



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

November 18, 2009

TO: Each Supervisor

FROM: Gail Farber

Director of Public Works

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD MEETING-OCTOBER 26, 2009

On October 26, 2009, my staff attended the regular Board meeting of the Alameda Corridor-East (ACE) Construction Authority. A copy of the October 26, 2009, agenda and adopted minutes of the September 28, 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 (CEO) reported that Congresspersons Judy Chu, David Dreier, Gary Miller, Grace Napolitano, and Adam Schiff have signed a letter to United States Transportation Secretary Ray LaHood expressing support for the Baldwin Avenue Grade Separation project.

Agenda Item VII – The Board approved staff's recommendation to authorize the CEO to approve a task order with Lim and Nascimento for construction management services for the Baldwin Avenue Grade Separation project in the amount of \$4,254,585.

Agenda Item VIII – The Board approved staff's recommendation to authorize the CEO to amend the contract with Interior Demolition, Inc., to provide additional demolition services for the Baldwin Avenue Grade Separation project in the amount of \$150,000, for a new contract value of \$275,000.

Agenda Item IX – Staff reported that the current Phase I of their plan of improvements, which consists of various grade separation projects in the San Gabriel Valley, has been revised from \$1,109.0 million to \$1,110.5 million primarily due to increased utility

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relocation and right-of-way acquisition costs for the Nogales Street (South) Grade Separation project.

The next Board meeting will be held on November 23, 2009, at 2 p.m., at the Irwindale City Hall Chambers.

HF:pr

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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, October 26, 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 September 28, 2009 Regular Board Meeting (Pages 1-5) Action
- IV. Public Comment
- V. Chairman's Remarks
- VI. Chief Executive Officer's Report (Pages 6-11) Information
- VII. Approval of Construction Management Task Order for the Baldwin Avenue Grade Separation Project with Lim and Nascimento Engineering (Pages 12-13) Action
- VIII. Approval of Amendment to Demolition Contract with Interior Demolition for the Baldwin Avenue Grade Separation Project (Pages 14-15) Action
- IX. Quarterly Project Progress Reports (Pages 16-27) Information
- X. Quarterly Financial Reports (Pages 28-33) Information
- XI. Presentation on ACE Project Financial Liability Information
- XII. Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54957 to discuss the Performance Evaluation of the Chief Executive Officer and Possible Action

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.

In accordance with Government Code Section 54956.8 for conference with
real property negotiator (2 cases):

Property: 10150 Lower Azusa Road, El Monte, CA 91731

Negotiating Parties: ACE Construction Authority and Vons Grocery Co.

Under Negotiation: Price and terms

Possible
Action

And

Property: 4205 Baldwin Ave, El Monte, CA 91731

Negotiating Parties: ACE Construction Authority and MIPCO LLC

Under Negotiation: Price and terms

Possible
Action

XIII. Adjournment

Action



Alameda Corridor-East Construction Authority

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Alameda Corridor-East Construction Authority Board of Directors Meeting September 28, 2009 Minutes

Chairman Spohn called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 2:01PM.

1. In attendance were:

Tim Spohn, Industry
Steve Atchley, Pomona
David Gutierrez, San Gabriel
Patricia Wallach, El Monte
Tom King, Walnut, SGVCOG
Rosemarie Vasquez, Montebello
Gloria Molina, Los Angeles County

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Deanna Stanley
Charles Tsang
Lou Cluster
Cynthia Ambrose
Victoria Butler

Guests

Mick Bartholomew, PBS&J
Gene Bougdanos, HNTB
Joe Jenkins, Jacobs
Jeanne Harwin, Jacobs
Mark Alexander, La Canada Flintridge
Dave Spence, La Canada Flintridge
Nick Conway, SGVCOG

2. **Pledge of Allegiance** – Member Vasquez led the pledge of allegiance.
3. **Approval of Minutes of August 24, 2009** – A motion was made to approve the minutes of August 24, 2009. M/S/C/King/Vasquez/Unanimous
4. **Public Comments** – There were no public comments at this time.
5. **Chairman's Report** – Chairman Spohn reported he and staff arranged a tour of the ACE Projects for Congresswoman Judy Chu and staff on August 31st. Congresswoman Chu assured staff her support of the ACE Project. The Chairman also reported that he met with Congresswoman Grace Napolitano and her staff

on August 27 to brief her on the ACE Project progress. Congresswoman Napolitano also committed her continued support of the Project. Chairman Spohn reminded the Board that the next regularly scheduled Finance Committee meeting would be held on Thursday, October 22nd at the ACE Offices at 11AM.

6. **CEO's Report** – Mr. Richmond reported he attended the COG Transportation Forum to provide an update of the ACE Project and Paul Hubler provided an update of the legislative strategy. Mr. Richmond also reported there has been significant level of effort of the above ground work at the Sunset Avenue project and suggested the October meeting be held in the City of Industry with a tour to immediately follow.

Mr. Charles Tsang reviewed construction progress photos of the Temple Avenue project. Ms. Victoria Butler reviewed construction progress photos of the Sunset Avenue grade separation project.

7. **Hearing on Resolution of Necessity for Property Acquisition for the Baldwin Avenue Grade Separation Project** – Mr. Silvey reviewed the process for adoption of a Resolution of Necessary. He reminded the Board that although the eminent domain process required adoption of a Resolution of Necessary, even with such adoption, negotiations would continue. He reviewed the specific actions required for the adoption of the Resolution of Necessity. A hearing must take place, staff would review the project and property rights proposed to be acquired, public comments must be heard and the Board must consider adoption of a Resolution of Necessity containing three specific findings required by law. He reminded the Board that a two thirds affirmative vote is required for such action. Mr. Mendoza reviewed the design options considered which included realignment of Baldwin, building an overpass or not building a grade separation. The evaluation criteria included vehicular movements, impacts to adjacent residential/business areas, property costs and safety. Mr. Mendoza reviewed the property requirements which were a permanent utility easement, permanent easement for retaining wall and a temporary construction easement. The property owner is MIPCO and the property is used as a warehouse facility.

