiced to Date (% of revised contract) | \$5,473,248.00 | | 45% |

TEMPLE AVE 4TH TRACK INFRASTRUCTURE PROJECT

| | | |
|--------------------------------|-------------------------------------|---------------------------|
| Contractor | | SEMA Contractors |
| Contract Award | | September 30, 2008 |
| Limited NTP | | September 18, 2008 |
| Full NTP | | November 17, 2008 |
| Contractual Completion | 60% | October 13, 2009 |
| Revised Completion | --- | ---- |
| Original Contract Value | | \$12,104,916.85 |
| Change Orders this Month | | \$112,000.00 |
| Amended Contract Value | | \$12,216,916.85 |
| Earned to Date (Amended Value) | 45% | \$5,473,248.00 |
| Release of Liens are Current | <input checked="" type="checkbox"/> | |

Progress Summary

| | |
|--|-----|
| • UP MP 28.75: Industry Spur Bridge | 25% |
| • UP MP 28.76: UPRR Culvert | 0% |
| • UP MP 28.90: SR 57 Pier Protection Wall | 25% |
| • UP MP 28.90: SR 57 Retaining Wall | 70% |
| • UP MP 28.91: UPRR Culvert | 0% |
| • UP MP 29.59 & 29.60: UPRR Culvert & LACDPW Channel | 0% |
| • UP MP 29.61: Humane Way PPW | 0% |
| • UP MP 30.02: SR 71 Pier Protection Wall | 25% |
| • UP MP 30.02: SR 71 Retaining Wall | 90% |
| • UP MP 30.10: Retaining Wall | 90% |
| • Embankment: Station 1490+00 – 1515+00 | 0% |
| • Embankment: Station 1515+00 – 1530+00 | 0% |
| • Embankment: Station 1530+00 – 1564+00 | 40% |
| • Embankment: Station 1564+00 – 1590+00 | 0% |
| • Embankment: Station 1590+00 – 1615+00 | 0% |

Safety and Security Issues:

- LOST TIME INJURY STATUS: No injuries reported.
- SITE INCIDENTS: One incident. No injury. SEMA equipment scrapped unmarked UPRR signal wire and copper wiring was exposed. UPRR maintenance repaired the wire within two hours.
- RR INCIDENTS: See above.
- SECURITY INCIDENTS: None.

Issues

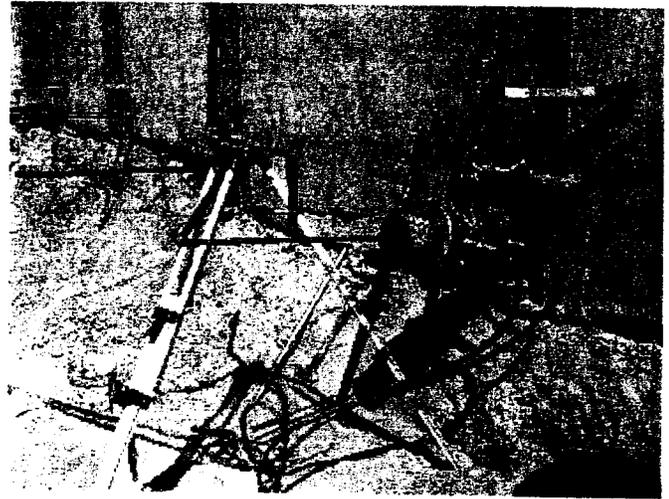
- Relocation of Clear Channel Ad Pole at SR 57
- Kinder Morgan/UPRR Track Shift Schedule Impact

Work Accomplished this Month

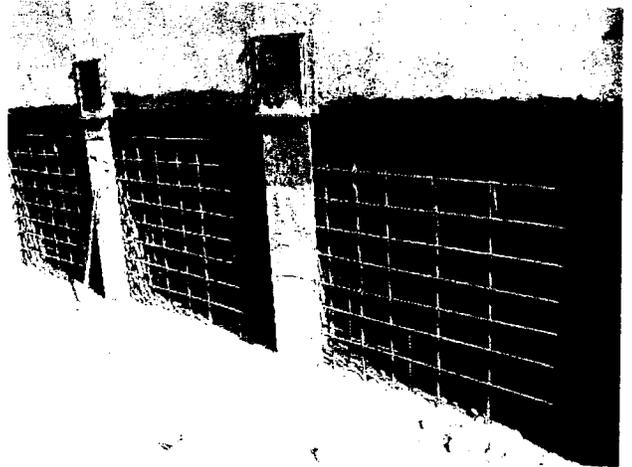
- Reviewed and processed submittals
- Completed installation of tie back anchors for SR 57
- Completed the construction of 3x3 RCB between Humane Way and SR 71
- Completed backfill behind SR 71 and SR 57 RW's

Upcoming Work next Month

- Complete construction of SR 57 and SR 71 RW
- Continue construction of 3x3 RCB east of SR 71
- Start construction of Spur Track Bridge
- Continue embankment construction east of SR 57
- Install temporary shoring for SJCC Wall Replacement
- Start construction of SJCC Wall Retrofit
- Complete encasement of 27" LACSD sewer underneath Temple Ave Bridge



