

Executive Change Control Board



March 29, 2019



Agenda

- 1) Welcome and Introductions
- 2) Review Executive Change Control Board Operating Procedures
- 3) Change Order Approval Processes Overview
- 4) Election of Vice-Chair
- 5) Resolution 19-ECCB-001: Establish Regular Meeting Date and Location
- 6) Resolution 19-ECCB-002: Designate Approval Authority for Part 1 Change Orders
- 7) Monthly Reports on Change Orders under \$350K
- 8) Adjourn

Executive Change Control Board Operating Procedures



Authority

- Hennepin County and HCRRA Funding Commitment Resolutions requires:

“all project contingency funds be managed pursuant to the Executive Change Control Board Operating Procedures.”

- Southwest LRT Grant Agreement states:

“Transitway Project contingency funds must be managed pursuant to the revised Executive Change Control Board Operating Procedures.”

Purpose

- Rule 2 of the ECCB Operating Procedures states:

“The Purpose of the ECCB is to ensure orderly and appropriate coordination of significant changes to the project baseline cost, including the use of Project Cost Contingency, relating to the Southwest Light Rail Transit Project and the Bottineau Light Rail Transit Project.”

ECCB Actions (Rule 2)

- Approve change orders, project requirements, contracts and contract cost increases > \$350,000
- Approve changes to schedule that delay revenue service date
- Monthly review of all change orders, project requirements, contracts, and contract cost increases <\$350,000
- Quarterly review of progress of construction and financial status of the project

Hennepin County Board Approval (Rule 2)

- *“The total of all change orders, project requirements, contracts and contract cost increases . . . shall not exceed 50% of the Project contingency funds . . . without approval from the Hennepin County Board of Commissioners.”*
- Total contingency in budget at time of ECCB establishment: \$239 million
- County Board approval required to access additional contingency if and when available contingency is reduced to \$119.5 million

Guiding Principles (Rule 3)

- Act in a timely manner to avoid Project delays
- Consider all relevant factors, including:
 - Known and potential project costs or schedule risks
 - Safety
 - Operational reliability
 - Current circumstances
 - The potential need for contingency funds to complete the project
 - The amount of remaining contingency
 - Known or potential competing demands for the funds
- Authorize use of contingency only if necessary to complete the Project

Structure (Rule 5)

- 2 Hennepin County Commissioners
- 1 HCRRA Commissioner
- 2 Metropolitan Council Members
 - Metropolitan Council Chair
 - Councilmember designated by the Chair
- Ramey County Commissioner (non-voting)
- Officers
 - Met Council chair serves as ECCB Chair
 - Elect a Vice-Chair

Structure (Rule 5)

- Quorum
 - Minimum of 2 of the 3 Hennepin County or HCRRA members AND
 - Minimum of 1 of the 2 Met Council members
- Voting
 - Majority vote of the quorum present

Meetings (Rule 6)

- Regular meetings
 - Action today to establish
- Special meetings
 - Called by the Chair “to consider use of contingency prior to the next regular meeting”
- Emergency meetings
 - Called by the Chair if “circumstances require immediate consideration by the ECCB”
 - Quorum of two ECCB members, including a Hennepin or HCRRA member

Two-Part Change Orders (Rule 6.1.2.2)

- *“... where the exact scope of the extra work is unpredictable or the cost is indeterminate in nature at the time when the Contractor is directed to proceed.”*
- Part 1: “authorizes the change in scope up to a not-to-exceed price.”
- Part 2: “authorizes the change in contract price and/or contract time based on either a negotiated price or time and materials”

Two-Part Change Orders (Rule 6.1.2.2)

- If “in the judgment of the Project Director a decision [on a Part 1 change order] must be made before a quorum can be assembled” a designated ECCB member may authorize it
 - Action today to designate that ECCB member, and alternates
- ECCB must ratify the Part 1 authorization
- ECCB approval is still required for the final Part 2 change order

Termination (Rule 8)

- The ECCB “govern[s] the use of contingency funds through the close out of the Projects.”
- “Upon completion of the close-out process, the Procedures shall automatically expire with respect to each Project.”

