

**METRO GREEN LINE EXTENSION - SOUTHWEST LIGHT RAIL TRANSIT PROJECT
EXECUTIVE CHANGE CONTROL BOARD**

Proposed Board Action

24-ECCB-007

Item Description:

Approval of Part 2 to Change Order 069 with Aldridge – Parsons, a Joint Venture (APJV) in an amount not to exceed \$43,315,177 for claims resolution costs associated with an extension of time to the contract.

Resolution:

BE IT RESOLVED that Part 2 to Change Order 069, on file with the Project Office, resulting in the use of \$17,694,454. of additional Project Contingency is APPROVED.

Background:

APJV is the Systems construction contractor for the METRO Green Line Extension Project. On September 18, 2019, the Council awarded the Systems construction contract to APJV in the amount of \$194,411,000. APJV is responsible for the manufacture, delivery, installation, and testing of the Green Line Extension light rail system components.

Systems construction, which follows Civil construction, was delayed due to an approximately 34½ month delay to the Civil construction due to issues through December 31, 2021. APJV has capped the extension of time costs due to this delay at \$64,084,378.51.

On February 17, 2023, the ECCB approved Change Order 065 (23-ECCB-006) to the Systems Contract with APJV to add the 00810 Supplemental Conditions for Re-Baselined Systems Schedule and Cost Claims Resolution to extend the contract time and address claims for costs related to the delay to the Systems construction through an alternative dispute resolution (ADR) process which ensures that costs associated with the extension of time are reasonable and supported by data while avoiding the potential for litigation.

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.

The types of cost claims to be resolved through the ADR process relate to the revised schedule including labor and equipment costs for the additional time to perform the work, labor and material escalation, associated subcontractor costs, and impacts to the productivity of the work.

The Southwest Project Office is utilizing outside legal counsel and construction claims and accounting consultant experts to resolve the costs associated with the extension of time. The Supplemental

Conditions allow for multiple Part 1 change orders to allow the Southwest Project Office flexibility as issues regarding the extension of time are resolved.

On August 16, 2023, the ECCB approved the use of project contingency in the amount of \$20,388,680 for an initial Part 1 change order for the extension of time (23-ECCB-016).

On December 8, 2023, the ECCB approved the use of project contingency in the amount of \$5,232,043, for a total of \$25,620,723, for a second Part 1 change order for the extension of time (23-ECCB-024).

This action includes a Part 2 change order in the amount of \$43,315,177 that includes the Part 1 cost described above plus \$17,496,454 in cost to resolve subcontractor claims and warranty extensions.

The Part 2 change order closes cost claims by the contractor due to Civil construction delays through 2021. Costs associated with the extension of contract time due to delays to the Civil construction after December 31, 2021, will be addressed in a subsequent change order once those costs are properly vetted by the Council's consultants.

The Southwest Project Office is proposing the use of \$17,694,454 in additional project contingency to execute this Part 2 change order.