

## **Transportation Committee**

For the Metropolitan Council meeting of June 24, 2015

**Subject:** Central Corridor Light Rail Transit (Green Line): Request for Additional Construction Change Order Authority for the Systems Contract

### **Proposed Action**

That the Metropolitan Council authorize an additional \$3,074,762 (3.5%) above the currently authorized construction contract change order authority of \$8,345,784 to a revised change order authority of \$11,420,546 and authorize the Regional Administrator to negotiate and execute a claims settlement Change Order 325 not to exceed \$2,500,000 for additional cost and schedule related impacts for the Central Corridor (Green Line) Systems Contract.

### **Summary of Committee Discussion/Questions**

Chris Beckwith presented the item. Members asked questions whether it is typical to go beyond the contingency amount. Beckwith answered that the 5% contingency granted for this contract by the Council policy in place at the time of contract award was low and that Council policy has since been revised to allow for a 10% change order contingency amount. Although this contract is now being revised to 13% with this action, this level of change order contingency use is not unusual for systems contracts.

Motion made by Councilmember Elkins, seconded by Councilmember Commers, and approved.

**Consent to Council.**

## Transportation Committee

Meeting date: June 8, 2015

For the Metropolitan Council meeting of June 24, 2015

**Subject:** Central Corridor Light Rail Transit (Green Line): Request for Additional Construction Change Order Authority for the Systems Contract

**District(s), Member(s):** All

**Policy/Legal Reference:** MN Statutes 473.3999 and 473.405, Met Council 3-3 Expenditures Policy

**Staff Prepared/Presented:** Brian J. Lamb, General Manager, 612-349-7510  
Mark W. Fuhrmann, Deputy General Manager, 612-373-3810  
Chris Beckwith, Deputy Program Director, 612-373-5370

**Division/Department:** Metro Transit / Central Corridor Project Office

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### Background

Council Policy allows for 5% change order authority on the CCLRT construction contracts without further authorization by the Council. In May 2013, the Council approved an additional 2% change order authority and in February 2014 and additional 2.5% for a total of 9.5%. An early opening of Green Line (June 14, 2014 instead of the contractual date of December 1, 2014) and a few significant changes have occurred during the completion of the System's contract to deplete this 9.5% change order authority. These changed conditions are described as follows:

- Constructability issues and unforeseen foundation drilling obstructions at the HLRT/CCLRT tie in area
- Station platform modifications, installation of electrical and communications elements, and SCADA programming for added Ticket Vending Machines prior to Green Line Opening
- Modifications to Traction Power Voltage Presence Detectors to increase reliability and safety for Light Rail Maintenance
- Required completion of contract punch list and testing under revenue service conditions significantly impacting contractor efficiency

Staff is requesting that the Council authorize an additional 3.5% of contract change order authority in order to finalize claims settlement Change Order 325 not to exceed \$2,500,000 for a CCLRT Systems contract certified claim for additional cost and schedule related impacts related to the early opening of the Green Line.

With this request, the Council would authorize use of a total of 13% change order authority under this contract as detailed below.

Original Contract Value	\$87,850,350	
Initial Change Order Authority	\$ 4,392,518	5%
Additional Change Order Authority (2013-131)	\$1,757,007	2%
Additional Change Order Authority (2014-017)	\$2,196,259	2.5%
Additional Change Order Authority (2015-118)	\$3,074,762	3.5%
Amended Change Order Authority	\$11,420,546	13%

The 15% Disadvantaged Business Enterprise (DBE) goal applies to all change orders with the exception of the claims settlement Change Order 325 not to exceed \$2,500,000 which is related to extra work and additional contractor costs that have already occurred with contractor existing forces for which the Council has determined the Contractor is due additional compensation.

**Rationale**

The currently authorized change order contingency of 9.5% is nearly depleted. The System’s contract Final Completion Date is scheduled to be June 30, 2015. Additional change order authority is required to finalize the CCLRT Systems Contract value and settle and release Council from any other potential claims to date from the Contractor.

**Funding**

The CCLRT Project has available funds in the base budget for this additional change order authority.

**Known Support / Opposition**

No known opposition.