Stressing of Tie Back Anchors



SR 71 Shotcrete Retaining Wall



Excavation for 3x3 RCB



ALAMEDA CORRIDOR EAST

PROJECT STATUS REPORT

SUNSET AVENUE GRADE SEPARATION PROJECT For the Month: May 2009

| | | |
|------------------------------|--|---------------------|
| Scope: | Construction of grade separations at the UPRR crossings at Orange Avenue and Sunset Avenue. Orange and Sunset Avenues will be lowered slightly and the tracks raised on embankments and two steel thru-girder bridges. California Street will be raised and reconstructed to meet the new track locations. Valley Boulevard will be reconstructed at all three intersections. Trackwork will consist of a new raised mainline track; at grade drill track and industry track connection to the north; and a temporary shoofly to the south requiring temporary closure of the northerly lane of Valley Blvd. | |
| Contractor: | Atkinson Contractors, LP | |
| Construction Manager: | PB | |
| Contract Award: | August 28, 2006 | |
| Notice to Proceed: | November 14, 2006 | |
| Original Completion: | November 18, 2009 | Schedule % Complete |
| Revised Contract Completion: | January 1, 2011 | 60.0 |

| Schedule Summary | Estimated Start | Estimated Completion | % Complete |
|---|-----------------|----------------------|------------|
| California Ave Shoofly & Street Restoration | January 2007 | December 2007 | 100% |
| Railroad ROW storm drain system | February 2007 | January 2009 | 92% |
| Valley Blvd Shoofly | May 2007 | August 2008 | 100% |
| Drill Track | April 2008 | April 2009 | 65% |
| Drill Track Revision 12, 16 & 17 | June 2008 | November 2008 | 85% |
| Main Line Retaining Walls & Backfill | May 2009 | November 2009 | 0% |
| Sunset & Orange Bridge Steel Fabrication | November 2007 | September 2008 | 98% |
| Sunset & Orange Bridge & Roadway Installation | May 2009 | June 2010 | 5% |
| Valley @ Sunset & Orange Street Restorations | August 2009 | October 2009 | 25% |
| Landscaping & Irrigation | December 2009 | July 2010 | 0% |

| Financial Summary | | |
|--|-------------------------------------|-------|
| Original Contract Value | \$41,938,421.50 | 35.5% |
| C.O.s Approved This Month | \$0 | |
| C.O.s Approved to Date | \$8,269,017.82 | |
| Current Contract Value | \$50,207,439.32 | |
| Invoiced to Date (% of revised contract) | \$17,844,671.59 | |
| Release of Liens are Current | <input checked="" type="checkbox"/> | |

SUNSET AVENUE GRADE SEPARATION PROJECT

| | | |
|--------------------------------|-------------------------------------|---------------------------------|
| Contractor | | Atkinson Contractors, LP |
| Contract Award | | August 2006 |
| Limited NTP | | November 1, 2006 |
| NTP | | November 14, 2006 |
| Contractual Completion | | November 18, 2009 |
| Revised Completion | 60.0% | January 1, 2011 |
| Original Contract Value | | \$41,938,421.50 |
| Change Orders this Month | | \$780,000 |
| Amended Contract Value | | \$50,207,439.32 |
| Earned to date (Amended Value) | 35.5% | \$17,844,671.59 |
| Release of Liens are Current | <input checked="" type="checkbox"/> | |

Progress Summary

| | |
|---|------|
| • California Ave Shoofly & Street Restoration | 100% |
| • Railroad ROW storm drain system | 92% |
| • Valley Blvd Shoofly | 100% |
| • Drill Track | 65% |
| • Drill Track Revision 12 ,16 & 17 | 85% |
| • Main Line Retaining Walls & Backfill | 0% |
| • Sunset & Orange Bridge Steel Fabrication | 98% |
| • Sunset & Orange Bridge & Roadway Installation | 5% |
| • Valley at Sunset & Orange Street Restorations | 25% |
| • Landscaping & Irrigation | 0% |

Safety and Security Issues:

- LOST TIME INJURY STATUS: No injuries reported.
- SITE INCIDENTS: None.
- RR INCIDENTS: None
- SECURITY INCIDENTS: None

Issues

- Contractor disputing that CN 041 manhole base slab was included in pipe protection drawings. Claim to be assessed shortly.
- Verizon completion date postponed to 06/06/09. Time-Warner jack and bore casing complete and lines are being cut-over. Potential conflict with Sunset roadway Drill Track appears to be eliminated.
- UPRR postponed re-mobilization date from 6/11/09 to 06/16/09. The delayed response has potential to impact time savings on critical path.
- City of Industry did not accept form liner that was specified in project specifications. Potential cost impact of \$50,000 is being evaluated with Contractor.

Work Accomplished this Month

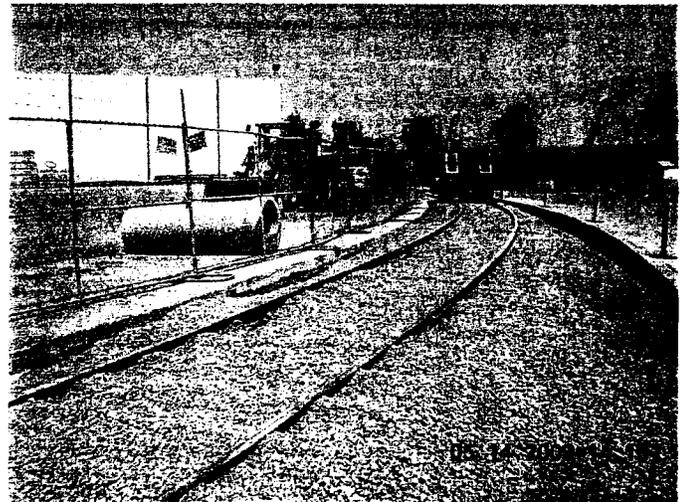
- Contractor is negotiate trucking fees for CN 042, for trucking of unforeseen buried concrete debris encountered in Drill Track excavation.
- Constructed spur 825, 827 & 828 pipe protection work (CN 041).
- Constructed new spur track 828.
- Executed CN 021 (UPRR Drill Track Drainage Modifications).
- Complete Drill track drainage modifications (Bulletin 59 & 61 CN 021).
- Extended Drill Track retaining wall east of Sunset (CN 021).
- Continued importing subballast from STA 61+00 to 68+00.
- Continued Drill Track punchlist.

