



METRO
Green Line
EXTENSION

Business Item 2023 - 176
METRO Green Line Extension
Aldridge Parsons Joint Venture Part One Claims
Resolution Change Order, Cumulative Change
Order Authority Increase, and amendment to
00810 Supplemental Conditions for Re-Baselined
Systems Schedule Cost Claims Resolution,
Contract 17P000

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METRO Green Line Extension
Settlement Agreement with Lunda McCrossan
Joint Venture, Contract 22M013

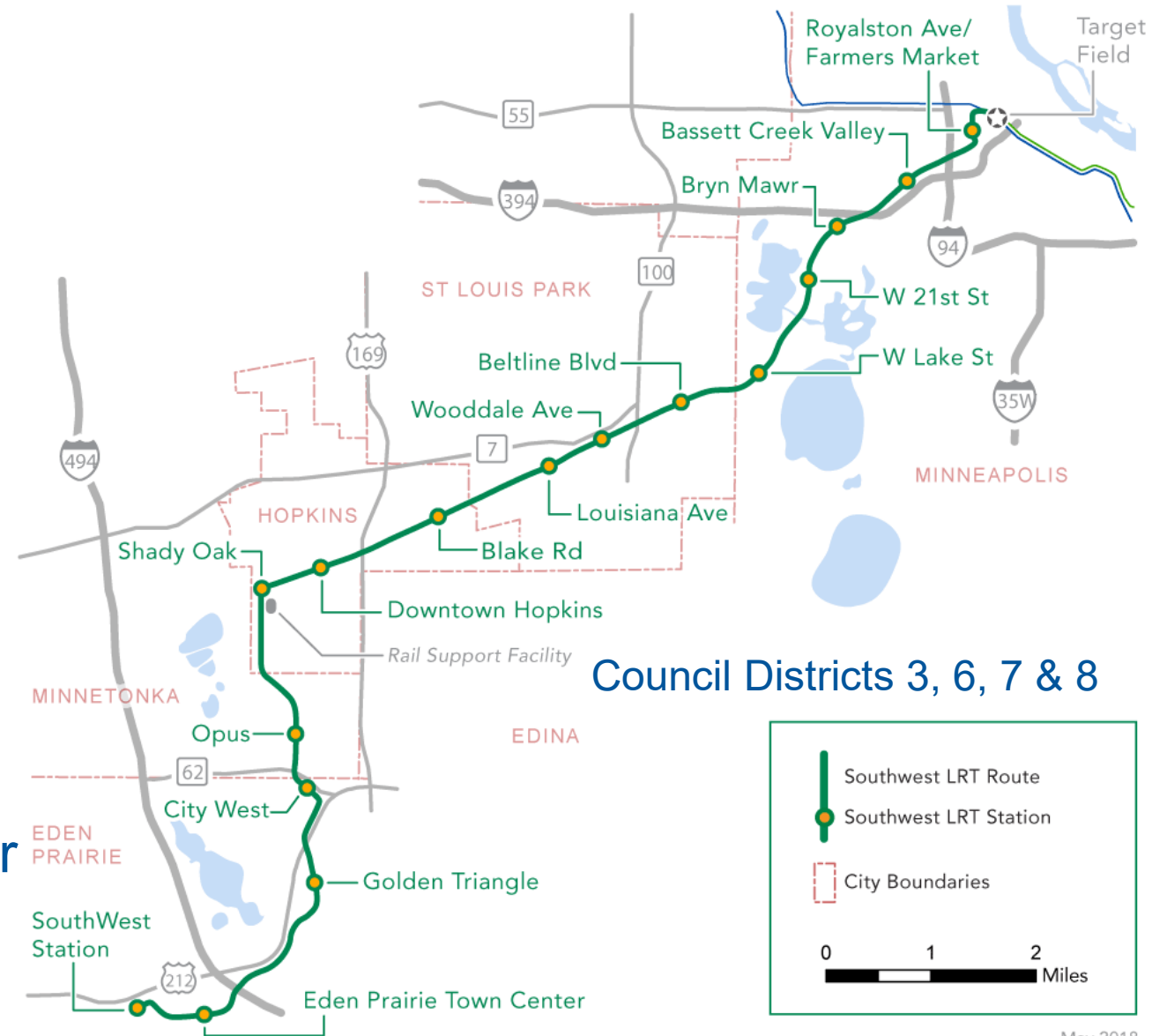
Transportation Committee
Monday, August 14, 2023

