

Transportation Committee

For the Metropolitan Council meeting of July 11, 2018

Subject: METRO Green Line and Blue Line LRT Extensions – Delegation of Construction Change Order Authority

Proposed Action

That the Metropolitan Council authorize modifications to Metropolitan Council Procedure 3-3C Delegation of Procurement and Contract Authority, by delegating the approval of construction contract change orders for the Green Line Extension and Blue Line Extension Light Rail Transit Projects.

Summary of Committee Discussion/Questions

Metro Transit Director MarySue Abel presented this item. There were no questions or comments from Council members.

Motion by Commers, seconded by Barber. Motion carried. Consent to Council.

Transportation Committee

Meeting date: June 25, 2018

For the Metropolitan Council meeting of July 11, 2018

Subject: METRO Green Line and Blue Line LRT Extensions - Delegation of Construction Change Order Authority

District(s), Member(s): All

Policy/Legal Reference: Council Policy – Expenditures 3-3

Staff Prepared/Presented: Brian J. Lamb, General Manager, 612-349-7510
 Mark W. Fuhrmann, Deputy General Manager, 612-373-3810
 Jim Alexander, SWLRT Project Director, 612-373-3880
 Dan Soler, BLRT Project Director, 612-373-5371
 Joan Hollick, SWLRT Deputy Project Director, 612-373-3820
 MarySue Abel, BLRT Deputy Project Director, 651-373-5376

Division/Department: Metro Transit/ METRO Green Line and Blue Line Extensions Project Offices

Proposed Action

That the Metropolitan Council authorize modifications to Metropolitan Council Procedure 3-3C Delegation of Procurement and Contract Authority, by delegating the approval of construction contract change orders for the Green Line Extension and Blue Line Extension Light Rail Transit Projects as shown below in the “(Proposed)” column, for those change orders that do not exceed \$2.5 million each and do not exceed a cumulative expenditure amount of 10% of the construction contract value, without Council approval.

Authorized Individual or Entity	(Current) Maximum Approval/Execution Authority for Central Corridor LRT	(Proposed) Maximum Approval/Execution Authority for Green and Blue Line Extensions
Metropolitan Council	over \$2,500,000	over \$2,500,000
Metropolitan Council Regional Administrator	up to \$2,500,000	up to \$2,500,000
General Manager	up to \$1,000,000	up to \$1,000,000
Program Director	N/A	up to \$500,000
Project Director	up to \$350,000	up to \$350,000
Deputy Project Director	up to \$200,000	up to \$250,000
Assistant Project Director	up to \$100,000	N/A
Director of Construction	N/A	up to \$100,000
Assistant Director of Construction	N/A	up to \$50,000
Construction Manager	up to \$50,000	up to \$20,000
Assistant Construction Manager	up to \$20,000	N/A
Council Authorized Representative	up to \$3,000	up to \$10,000

Background

Council Procedure 3-3C: Expenditures Section II.2.E. authorizes senior managers or their delegate to “Approve construction contract change orders such that the cumulative change order amount does not exceed 10% of the originally-approved contract amount. Construction change orders that exceed this limit must be authorized by staff with sufficient signature authority.” Section II.3 of the procedure was updated with special authorizations for approval of construction contract change orders for Hiawatha and Central Corridor Light Rail projects. Specifically, for Central Corridor, the Council delegation of authority is as shown in the “(Current)” column of the table above.

Staff are requesting that the Council approve updates to these delegations of change order authority for the Green Line Extension and Blue Line Extension Light Rail Transit Projects to reflect updated position titles and maximum authority levels.

Staff will provide quarterly updates on change orders to the Transportation Committee.

Rationale

The process described above is designed to ensure the Metropolitan Council’s oversight of the process and use of funds, while also ensuring that construction managers can make expedient and responsive decisions in the field.

The Project Director level is proposed to remain unchanged at \$350,000, which aligns with the Executive Change Control Board (ECCB) approval level. The ECCB reviews and approves all change orders of \$350,000 or more. Full execution of a change order of \$350,000 or greater will require both ECCB approval and the corresponding Council or Council official approval. ECCB voting representatives include members from Hennepin County, Hennepin County Regional Railroad Authority and the Metropolitan Council.

Thrive Lens Analysis

Construction of the Green Line and Blue Line Extensions will increase the region’s prosperity as it will provide better access to jobs.

Funding

No funding is required for this change.

Known Support / Opposition

No known opposition.

METRO Green Line and Blue Line Extensions

Delegation of Construction Change Order Authority

Transportation Committee

June 25, 2018



Proposed Council Action

- Authorize modifications to Metropolitan Council Procedure 3-3C Delegation of Procurement and Contract Authority, updating the delegations of change order authority to:
 1. Add the Green Line Extension and Blue Line Extension Light Rail Transit Projects, and
 2. To reflect updated position titles and maximum authority levels

Background

- Council Procedure 3-3C: Expenditures Section II.2.E. authorizes senior managers or their delegate to “Approve construction contract change orders.
- Section II.3 of the procedure includes special authorizations for approval of construction contract change orders for Hiawatha and Central Corridor Light Rail projects.

Proposed Modifications

Current Signature Delegation

Authorized Individual or Entity	Maximum Approval/Execution Authority for Central Corridor LRT
Metropolitan Council	over \$2,500,000
Metropolitan Council Regional Administrator	up to \$2,500,000
General Manager	up to \$1,000,000
CCPO Project Director	up to \$350,000
CCPO Deputy Project Director	up to \$200,000
CCPO Assistant Project Director	up to \$100,000
CCPO Construction Manager	up to \$50,000
CCPO Assistant Construction Manager	up to \$20,000
CCPO Council Authorized Representative	

Proposed Revision to Signature Delegation

Authorized Individual or Entity	Maximum Approval/Execution Authority for Green and Blue Line Extensions
Metropolitan Council	over \$2,500,000
Metropolitan Council Regional Administrator	up to \$2,500,000
General Manager	up to \$1,000,000
Program Director	up to \$500,000
Project Director	up to \$350,000
Deputy Project Director	up to \$250,000
Director of Construction	up to \$100,000
Assistant Director of Construction	up to \$50,000
Construction Manager	up to \$20,000
Council Authorized Representative	up to \$10,000

Executive Change Control Board (ECCB)

- Voting members: Metropolitan Council, Hennepin County and Hennepin County Regional Railroad Authority
- Change Orders of \$350,000 or greater require:
 - ECCB Approval
 - Council or Council Delegate Approval

Recommendation

- Approve updates to these delegations of change order authority for the Green Line Extension and Blue Line Extension Light Rail Transit Projects to reflect updated position titles and maximum authority levels.