Upcoming Work next Month

- Permanently lower Verizon line. Cut-over Time-Warner lines.
- Complete Drill Track Subballast, punchlist.
- Execute CN 045 (Spur 858) and CN 003 (bridge paint spec).
- UPRR to complete tie-in of east end of Drill Track, allowing UPRR to remove Mainline Track at bridges.
- Prepare for bridge and retaining wall construction.
- Negotiate and execute Change Order for schedule to mitigate delays.



Completed Pipe Protection at Spur 825 (CN 041)



Re-Construction of Spur Track 828



Extended Drill Track Retaining Wall East of Sunset (CN 021)



Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Approval to Solicit Property Acquisition and Relocation Services

RECOMMENDATION: Staff requests approval to solicit proposals for property acquisition and relocation services to supplement our existing resources based on substantially increased workload expected over the next 1-3 years.

BACKGROUND: Two of the support contracts for which we request annual task orders are for property acquisition (Paragon Partners) and relocation (Del Richardson Associates) services. In preparing the FY 2010 task order, it became apparent that the expected property acquisition workload for FY 2010 and beyond is going to be unusually heavy. This is due to the fact that significant acquisitions remain on Baldwin Avenue and new projects with substantial property requirements (Nogales Street and the San Gabriel Trench) are about to begin the property acquisition phase.

The Board has in the past questioned whether some of our annual contracts should be re-competed. The property acquisition contract is the largest and one of the longest standing annual contracts. While replacing existing contractors is not desirable from a continuity standpoint, the significant increase in upcoming workload does lend itself to "splitting out" a portion of the work for a second firm or team.

If a second firm/team is retained they would be assigned the Nogales Project where no acquisition negotiations have yet begun. Our existing contractors would continue with Baldwin and the San Gabriel Trench. The new scope of work would encompass both property acquisition and relocation. If authorized, the selection process would be administered through our normal professional services process, which consists of a recommendation from a staff Technical Evaluation Committee to the Board.



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Amendment and Reassignment of Legal Services Contract with Demetriou, Del Guercio, Springer and Francis

RECOMMENDATION: Staff recommends approval to:

1. Assign an eminent domain case on the Temple Avenue Train Diversion Project to the firm of Demetriou, Del Guercio, Springer and Francis; and,
2. Amend their contract to add \$70,000 to complete an existing assignment (Jast) and the estimated cost for the above assignment, for a total contract value of \$873,000;
3. Reassign the contract from Burke, Williams & Sorensen to the Authority.

BACKGROUND: The Demetriou firm was first retained as a subcontractor to Burke, Williams & Sorensen (BWS) to supplement BWS on eminent domain cases arising on Phase I of our project.

Their most recent assignment was the Jast case (Baldwin Ave.) which has gone through two court hearings and is approaching the last stage, the valuation hearing. The challenges to the early stages of the process by the defendant have been more vigorous than anticipated and the original estimated cost for the full proceeding, \$85,000, will not be sufficient. Staff is requesting an additional authorization of \$30,000 to complete this case.

Consistent with the scope of their contract, we are also recommending assignment of a potential new eminent domain case on the Temple Ave project. It is our acquisition of a permanent easement of 9,429 square feet at the rear of property owned by Altec Industries. We have negotiated this acquisition for an extended period of time but it appears that condemnation may be necessary. We are estimating a cost of \$100,000-\$140,000 for this assignment and recommending it be added to the scope of the Demetriou firm's contract.

Finally, with recent selection of Burke, Williams & Sorensen as ACE's General Counsel we will be operating under a new contract with BWS as of June 1, 2009. Since we will continue to have work performed by the Demetriou firm for some time to come, it makes sense to reassign their current BWS subcontract to ACE.

BUDGET IMPACT: Funds for this work are available from Federal and MTA funds and have been included in the FY 2010 budget.



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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Approval of Ongoing Authority Support Contract Amendments and Annual Task Orders

RECOMMENDATION: Staff recommends that the Board authorize the Chief Executive Officer to amend or issue annual task orders for the following contracts for continuing support services from July 1, 2009 through June 30, 2010:

- Prince Global Solutions, LLC annual task order for \$206,000;
- Capital Representation Group contract amendment for \$55,000;
- Padilla & Associates annual task order for \$241,579;
- First Southwest Company contract amendment for \$15,000;
- BICEP contract amendment for \$65,000;
- CLMC, Incorporated contract amendment for \$72,000;
- Paragon Partners, Ltd. annual task order for \$1,800,487;
- Del Richardson & Associates, Inc. annual task order for \$54,300;
- J.L. Patterson & Associates, Inc. annual task order for \$70,629;
- Wagner Engineering & Survey annual task order for \$89,700;
- Terry A. Hayes Associates annual task order for \$480,732;
- MWH Americas, Inc. annual task order for \$155,758;
- Lang/Pan/Chan Public Relations annual task order for \$75,081; and
- Lee Andrews Group Inc. annual task order for \$680,333.

BACKGROUND: Continuation of contracted agency support services is necessary for FY 2010. The following is summary of work activities and proposed contract amendments/annual task orders:

- **Prince Global Solutions, LLC** – This contract was awarded to Prince Global Solutions, LLC last year in order for ACE to continue benefitting from the services of Mr. Kevin Jones, formerly associated with Womble, Carlyle, Sandridge & Rice. Mr. Jones services include assisting staff in responding to questions/information from congressional members and federal officials regarding pending federal funding requests for the ACE Project. At this time, staff is recommending an authorization for FY 2010 of \$206,000, which reflects an increase of 3% over last year's budget.