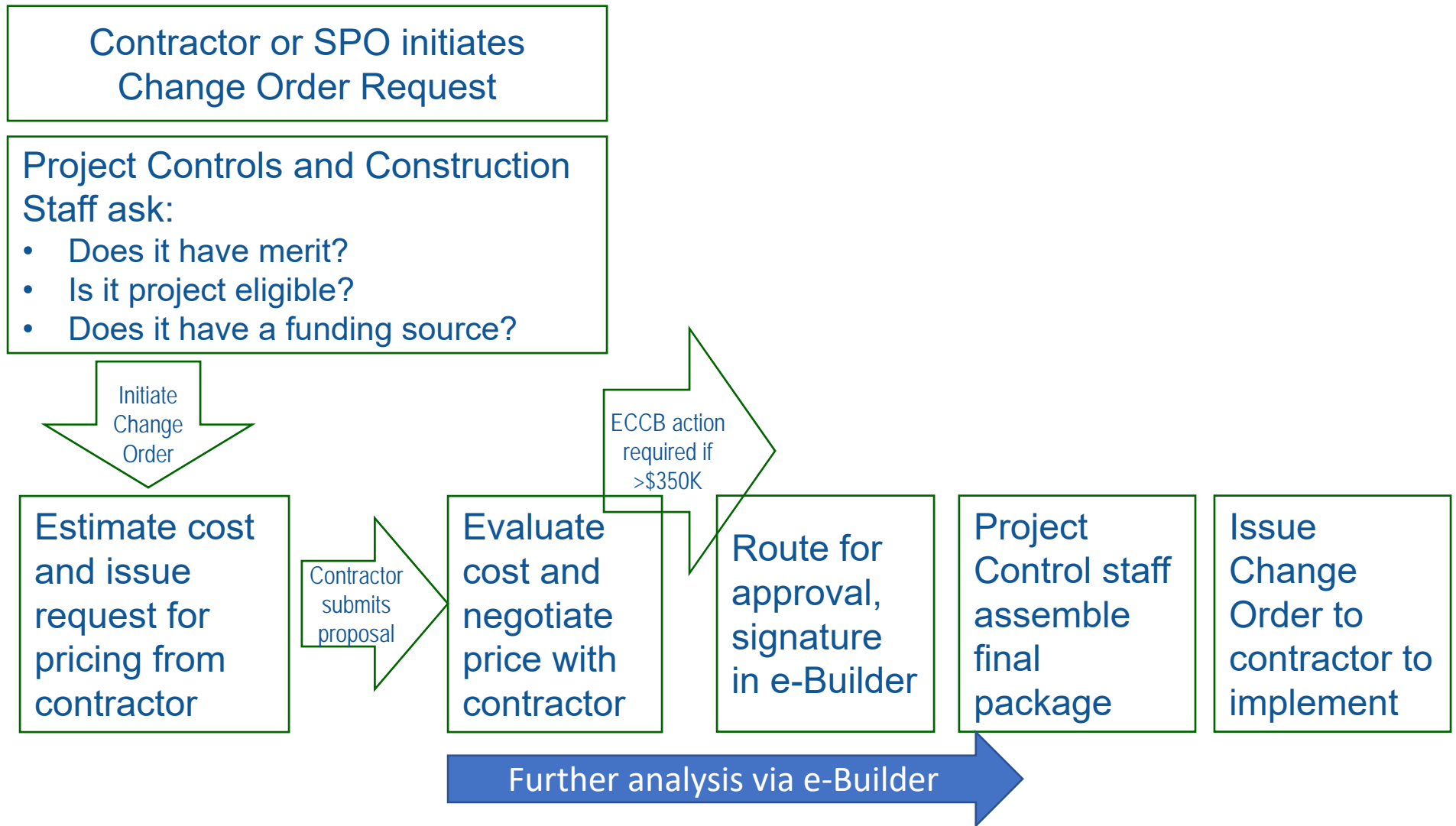
Change Order Approval Processes



What Causes a Change Order

- Contractor or SPO can request a change order due to unforeseen field conditions
- SPO can request a change order due to need to change design
 - Right of way issues
 - Design clarification
- City or County requests a change
 - Underground utility work
 - Coordination with adjacent work, development

Change Order Process Overview



Resolution 19-ECCB-001: Establish Regular Meeting Date and Location



Establish Regular Meeting Date and Location

Resolution 19-ECCB-001

- Operating Procedures requires the ECCB to set a regular meeting date and location
 - Chair can change location or cancel upon reasonable notice
- Proposed meeting date and location
 - 2nd Friday of every month
 - 11:00 AM
 - Southwest LRT Project Office
Park Place West Building
Suite 500, 6465 Wayzata Boulevard
Saint Louis Park, MN 55426

Resolution 19-ECCB-002: Designate Approval Authority for Part 1 Change Orders



Designate Approval Authority Part 1 Change Orders Resolution 19-ECCB-002

- In the event of a quorum cannot be convened quickly
- ECCB designates Hennepin County or HCCRA representative with approval authority and rank order the other two Hennepin County or HCCRA representatives
- Project Director notifies following staff
 - Daniel Soler, Hennepin County Director of Transit;
 - Benedict Schweigert, Assistant Hennepin County Attorney;
 - Catherine Gold, Hennepin County Transit Construction;
 - Joan Hollick, SPO Deputy Project Director
 - Brian Runzel, SPO Director of Construction
 - Mary Bogie, Metropolitan Council Deputy Regional Administrator
 - Jody Jacoby, Metropolitan Council Procurement Director
 - Ann Bloodhart, Metropolitan Council General Counsel
 - Ed Petrie, Metro Transit Finance Director

Monthly Report of Change Orders Under \$350,000



Monthly Report of Changes Orders <\$350,000

- Monthly report generated in e-Builder will include
 - Change order number
 - Change order name
 - Brief description
 - Amount
- OMF Demolition