Mr. Ralph Megna, representing MIPCO, LLC, reviewed other property takes required by the Baldwin Avenue grade separation project. He indicated the MIPCO property was the only property where only access was from Baldwin and where ACE sought limited easement. He stated the loss of use of parking and accessibility of loading docks/doors justified ACE purchasing the property in its entirety.

After discussion, a motion was made to adopt Resolution No. 09-04 and for staff to schedule a conference with the ACE property negotiators for the next Board

meeting to review the negotiations with MIPCO, LLC.
M/S/C/Molina/Vasquez/Unanimous

8. **Approval of Amendment to Design Services Contract for the Nogales Street Grade Separation for AECOM USA, Inc.** - Mr. Richmond reminded the Board that this project was at about 65% design in 2008 when given to the Authority by the City of Industry and LA County to take into construction. In late 2008 the designs were updated to include additional elements and a traffic study during construction. In addition an alternative construction detour route was being incorporated due to the dissatisfaction from the community of the original proposed route. In order to incorporate the new detour including profiling, traffic signals, drainage, and temporary street lighting additional effort is required by AECOM, the designer of the project.

A motion was made to authorize the Chief Executive Officer to amend the contract with AECOM, ISA, Inc. for the Nogales Street grade separation to add \$316,880 for a new contract value of \$3,508,407 for additional design services.
M/S/C/Wallach/King/Unanimous

9. **Construction Management Contract with LAN Engineering for the Baldwin Avenue Grade Separation Project** - Mr. Richmond reminded the Board that in March LAN Engineering was approved for the construction management services for the Baldwin Avenue grade separation. LAN was selected to provide up to four grade separation projects under its contract. He reviewed the elements of the scope of services. He reported that in August we were advised that LAN was acquired by AECOM which is the designer of the Baldwin project. He indicated overall industry practice would not favor having the construction manager of the same design firm. However, LAN has approached ACE with contract conditions which would provide reasonable protection under the circumstances. Conditions included; if design changes were suggested, a third party opinion would be sought and associated costs absorbed by LAN, key staff would remain for one year, overhead rate will not increase beyond provisional rate and the E&O insurance carrier separate from AECOM. Mr. Richmond indicated ACE has been very pleased with the CM work performed by LAN for the Nogales, Ramona projects. The Board discussed this item at length.

After discussion, Supervisor Molina requested staff to bring this item to the Board for consideration at the next scheduled meeting.

10. **Approval of Revised Project Reporting** - Public Comments were made during this time from Mark Alexander, City Manager, La Canada Flintridge and Nick Conway, Executive Director, San Gabriel Valley Council of Governments.

Mr. Alexander indicated he was a member and past president of the COG TAC Steering Committee. He initially expressed concern with the lack of opportunity for the City Manager's TAC to review the proposed formats for the ACE Project reports prior to their presentation to the ACE Board. He indicated the Committee consisted of 8-9 members, none were Finance Managers. Supervisor Molina requested clarification of his concerns with the reports and Mr. Alexander indicated he had no issues with the reports however he was concerned with the process. Supervisor Molina suggested if there was a concern with the process by a committee run by the COG, problems with the process should be addressed by the COG not the ACE Board.

Mr. Richmond indicated the quarterly reports proposed were revised to include relevant reporting information, most of which was currently being reported to both Boards. He indicated, however, reporting on funding and schedules of unplanned projects were not prudent, and not proposed, contrary to the request from the COG's Executive Director.

Mr. Nick Conway reviewed the history of the creation of the ACE Project. He described at great length, certain concerns that he attributed to the COG City Manager's TAC Steering Committee regarding possible liabilities that could be associated with the overall ACE Program. Mr. Conway cited such examples of possible liability from the results of future close out audits, obligations associated with the \$100 million working capital obtained for the project through the sale of commercial paper and the overall responsibility of the COG for the ACE Project. Supervisor Molina reminded Mr. Conway that liability was always going to be an issue. She further indicated the ACE Board, individually and as a whole had a fiduciary responsibility of the management of the ACE Project and that this responsibility had been delegated by the COG Board. She also indicated she has been very pleased with the way ACE staff handles matters related to the ACE Board and with the actions and cohesiveness of the ACE Board itself.

Ms. Wallach suggested the Board be given additional time to review and understand the formats being proposed by Mr. Richmond. Mr. Conway continued to express concerns regarding the liability of ACE to the COG. Mr. Silvey suggested if further discussion regarding liability be required, it should be addressed at a separate meeting, properly noticed.

Mr. Richmond then suggested he present the material to the COG City Managers TAC Steering Committee and he would report back to the ACE Board at the October Board meeting. However, Mr. Richmond expressed concern that such a schedule might be inappropriate if the COG continued to move forward with its plans to discuss ACE's reports at its October Governing Board meeting. Member King, who is President of the COG indicated the COG Governing Board would

refrain from addressing the ACE reporting format until the Governing Board's November meeting.

Ms. Wallach made a motion to have Board action on the matter of ACE's report formats be held over until the next Board meeting to enable the Board members to study the issue further.

After discussion Mrs. Vasquez made a motion to adopt staff's recommendation. The motion failed due to a lack of second.

Ms. Wallach's motion was then seconded and passed.
M/S/C/ Wallach/Gutierrez/Passed Spohn/Vasquez/Nays

11. **Closed Session** – Mr. Richmond requested that due to time constraints this item be held over.
12. **Adjournment** - The meeting was adjourned at 3:51PM