- **Capital Representation Group** – This contract was competitively procured to provide support services for the ACE Project in Sacramento for the life of the project at our option. The firm provides assistance in responding to questions/information from legislators and state officials concerning the ACE Project. Also, the firm assists in monitoring legislation and regulations impacting the ACE Project. The firm's assistance will be critical to ACE as the state navigates through its budget issues. The recommended contract amendment amount is \$55,000 for FY 2010, which allows for a slight increase in budget hours.
- **Padilla & Associates** - This contract was competitively procured for labor compliance and disadvantaged business outreach activities for the life of the project at our option. Labor compliance activities will continue on Sunset and Temple, and begin on Baldwin and Nogales. DBE compliance activities will continue on all active projects, as well as with the implementation of the race conscious program on upcoming projects. The recommended FY 2010 budget is \$241,579. This represents a 10% decrease from FY 2009's authorization. The decrease reflects a reduction in staff labor rates due to personnel changes.
- **First Southwest Company** – This firm was competitively selected to implement our for working capital financing. Their role extends to assisting staff with our reporting requirements for the existing financing, monitoring the services being provided by the paying agent, investment banker and letter of credit bank and advising and assisting and any subsequent note issuance. The recommended contract amendment amount is \$15,000 for FY 2010, which is a 17% reduction from last year's authorization due to changes in personnel.
- **Big Independent Cities Excess Pool (BICEP)** - This JPA was selected to perform risk management and claims administration for ACE for the life of the project. Their role includes coordination of ACE's insurance program, review of evidence of insurance provided by ACE's contractors and consultants, as well as periodic risk assessment and review of ACE's contracts. BICEP's role also includes involvement in coordinating third party claims between ACE and its contractor. This year, BICEP is also coordinating the purchase of Excess Liability Coverage for projects (such as Nogales South and the San Gabriel Trench) that were not covered under the purchase of excess liability coverage in September 2007. The recommended amount for FY 2010 is \$65,000, which represents no change from the FY 2009 budget. The \$65,000 budget does not include any premium costs for the excess liability policies.

- **CLMC, Incorporated** - This firm was selected to provide assistance to the Authority in reviewing the invoices submitted by the Union Pacific Railroad (UPRR). The services are needed for the duration of the project, however the contract was intended to be authorized on an incremental basis. The scope of services includes the monitoring and validating the accuracy of the labor and material reporting on UPRR invoices, as well as monitoring and validation of peripheral project costs associated with activities undertaken by the UPRR in support of the ACE project. For the first eleven months of the current authorization period, the consultant has questioned \$137,555 in costs. We will recover all the erroneous charges. Payments to the consultant for this same period total \$66,251. The current level of effort as of June 2009 involves 11 work orders. That number is expected to maintain or increase as UPRR construction activities continue to be significant on the Sunset project. The requested amount of \$72,000 is the same as FY 2009.
- **Paragon Partners, Ltd.** - Paragon Partners provides right of way acquisition services for the ACE Program. Acquisition activities, including disposition of excess property, are on-going for the following projects: Temple, Ramona, Sunset, Baldwin, Nogales and San Gabriel. Paragon also assists in managing the work of the relocation assistance consultant, the survey consultant, and the on-call demolition contractors. The recommended contract amount for FY 2010 is \$1,800,487. This represents a 7% increase from last year's budget of \$1,686,000. The budget increase reflects continuing activities on Baldwin and initiation of activities on Nogales and the San Gabriel Trench.
- **Del Richardson & Associates, Inc.** - Del Richardson & Associates, Inc. provides relocation assistance. Relocation assistance is forecast for FY 2010 for the completion of Baldwin work and initiation of work on the San Gabriel Trench project. The recommended contract amount is \$54,300.
- **J.L. Patterson & Associates, Inc.** - J.L. Patterson & Associates, Inc. provides railroad engineering services and safety training for the ACE Project. The recommended contract amount for FY 2010 is \$70,629. The proposed budget will cover design activities on the Baldwin project, safety training for roadway worker certification, and general engineering support. The proposed budget is slightly lower than last year's budget of \$77,000.
- **Wagner Engineering & Survey** - Wagner Engineering & Survey provides property surveys for the ACE project. Their proposed FY 2010 scope includes property acquisition surveys for the Nogales South, Baldwin and Sunset projects, and excess land disposition surveys for the Ramona project. The recommended budget for the FY 2010 task order is \$89,700 and represents a decrease of more

than 70% from the FY 2009 amended budget. The decrease in proposed budget is a function reduced workload, including incorporation of survey work into the design contracts on a going forward basis.

- **Terry A. Hayes Associates** - This firm prepares environmental documents and conducts ACE's environmental mitigation monitoring program. Their proposed scope for FY 2010 includes the preparation and circulation of the San Gabriel Trench environmental document and the mitigation monitoring of active construction projects (Temple Ave., Brea Canyon, and Sunset). The proposed authorization for FY 2010 is \$480,372 which represents a 4% reduction in the level of effort from FY 2009, and largely consists of work necessary to complete the Section 106 historic preservation and CEQA/NEPA processes for the San Gabriel Trench.
- **MWH Americas, Inc.** - MWH Americas, Inc. provides environmental management services during construction for ACE. These services consist of testing hazardous materials that may be encountered on the ACE project sites. MWH Americas, Inc. proposed scope for FY 2010 includes work on the Temple 4th Track Infrastructure, Sunset, Baldwin, Nogales South and San Gabriel projects along with general program-wide support. The proposed budget for FY 2010 is \$155,758 which is an increase of 54% from the FY 2009 budget of \$101,000, reflecting changes in the expected need for this service on future construction sites.
- **Lang/Pan/Chan Public Relations** - Lang/Pan/Chan Public Relations (LPC) is a part of ACE's community outreach team, particularly providing assistance with the Asian community outreach across all ACE's projects. LPC's proposed budget for FY 2010 is \$75,081, which provides a 3% increase over FY 2009.
- **Lee Andrews Group, Inc.** - This firm provides public outreach services to ACE, also on a program-wide basis. The Lee Andrews Group proposed budget is \$680,333 for FY 2010 which is 9% less than the current year. This consists of 3+ full time equivalent positions to support our public information and field community outreach and the production of all public information material (project video, brochures, handouts, community events, advertising, etc.) The decrease in overall costs is a function of personnel changes - the level of effort/staffing provided by this firm has remained consistent since FY 2009.

