

T Transportation Committee
Metropolitan Council meeting: April 14, 2010

Item: 2010-98

CONSENT

Date March 31, 2010
Prepared:
Subject: Central Corridor Light Rail Transit Construction Contract Price Change Orders Delegated Authority

Proposed Action:

That the Metropolitan Council delegate the approval of construction contract change orders for certain Central Corridor Light Rail Transit (CCLRT) construction contracts for individual change orders that do not exceed \$1 million each and do not exceed a cumulative total of \$4.5 million per contract or 5% of the Contract value, whichever is less in accordance with the revised attached Metropolitan Council Procedure 3-3c.

Summary of Committee Discussion / Questions:

Mark Fuhrmann presented the business item. No further questions from committee members. A motion was made by Councilmember Hilker, seconded by Councilmember Beach, and unanimously approved. Councilmember Meeks stated this item could go to the full Council as a Consent Item.

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Transportation Committee

Meeting date: March 22, 2010

For Metropolitan Council Meeting of April 14, 2010

ADVISORY INFORMATION	
Date:	March 10, 2010
Subject:	Central Corridor Light Rail Transit Construction Contract Price Change Orders Delegated Authority
District(s), Member(s):	All
Policy/Legal Reference:	Metropolitan Council Procedure 3-3c: Delegation of Procurement and Contract Authority (attached)
Staff Prepared/Presented:	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy Gen. Manager, 651-602-1942 Rich Rovang, AGM – Transit Systems Dev., 651-602-1941
Division/Department:	Metro Transit / Central Corridor Project Office

Proposed Action

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Background

The Central Corridor Project Office (CCPO) will administer major construction contracts for the CCLRT Project including Civil East Construction, Civil West Construction including the Washington Avenue Bridge, Systems, and the Operations and Maintenance Facility (OMF), estimated to range from approximately \$60 million to \$250 million each. The CCPO is proposing a change order policy, for the major contracts listed above, delegating the approval authority for those change orders that do not exceed \$1 million each and do not exceed a cumulative expenditure amount of \$4.5 million per contract, or 5% of the Contract value, whichever is less. The proposed change order signature authority for these contracts is as follows:

Authorized Individual or Entity	Maximum Approval/Execution Authority
Metropolitan Council	over \$1,000,000
Metropolitan Council Regional Administrator	up to \$1,000,000
Metro Transit General Manager	up to \$500,000
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	up to \$3,000

As shown in the table, the Regional Administrator would authorize change orders over \$500,000 and the Metropolitan Council would authorize change orders over \$1 million. For change orders which exceed a cumulative amount of \$4.5 million per contract or 5% of the contract value, whichever is less, the change order must be pre-authorized by action of the Council.

Rationale

For the Hiawatha Light Rail Transit Design Build Project, a delegation of approval authority was authorized for the approval of change orders by the Assistant General Manager, Transit Systems Development for individual change orders not to exceed \$350,000 and a cumulative total of all change orders not to exceed \$6 million.

Delegation of the requested Construction Contract Price Change Order approval thresholds for the CCLRT will enable the CCPO to expedite its review and approval of contract changes while still keeping in place a system of checks and balances for review and execution of change orders. Given the complexity and size of the CCLRT contracts and the urgency often associated with construction, it is necessary to develop change order policies and procedures that allow the CCPO to efficiently evaluate and execute construction contract changes.

The proposed \$1 million delegation of approval authority for the Regional Administrator is consistent with the Regional Administrator's delegated authority for Construction Contract Awards which is also \$1 million.

Funding

These four major CCLRT construction contracts, that fall under Procedure 3-3c, have an estimated value in excess of \$500 million to be funded 50% by the FTA's Full Funding Grant Agreement (FFGA) and 50% by local funding.

Known Support / Opposition

No known opposition.

Procedure 3-3c – Delegation of Procurement and Contract Authority

Proposed changes to Section II. 3.

Existing Language:

Delegate the approval of construction contract change orders for the Hiawatha Light Rail Project Design Build project to the Assistant General Managers, Transit Development for individual change order/supplemental agreement not to exceed \$350,000, and a cumulative total of all change order/supplemental agreements not to exceed \$6,000,000.

Revised Language for Central Corridor Light Rail Transit

Delegate the approval of construction contract change orders for the Central Corridor Light Rail Project contracts including Civil East Construction, Civil West Construction including the Washington Avenue Bridge, Systems, and the Operations and Maintenance Facility for individual change orders as shown below for those change orders that do not exceed \$1 million each and do not exceed a cumulative expenditure amount of \$4.5 million per contract, or 5% of the Contract value, whichever is less, without Council approval.

Authorized Individual or Entity	Maximum Approval/Execution Authority
Metropolitan Council	over \$1,000,000
Metropolitan Council Regional Administrator	up to \$1,000,000
Metro Transit General Manager	up to \$500,000
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	up to \$3,000