

Metropolitan Council/Hennepin County

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Special Meeting of the SWLRT Executive Change Control Board

June 25, 2021

Members Present:     Charlie Zelle             Irene Fernando  
                              Molly Cummings       Marion Greene

**1. CALL TO ORDER**

Chair Charlie Zelle called the June 25, 2021 special meeting of the Executive Change Control Board to order at 11:00 a.m. via a conference line. There was a quorum of members to start the meeting.

**2. MINUTES FROM JUNE 14, 2021 MEETING**

Council Member Cummings made a motion to approve the draft minutes of June 14, 2021.

Commissioner Greene seconded the motion. Following a roll call vote, the minutes were approved.

**3. RESOLUTION 21-ECCB-012**

Brian Runzel explained the resolution, which is a part one change order for up to three years of storage for the Systems related components. Storing these components allows the project to keep manufacturing on schedule and brings the components on site and stored until needed. The storage facility is needed to protect the components from weather and humidity. The cost also covers exercising the equipment during storage and transportation once the construction site is ready for installation. The part one change order is an estimate for this storage, and a part two change order will be issued once the lease and other details are finalized.

Commissioner Fernando made a motion to approve Resolution 21-012. Council Member Cummings seconded. Discussion was then held on the Resolution.

Commissioner Fernando asked the value of equipment being stored and if insurance was included in the change order cost? Brian responded that the equipment is worth approximately \$65M. The change order will include insurance for the equipment and the storage facility will be secured with 24-hour security with cameras.

Commissioner Fernando asked about the timing of the lease and will it be long enough? Brian responded yes based on current projections.

Commissioner Fernando suggested the value of the stored items be added to the written record, along with written background on how the project demonstrated due diligence in selecting storage as the most cost-effective option. Commissioner Greene also asked about the cost benefit analysis and due diligence. Jim Alexander stated that Met Council and Hennepin County real estate staff were engaged to find a suitable location. This included coordination with MnDOT and University of Minnesota to look for available public property but found there were no local public properties that had the space, climate controls and security required for storing the Systems components. Other sites outside of the metro area were considered, but the hauling costs and the need to regularly exercise the equipment made them cost prohibitive compared to the local option.

Brian said the Council considered other options including suspending the Systems contract work, delaying production of the Systems components and continuing production on the original contract schedule and have the vendors store their equipment until it was ready for installation on the construction site. Regarding the first two alternatives, with current material shortages, particularly copper, PVC and

computer chips, the Council estimates that delaying production could cost on the order of \$20-\$60M. These alternatives also come with significant schedule risk, which could lead to a delay of up to a year or more. Thus, the first of these two alternatives were rejected from further consideration. Regarding the third alternative, several of the vendors would not be able accommodate storing equipment at their respective site due to space constraints.

Commissioner Greene asked for confirmation that the DBE business goals also apply to contingency spending. Brian said yes, Gunner Electric, which is a DBE subcontractor, will be included in the change order work.

Following a roll call vote, Resolution 21-012 was approved.

## **8. ADJOURN**

The meeting adjourned at 11:20 AM

Respectfully Submitted,

Dawn Hoffner, Recording Secretary