BUDGET IMPACT: Funds for these contracts are included in the FY 2010 budget and available from grant funds, except in the case of First Southwest Company expenses, which will be paid from interest earned from Grant Anticipation Note proceeds.



Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Approval of Suspension of IRRIS Project

RECOMMENDATION: Staff recommends that we suspend the continued development of the Integrated Rail Roadway Interface System (IRRIS), transfer ownership of traffic control components to the City of Pomona, and monitor future train control technology to consider its usefulness in achieving the original objectives of the IRRIS program.

BACKGROUND: Development of an advanced signal system demonstration project was one of the elements of the Alameda Corridor-East (ACE) Project adopted by the San Gabriel Valley Council of Governments (SGVCOG) in the late 1990s. The demonstration project, later named IRRIS, was intended to improve mobility for motorists trying to get across future unseparated grade crossings by:

- Accurately predicting crossing gate down times, and
- Where warranted redirect traffic to nearby grade separated crossings through changeable message signs and traffic signal timing adjustments, and
- Provide crossing delay information to emergency responders.

An implementation plan for the project selected Pomona as the most promising location to test the application of advanced signalization techniques. The demonstration project was to consist of three project elements:

- A traffic subsystem including upgraded control software, upgraded signal equipment, changeable message signs and vehicle detectors encompassing an approximate 112 square block area of central Pomona;
- A railroad subsystem which would detect train location, length and speed at 19 separate locations over a 12-mile length, and communicate the necessary information to;
- A traffic control center which would "read" the train information and determine whether to activate the traffic re-routing advisory.

Project cost was estimated at \$7.2 million, consisting of \$5.65 million for hardware, software and construction and \$1.55 million for technical services.

Contracts for the field communications and train detection equipment were awarded in 2001, traffic control system software was purchased in late 2002 and a contract for the upgraded traffic control system was awarded in late 2003. A pilot installation of the train detection system was conducted in 2003; full installation of the system was authorized with the scheduled completion of late 2004 with acceptance testing to follow.

Testing in early 2005 revealed that the train detection component of the system was not meeting the requirements for reliable and accurate train detection. The train detection system vendor, EVA Signal Corporation, performed a series of upgrades and retests throughout 2005 continuing up to August 2006. By this time the firm was experiencing severe financial difficulties and obvious trouble with supporting their installation in Pomona. In October 2006 we found them in default of their contract. About the same time EVA filed for bankruptcy. Through Counsel we pursued remedy through their performance bond; Counsel advised us that preliminary acceptance of the pilot installation (3 of 19 sites) and the relatively small value of the bond made meaningful recovery unlikely.

In March 2007 you authorized a contract with Automated Switching and Controls, Inc. (ASCI), who provided the project's communications system, to evaluate alternative train detection systems. ASCI evaluated five different technologies, recommended a new generation of magnetometers (the type of detection which failed earlier), and estimated their installed cost at \$421,000.

Current Situation: Staff is recommending that we suspend further development of the IRRIS Project based on these considerations:

- Remaining Uncertainties – while the evaluation of a replacement train detection system has been thorough and appears sound, the remaining project components would still have to be integrated at an undetermined cost and duration, technical support resources (consultants) would have to be remobilized and, if our experience is any guide, there will be still be significant challenges in store;
- Prospects for Long Term Success – Beyond the challenge of getting the system to meet accuracy and reliability expectations, the system will require long term operation and maintenance attention. This was recognized at the outset of the project and we have a project agreement with the City of Pomona to support the project after acceptance. Again, our experience has shown us that maintaining a moderately sophisticated technological application like IRRIS in the demanding environment of an operating railroad will not be easy or inexpensive. In recent

discussion on this subject City of Pomona staff have expressed concerns over this.

- Evolution of Alternative Relevant Technology – in the aftermath of last year's Metrolink/UPRR accident in Chatsworth, major attention is going into the development of a more effective train control system using newer technologies. Positive Train Control is expected to generate train tracking and communications capabilities which could potentially be used for purposes akin to IRRIS, and the urgency associated with this effort is expected to produce results within the next few years.

Financial Considerations – A total of \$6,445,027 has been charged to the IRRIS project to date. All contract work and professional services were completed and accepted with the exception of the train detection system mentioned above. The amount paid on that contract was \$1,041,542.

Of the \$6.445 million spent, \$3.5 million was spent on the planning, design and installation of the upgraded traffic signal system and changeable message signs, most of which has been in use since 2005 and will have lasting public benefit. A total of \$2.9 million was spent on the planning, design and installation of the railroad and communications components of the project, which would not be used if this recommendation is approved.

Next Steps – As mentioned above, we have had initial discussions with Pomona staff regarding the future use of the traffic equipment already installed. Should the project be suspended we will also need to discuss with the Union Pacific the disposition of equipment installed on their right-of-way.

If suspension is approved, a request will have to be made to the SGVCOG for an amendment to the scope of this adopted ACE Project.

Finally, if further work on IRRIS is suspended, staff intends to follow the progress of Positive Train Control and its potential applicability to the objectives of the IRRIS project.



Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Approval of Brea Canyon Road Construction Contract Close Out and Project Acceptance

RECOMMENDATION: It is recommended that the Board:

1. Accept the Brea Canyon Road Grade Separation project as being completed in conformance with the project plans and specifications, with final closeout of the construction contract.
2. Approve the final retention payment of \$2,193,176 to Griffith Company, upon completion of the statutory period identified in the California Civil Code, if no claims or objections have been filed, and upon concurrence of the Chief Executive Officer; and,
3. Authorize the Contracts Manager to release the Labor and Materials Bond and the Faithful Performance Bond upon expiration of the required lien period, if no claims or objections have been filed, upon concurrence of the Chief Executive Officer.