Jim Alexander, Project Director



Civil Construction Scope – Lunda McCrossan Joint Venture (LMJV)

- 16 new LRT stations
- 44 significant structures:
 - 29 new bridges: LRT, pedestrian, roadway, freight
 - 7 existing bridges with modifications
 - 6 pedestrian tunnels
 - 2 cut and cover LRT tunnels:
 - Highway 62: 582 feet
 - Kenilworth: 2,236 feet
- 15 at-grade LRT crossings; including 5 shared crossings with freight rail
- 121 retaining walls
- LRT track: 14.5 miles
- 7.8 mi shared LRT & freight rail corridor
- Freight rail reconstruction
- Trail reconstruction



May 2018

Systems Construction Scope: Aldridge Parsons Joint Venture (APJV)

- 20 traction power substations
 - Provides power from Xcel Energy to the overhead contact system
- Overhead contact system
 - Provides power from the substations to the trains
- Tunnel facilities
 - Provides ventilation, lighting, fire suppression in tunnel
- Communications
 - Provides video, audio and data linkage with the Rail Control Center
- Signaling system
 - Provides signals at roadway crossings and track interlockings
- Testing



Traction Power Substation near SouthWest Station



Signal at Interlocking – Blue Line



Overhead Contact System - Wire Installation near SouthWest Station

Construction Progress To Date: Over 75% Complete

Civil Contractor LMJV constructs
Kenilworth LRT Tunnel in Minneapolis



Systems Contractor APJV constructs
Traction Power Substation in Minnetonka



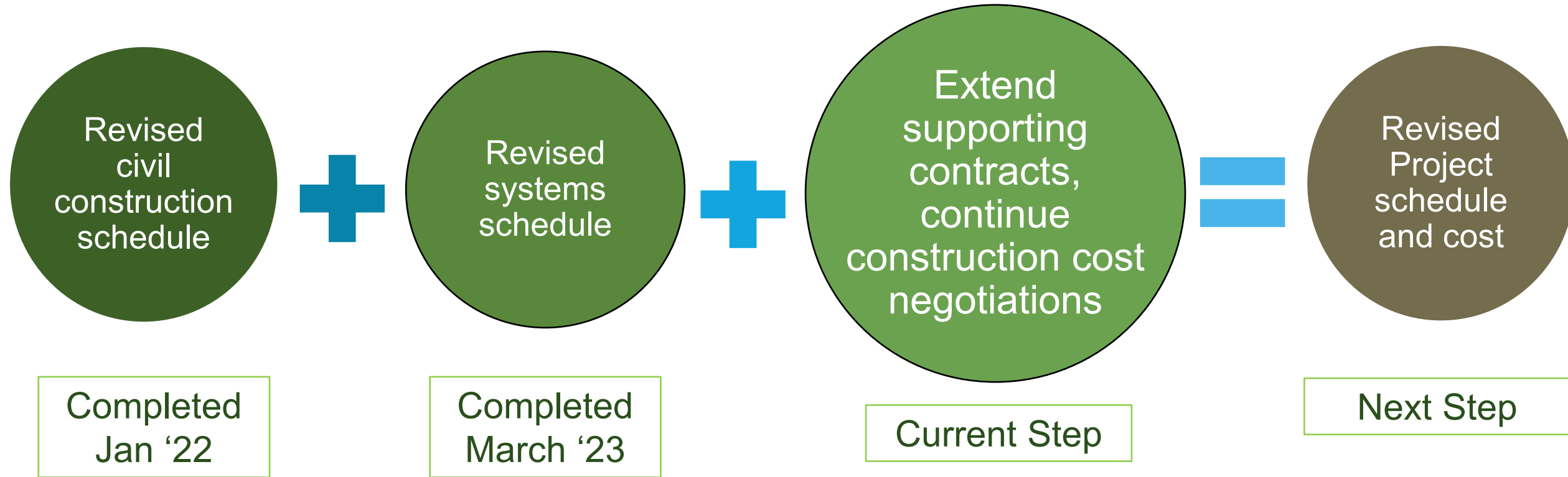
Delays to Construction

- Due to delays related to changes to construction after contracts were awarded, 34 months was added to the civil and systems construction schedules
- Kenilworth LRT tunnel will be the last civil construction item completed
- Council staff worked with the contractors to realign the sequence for which construction segments are completed
 - Mitigates delay in turning over segments of the project to the systems contractor



Crews pour the Kenilworth LRT tunnel leveling slab

Project Schedule and Cost



- **Current Step:**

- Cost negotiations with Civil and Systems contractors are ongoing. Staff are seeking approval to continue cost negotiations with both contractors on the revised schedules and critical path delays experienced in 2022 and 2023. Costs are included in the current Project budget estimate.

- **Next Step:**

- Council will participate in an FTA risk workshop this fall before updating the Project schedule and cost.

Background

Civil Construction Contract – Lunda McCrossan Joint Venture (LMJV)

- January 2022, the Council approved (Business Item 2022-35) the negotiation and execution of a Settlement Agreement with LMJV to resolve cost disputes related to an additional 34 months required through an alternative dispute resolution (ADR) process. The Settlement Agreement established a minimum value for resolving the disputes in the amount of \$210 million.