BACKGROUND: At your March 2006 meeting, the Board authorized a contract with Griffith Company for the Brea Canyon Road grade separation project in the Cities of Industry and Diamond Bar, in the amount of \$39,958,807. In August 2008, the Board approved an increase in the authorization of \$280,000 for this project to construct a supplemental groundwater pumping system as a betterment for the City of Industry. The grade separation was substantially complete and was opened to traffic in October 2008. The work described in the project plans and specifications was completed by in February 2009.

Operation and maintenance of the project has been transferred to participating agencies, as follows:

- Cities of Industry and Diamond Bar: streets, bridge abutments, sidewalks, local sewers, landscaping;
- Los Angeles County Department of Public Works: storm water sewers, pumphouse and traffic signals (city services agreements);
- Los Angeles County Sanitation Districts: trunk sewer;

- Union Pacific Railroad: railroad bridge;
- Various companies and agencies: water, gas, electrical and communications lines.

The construction contract amounts are as follows:

| | |
|--------------------------|---------------------|
| Original Contract Value: | \$39,958,807 |
| Change Orders: | <u>\$ 3,904,705</u> |
| Final Contract Value: | \$43,863,512 |
| Change order percentage | 9.77% |

Excluding the costs associated with the City of Industry's supplemental groundwater pumping system, this project was completed within the contingency authority provided to the Chief Executive Officer by ACE's Administrative Code. Staff requests that the Board approve final contract closeout and accept the Brea Canyon Road underpass project as completed.

The DBE subcontracting commitment from Griffith Company at contract award was 11%. The actual DBE subcontracting participation attained was 11.35%.

BUDGET IMPACT:

The final contract value is \$43,863,512, which is within the Authority's approved budget for this project.



Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Approval and Adoption of the Annual Anticipated DBE Participation Level for Federal FY 2009/10

RECOMMENDATION: Staff recommends adoption of ACE Construction Authority's Annual Anticipated DBE Participation Level (AADPL) of 15% for Federal Fiscal Year 2010, covering the period of October 1, 2009 through September 30, 2010.

BACKGROUND: The Authority is required to annually develop and submit to Caltrans an Annual Anticipated DBE Participation Level (AADPL) for DBE participation on its DOT-assisted contracts. The AADPL submitted for consideration includes race-neutral and race-conscious projections on how the Authority anticipates achieving its AADPL. Of the 15% overall goal, we expect to achieve 7% by race-neutral methods and 8% by race-conscious methods.

The race-conscious component of the Authority's DBE program is presently limited to four underutilized disadvantaged business enterprise (UDBE) groups in conformance with DBE program directives and guidance issued by Caltrans earlier this year. At that time staff observed that the number of UDBEs would be reconsidered by Caltrans this summer in preparation of their AADPL for FFY 2010. We still expect that to be the case. In the event their UDBE classification increases, ours would also.

The anticipated participation level is established in accordance with approved State and Federal methodology. It requires that we use a certified database of qualified local DBE firms to establish their relative availability for the types of work we expect to solicit. The proportion that DBEs represent within the total population of firms within various disciplines becomes our DBE participation goal.

The Board's approval of the Annual Anticipated DBE Participation Level (AADPL) for FFY 2010 is required. Following the Board's approval of the AADPL, staff will submit it to Caltrans for review and approval.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Review of Professional Services Contract Audit Program

At your May Board meeting you asked for a status report on our professional services contract audit program and options to accelerate the elimination of a backlog of past due audits.

The backlog began to grow in the mid-2000's when MTA began to reduce, then withdraw, their auditing of our contracts. ACE did not begin to reverse this until mid-2008 when, as part of our conversion from contract to in-house program management, we were approved 2+ personnel within our Finance section to conduct the audits. Since then we have made progress on the backlog but a substantial workload still exists. As of now, a total of 46 audits are needed to make us current through calendar year 2007. We expect to complete this by 12 months from now. From that point forward our current staffing should enable us to stay current with the audit workload. A chart depicting our status is attached.

Options

MTA – Recently MTA has indicated they can pick up some of the audits they had started but not finished when they withdrew. We have also asked them to seek additional internal funding to pick up more assignments.

Reduced Scope – Before starting the internal audit program we established standard scopes and durations for different types of contracts and contractors (i.e. relative audit risk) with an objective of doing no more than necessary to have a legitimate audit. Audit staff is reluctant to reduce scope further.

Private Contracting – Before making the decision to staff the function we issued a task order to our agency auditor to audit three contracts that were overdue for audit. The cost of those audits were substantially higher than our in-house experience, not including the fact that ACE still had to become involved to decide disputes between the auditor and the audited firms. This option was raised during an ACE Finance Committee meeting and was responded to with cost comparison details.

To summarize, staff believes we are on the right course to fulfill our auditing requirements. We attempt to work out any issues with audited firms when our delays are causing problems for them, such a partial release of retention if the audit track record warrants it. We report on audit status to the ACE Finance Committee quarterly and will include our progress on reducing the audit backlog.

Attachment

Audits Professional Service Contracts

| Auditor | Completed Audits | Period of Performance | Amount Recovered | Remaining Audits |
|---------|------------------|-----------------------|------------------|--------------------------------|
| MTA | 124 | 5/01 – 6/06 | \$441,700 | 6 – To be done 3 – Waived * |
| ACE | 23 | 4/08 – 06/09 | \$402,338 | 40 – To be done |
| Total | 147 | | \$844,038 | 46 |

* Total Billed Cost was below MTA's threshold amount of \$250K.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 22, 2009

SUBJECT: Review of Candidate ACE Actions for San Gabriel Valley Council of Governments Approval or Review

Staff was asked at your May Board meeting to identify those actions of ACE which may be appropriate for San Gabriel Valley Council of Governments (SGVCOG) oversight or approval.

As background, the SGVCOG Joint Powers Authority Agreement states the following regarding the purpose of the Alameda Corridor-East Construction Authority (Section 27):

".... The ACE Construction Authority shall have responsibility for the day-to-day implementation of the Alameda Corridor-East, Gateway to America Project...."

Section 27 also assigns specific powers to the Authority which can be generally described as those needed to fulfill the day-to-day project implementation responsibility. Section 27 also states that the Authority's powers can be limited or expanded by future action of the SGVCOG Governing Board. A copy of Section 27 of the SGVCOG Joint Powers Agreement is attached.

Existing SGVCOG Approvals or Reviews include:

- ACE Project Scope: The SGVCOG JPA (Section 27a) calls for the scope of the ACE Project to be "adopted and approved" by the SGVCOG Governing Board.
- ACE Annual Budget: State law (Gov. Sec. 6508) requires SGVCOG Governing Board approval of ACE's annual budget. SGVCOG Bylaws (Article IX I 3) specifies that the ACE annual budget be approved by the ACE Board, submitted to the City Managers' TAC Steering Committee for information, and then forwarded to the SGVCOG Governing Board for approval.
- Grants: The SGVCOG JPA (Section 4b (11) and 27) indicates that the SGVCOG has the authority to apply for, receive, and administer grants for the ACE Project

(and other unspecified purposes). In November 1999 the SGVCOG Governing Board adopted a resolution (attached) which authorized the Construction Authority to submit grant applications for Federal and State funds and execute agreements necessary for the receipt of funds.

- Incurring Debt: The SGVCOG JPA (Section 4b(15)) authorizes COG to incur debt for the ACE Project. It is clear this authority is reserved solely to SGVCOG.
- Investment Policy: SGVCOG Bylaws (Article IX K) require ACE to comply with SGVCOG's investment policy and that the ACE Board regularly reviews the status of the investments.
- Control of Funds: State law (Gov. Code Sec. 6505.5), the SGVCOG JPA (Section 14) and the SGVCOG Bylaws (Article V B) state that the SGVCOG Treasurer/Auditor is to have custody of all SGVCOG funds. The SGVCOG Bylaws (Article IX J) indicate that ACE will be responsible for day-to-day financial matters and operate in consultation with the Treasurer/Auditor.
- Financial Reports: State law (Gov. Code Sec. 6505.5) requires SGVCOG to provide its members with quarterly reports on the amount of money held, received and paid out during the previous quarter. SGVCOG Bylaws (Article IX I 6) require ACE to make quarterly financial reports to SGVCOG in a format acceptable to the SGVCOG.
- Annual Audits: State law (Gov. Code Sec. 6505) requires an annual audit of SGVCOG and its component entities (ACE). SGVCOG Bylaws (Article VI B) specify that the SGVCOG Treasurer/Auditor, ACE and the City Managers' TAC Steering Committee develop a scope of work and recommend the auditor to be used.

Conclusion: Assuming that the original intent of the SGVCOG Governing Board members remains the same, i.e. to enable the Construction Authority to successfully implement the ACE project while protecting the SGVCOG's interests in project scope and financial exposure, I believe the foregoing list of SGVCOG approvals or reviews are sufficient to accomplish that purpose.

I believe that the above oversight procedures are being complied with. The financial oversight area has been reconstituted over the last few years and still needs refinement to make it effective. We have developed a reporting format for both our Board and the SGVCOG City Managers' TAC Steering Committee, which is the designated oversight group. If there is a desire for additional or differently formatted information which better addresses potential SGVCOG financial liability issues, we will be happy to provide it.

I look forward to discussing this at your next Board meeting.

Attachment #1 Section 27 of SGVCOG Joint Powers Authority Agreement
Attachment #2 SGVCOG Resolution 99-6

budgeted by the Governing Board, as and for the operating costs of the Council ("Dues") as provided in the Bylaws.

Section 24. Disposition of Assets. Upon termination of this Agreement, after the payment of all obligations of the Council, any assets remaining shall be distributed to the Members in proportion to the then obligation of those Members' obligation to participate in the funding of the Council as provided in Section 23 hereof.

Section 25. Amendment. This Agreement may be amended at anytime with the consent of fifty percent (50%) plus one (1) of all of the legislative bodies of the then parties hereto.

Section 26. Effective Date. The effective date ("Effective Date") of this Agreement shall be March 1, 1994 if fifty percent (50%) plus one (1) of the Eligible Public Entities adopt this Agreement by a majority vote of the legislative body of each Eligible Public Entity and sign this Agreement. If fifty percent (50%) plus one (1) of the Eligible Public Entities have not signed this Agreement by March 1, 1994, then the Effective Date of the Agreement shall be the first date on which fifty percent (50%) plus one (1) of the Eligible Public Entities adopt and sign this Agreement.