Systems Construction Contract – Aldridge-Parsons, a Joint Venture (APJV)

- March 2023, the Council approved (Business Item 2023-44) to add the 00810 Supplemental Conditions for Re-Baselined Systems Schedule Cost Claims Resolution (“Claims Resolution Agreement”) to extend the contract time and address claims for costs related to the delay to the systems construction through an ADR process.

Alternative Dispute Resolution (ADR) Process

- The Council and the civil and systems contractors are utilizing the ADR process to resolve costs in the following categories:
 - Extended performance cost (costs the contractor incurs because they are on the job longer than anticipated)
 - Labor and material escalation costs
 - Associated subcontractor costs
 - Close out known change orders (civil only)
 - Productivity impacts (costs the contractor incurred due to impacts not anticipated in their bid) (civil only)
- Staff are utilizing nationally-recognized legal counsel and construction claims and accounting experts to resolve claims

Alternative Dispute Resolution (ADR) Process (continued)

The ADR Process includes:

- Step negotiations where the parties resolve disputes directly.
- Evaluative mediation for disputes not resolved in step negotiations. The evaluative mediator works with the parties to resolve the differences. If no resolution is reached, the evaluative mediator will issue an opinion.
- Any issues not resolved in evaluative mediation will go to binding arbitration. The arbitrator will issue a binding award on these disputes.

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Systems Construction Contract - APJV

Part One Claims Resolution Change Order, Cumulative Change Order Authority Increase, and amendment to 00810 Supplemental Conditions for Re-Baselined Systems Schedule Cost Claims Resolution, Contract 17P000

Negotiate and Execute Part 1 Change Order: APJV

- As part of the Systems schedule cost claims resolution process, negotiate and execute a Part 1 change order for Contract 17P000 with APJV in an amount not to exceed \$20,388,680.
- The payment mechanism for claims resolved in the ADR process is a change order.
- The Part 1 amount was determined with the support of legal counsel and construction claims and accounting experts.

Cumulative Change Order Authority: APJV

- Council Procurement Procedure 14-1a Section 2.1.2.23 provides 10% cumulative change order authority on construction contracts without further authorization by the Council.
- Staff is requesting that the Council authorize an additional 10.49% cumulative change order authority for the APJV Contract.

Description	Amount	Change Order Authorization
Contract 17P000 original contract value	\$194,411,000.00	--
Current authorized cumulative change order authority	\$33,983,646.70	17.48%
Value of change orders executed as of August 2, 2023	\$14,748,680.92	7.59%
Current balance of remaining cumulative change order authority	\$19,234,965.78	9.89%
Value of pending change order for TPSS foundation CO (BI 2023-105)	\$4,524,243.46	2.33%
Additional change order authority requested with 2023-176	\$20,388,680.00	10.49%
Total authorized cumulative change order authority with 2023-176	\$54,372,326.70	27.97%
Balance of total cumulative change order authority	\$14,710,722.32	7.57%

Modify Payment Process: APJV

- Authorize the Regional Administrator to negotiate and execute an amendment to the 00810 Supplemental Conditions for Re-Baselined Systems Schedule Cost Claims Resolution to modify the payment process to allow for more frequent payment of resolved claims as the Council and APJV resolve disputes.
- The current 00810 Supplemental Conditions provide for a single Part 1 change order at the conclusion of step negotiations and a Part 2 change order after the completion of evaluative mediation.
- Staff recommends the process be amended to allow for more frequent payment of resolved claims through amended Part 1 change orders which will ensure prompt resolution and payment of disputes. This amendment will not change the total amount that APJV is paid.

2023 – 176: Proposed Action: APJV

- That the Metropolitan Council authorize the Regional Administrator as part of the Systems schedule cost claims resolution process, negotiate and execute a Part 1 change order for Contract 17P000 with Aldridge – Parsons, a Joint Venture (APJV) in an amount not to exceed \$20,388,680;
- Authorize an additional 10.49% (\$20,388,680) to the current 17.48% (\$34 million) cumulative change authority for Contract 17P000 with APJV, resulting in 27.97% (\$54 million) cumulative change order authority; and
- Authorize the Regional Administrator to negotiate and execute an amendment to the 00810 Supplemental Conditions for Re-Baselined Systems Schedule Cost Claims Resolution to modify the payment process to allow for more frequent payment of resolved claims.

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Civil Construction Contract - LMJV

Increase the not-to-exceed value to resolve disputes pursuant to the Settlement Agreement (Contract 22M013) and make future payments as defined in the Agreement

Increase Settlement Agreement Not to Exceed Value: LMJV

- With the support of legal counsel and construction claims and accounting experts, the Council has resolved costs totaling approximately \$209.9 million with LMJV.
- The cost categories resolved to date include direct costs of 194 change orders, additional overhead costs, productivity impact costs, and subcontractor costs.
- An increase to the not to exceed value in the amount of \$75 million is required to resolve the remaining cost categories outlined in the Settlement Agreement including but not limited to labor and material escalation, compensability of 4 months of delay, impacts to excavation of the Kenilworth tunnel, and additional bonds and insurance associated with the delay.

Increase Settlement Agreement Not-to-Exceed Value: LMJV (continued)

- The \$75M increase to the not-to-exceed value will also permit the Council to resolve additional matters related to civil construction which the parties have agreed to resolve under the ADR process in the Settlement Agreement including:
 - Delay to Kenilworth LRT Tunnel construction in 2022 and 2023 and associated costs not included in the Contractor's dispute cap; and
 - Change orders associated with West Lake Street Station construction, dewatering near Shady Oak Station, and monitoring activities associated with the TH 212 ramp at Prairie Center Drive.

2023 – 177: Proposed Action: LMJV

- That the Metropolitan Council authorize the Regional Administrator to:
 - Increase the not-to-exceed value of the Settlement Agreement (Council Contract No. 22M013) with the Lunda McCrossan Joint Venture (LMJV) in the amount of \$75 million for a new total not to exceed amount of \$285 million; and
 - Make future payments as defined in the agreement.

MORE INFORMATION

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