Section 27. Alameda Corridor - East, Gateway to America Construction Authority.

a. In addition to the Governing Board of the Council, there shall be an Alameda Corridor - East, Gateway to America Construction Authority (the "ACE Construction Authority"). The ACE Construction Authority shall have responsibility for the day-to-day implementation of the Alameda Corridor - East, Gateway to America Project (the "Project") as ultimately adopted and approved by the Governing Board pursuant to Federal, State and local regulations. To facilitate such implementation of the Project, the ACE Construction Authority, upon the assignment of funds to it and subject to such restrictions imposed by Federal, State and local Governmental entities and by the SGVCOG Governing Board, shall have the following powers to act on behalf of the San Gabriel Valley Council of Governments:

- (1) To make and enter into contracts, including public works contracts and contracts for design, materials and construction, and for the services of engineers, consultants, planners, and single purpose public or private groups, on behalf of and in the name of the SGVCOG;
- (2) To employ agents, officers and employees;
- (3) To acquire, by purchase or eminent domain, construct, reconstruct, rehabilitate, maintain in whole or in part, on behalf of and in the name of the SGVCOG, land, facilities and appurtenances necessary or convenient for the completion of the Project;
- (4) To lease, manage, maintain, and operate on behalf of and in the name of the SGVCOG any buildings, works or improvements; and
- (5) To provide for or obtain insurance for the SGVCOG and members of the ACE Construction Authority, and their agents, officers, and employees.

b. The powers of the ACE Construction Authority shall be exercised only in furtherance of the Project and may be further limited and/or expanded by the SGVCOG by-laws, as adopted or amended by the Governing Board.

c. The ACE Construction Authority shall be comprised of nine (9) members, the qualifications for which shall be set forth in the by-laws. The ACE Construction Authority shall consist of one member from each municipal jurisdiction within which the Project, or any phase thereof, will be constructed; one member from each non-member jurisdiction: (the City of Los Angeles, the County of Los Angeles and the City of Pico Rivera); and the President of the SGVCOG, or his or her delagee. For non-SGVCOG member jurisdictions, participation on the Committee shall require an agreement between the non-member jurisdiction and the SGVCOG by which the non-member

jurisdiction agrees to be bound by this Amendment and the SGVCOG by-laws governing the ACE Construction Authority.

d. It is contemplated that the SGVCOG will receive funds to be used for the Project from various federal, state and local funding sources and that the receipt of such funds will be conditioned by regulation, law or agreement. The Governing Board shall have control of all such funds until such time as responsibility for management and/or use of the funds is transferred to the ACE Construction Authority by the Board by appropriate Board Action. Such Action, in addition to the delegation of annual budgeting authority, may contain restrictions on the use of such funds and on the ACE Construction Authority, in addition to any found in the Board-adopted by-laws, and as is required by Federal, State and local entities and the SGVCOG.

e. The ACE Construction Authority may be dissolved by the Board upon a majority (50% + 1) vote. In the event that the Committee is dissolved by the Board, the Board shall succeed to the rights, responsibilities, obligations and duties of the ACE Construction Authority.

RESOLUTION NO. 99-06

**A RESOLUTION OF SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
AUTHORIZING THE CHIEF EXECUTIVE OFFICER FOR THE ALAMEDA
CORRIDOR-EAST CONSTRUCTION AUTHORITY TO SUBMIT FEDERAL AND
STATE GRANT APPLICATIONS FOR THE BENEFIT OF THE ACE PROJECT, TO
NEGOTIATE AND EXECUTE FEDERAL AID AND STATE MASTER
AGREEMENTS FOR THE BENEFIT OF THE ACE PROJECT, AND TO NEGOTIATE
AND EXECUTE ANY AND ALL SUPPLEMENTAL AGREEMENTS, OR OTHER
AGREEMENTS, IN CONNECTION WITH ANY FEDERAL AID AND STATE
MASTER AGREEMENTS FOR THE BENEFIT OF THE ACE PROJECT**

The San Gabriel Valley Council of Governments, California (hereafter referred to as the "SGVCOG") does resolve as follows:

WHEREAS, The SGVCOG has, by previous actions, established the Alameda Corridor-East Construction Authority to construct various improvements, for which the Alameda Corridor-East Construction Authority must obtain federal funds; and,

WHEREAS, in order for the Alameda Corridor-East Construction Authority to obtain federal funds, grant applications must be completed and submitted to federal agencies; and,

WHEREAS, in order for the Alameda Corridor-East Construction Authority to utilize said federal funds the SGVCOG must enter into a Federal Aid Master Agreement with Caltrans; and,

WHEREAS, the MTA will provide a financial guarantee that will be acceptable to Caltrans thereby preventing any liability from attaching to members of the SGVCOG in the event of any default by the Alameda Corridor-East Construction Authority under the aforementioned a Federal Aid Master Agreement; and,

WHEREAS, in addition to the Federal Aid Master Agreement, the disbursement of federal funds will require the execution of Program Supplemental Agreements, or other agreements or memorandum of understanding, for each proposed improvement to be constructed by the Alameda Corridor-East Construction Authority; and,

WHEREAS, State funds will also be required for the ACE Project and will necessitate the submittal of grant applications, and the negotiation and execution of a master agreement, program supplemental agreements, or other agreements or memorandum of understanding.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE SGVCOG, AS FOLLOWS:

Section 1

The Chief Executive Officer for the Alameda Corridor-East Construction Authority is authorized to prepare and submit grant applications to federal and state agencies for the ACE Project.

Section 2

Subject to the approval of the Alameda Corridor-East Construction Authority Governing Board, the Chief Executive Officer for the Alameda Corridor-East Construction Authority is authorized to negotiate and execute Federal Aid and/or State Master Agreements for the ACE Project, provided, however, that Caltrans accepts the financial guarantee provided by MTA on behalf of the ACE Project, and provided further that no financial liability or responsibility will attach to the individual members of the SGVCOG as a result of the execution of said Master Agreements.

Section 3

Subject to the approval of the Alameda Corridor-East Construction Authority Governing Board, the Chief Executive Officer of the ACE Construction Authority is authorized to negotiate and execute Program Supplemental Agreements and other agreements or memorandum of understanding as may be required in connection with any Federal Aid or State Master Agreements in order to obtain the disbursement of federal or state grants.

PASSED, APPROVED, AND ADOPTED THIS 18th day of November 1999.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS:



HARRY L. BALDWIN
President

ATTEST:



Nicholas T. Conway
Executive Director/Secretary