



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, February 23, 2009 – 2:00 P.M.

**Irwindale City Hall
5050 Irwindale Avenue
Irwindale, CA 91706**

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

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|-------|---|--------------------|
| I. | Roll Call and Introductions | |
| II. | Pledge of Allegiance | |
| III. | Approval of Minutes of Meeting of January 26, 2009 (Pages 1-4) | Action |
| IV. | Public Comment | |
| V. | Chairman's Remarks | Information |
| VI. | Chief Executive Officer's Report (Pages 5-8) | Information |
| VII. | Receive and File Minutes of Finance Committee Meeting of January 15, 2009 (Pages 9-10) | Action |
| VIII. | Approval of Contract for Financial Audit Services (Pages 11-12) | Action |
| IX. | Approval of Design Contract Amendment for DMJM for Brea Canyon Road Grade Separation (Pages 13-14) | Action |
| X. | Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54956.9(a) to discuss pending litigation:
Alameda Corridor-East Construction Authority vs Shea Homes Limited Partnership, et. al. Case No BC338892 | Possible
Action |

The ACE Construction Authority is constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member. Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes. All disclosable public records related to this meeting are available for viewing at the ACE office above during normal working hours.

XI. Adjournment

Action



ACE Construction Authority
Board Meeting
January 26, 2009
Minutes

Vice Chairman Spohn called the meeting to order at 2:01PM in the Irwindale City Council Chambers.

1. In attendance were:

Tim Spohn, Chairman, Industry
Stephen Atchley, Pomona
Patricia Wallach, El Monte
Rosemarie Vasquez, Montebello
Gloria Molina, Los Angeles County
Dave Spence, SGVCOG
Paul Eaton, SANBAG

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Deanna Stanley
Carlos Monroy
Paul Hubler

Guests

Karalee Etheridge, Cong. Gary Miller
Gary Neely, Senator Bob Huff
Ulisses Sanchez, Senator Calderon
Bruce Russell, Jacobs Engineering
Eugene KAO, KOA
Hon. Freddie Rodriguez, Pomona

2. Pledge of Allegiance

Chairman Tim Spohn led the pledge of allegiance.

3. Approval of Minutes of December 22, 2008.

A motion was made to approve the meeting minutes of December 22, 2008.
M/S/C: Vasquez/Atchely/Unanimous

4. Public Comment

There were no public comments.

5. Chairman's Remarks

Chairman Spohn invited the Board and audience to the upcoming Brea Canyon Road grade separation ceremony which would be dedicated to the late Councilmember Phil Marcellin on Friday, February 20, 2009 at 10:30AM at the corner of Brea Canyon Road and Washington. He reported that this event was co-sponsored by the Cities of Diamond Bar and Industry.

6. Chief Executive Officer Report

Mr. Richmond reported that the agenda was revised to reflect a closed session item and was posted accordingly.

He reminded the Board that meetings with legislators were being planned in Washington March 16-18 to coincide with the League of Cities' conference. A single day meeting was also planned in April to meet with California legislators.

Mr. Richmond reported that the legal services procurement resulted in two procurement packages released on December 1, one for general counsel and property acquisitions (Package A) and one exclusively for property acquisition legal services (Package B). He indicated that due to minor irregularities in nearly all Package A proposals staff would reject all proposals and re-advertise in the very near future. He indicated Package B proposals were under review for responsiveness and a Technical Evaluation Committee was formed comprised of representatives from MTA County Counsel's office, Long Beach City Attorney's office, Victoria Butler ACE staff and Mr. Richmond.

Mr. Richmond reported the Finance Committee met on January 15th and the committee agreed to meet quarterly. Members Spence and Chairman Spohn complimented staff on the contents of the meeting. Mr. Richmond indicated the Board would be notified of the date of the next meeting once set.

Victoria Butler reviewed construction project progress photos of the Sunset Avenue grade separation project. Mr. Richmond introduced new staff member Kenneth Commissaris, Utility Coordinator.

7. Election of Officers

The Chairman opened nominations for Chairman. Member Baldwin nominated Tim Spohn as Chairman. The motion was seconded by Member Molina. There were no other nominations for Chairman.

M/S/C:Baldwin/Molina/Unanimous

The Chairman opened nominations for Vice Chairman. Member Molina nominated Member Vasquez. The motion was seconded by Member Wallach. There were no other nominations for Vice Chairman.

M/S/C:Molina/Wallach/Unanimous

8. Approval of FY 2009 Mid Year Budget Revision

Mr. Richmond indicated it was standard practice that staff review the previously approved budget six months into the fiscal year for potential budget revisions for the Boards review and approval. He indicated during the first six months of the fiscal year the Authority experienced a slower rate of spending than anticipated on property acquisition for the Baldwin Ave grade separation project. There was a greater rate of spending by UPRR on track installation but slower construction activity on the Sunset Avenue project. As a result, staff recommended a reduction to the right of way budget by \$4.228 million to \$13.433M, to increase railroad construction budget by \$3.772 million to \$18.325 million and reduce the construction contracts budget by \$5.864 million to \$28.864 million for a total budget reduction from \$80.677 to \$75.479 million.

A motion was made to approve the mid-year budget revision for the fiscal year ending June 30, 2009 which reduces the ACE total budget by \$5.198 million, from \$80.677 million to \$75.479 million.

M/S/C:Baldwin/Vasquez/Unanimous

9. Approval of California Consensus Position on Federal Reauthorization.

Paul Hubler reported that Business, Transportation and Housing Secretary Dale Bonner requested agencies throughout the state endorse a set of principles on Federal Transportation Authorization. He indicated that in order to strengthen California's voice on major federal transportation funding issues, a consensus on principles should be reached. He reviewed the principles and there were no questions.

A motion was made to endorse the proposed California Consensus Principles on Federal Transportation Authorization legislation.

M/S/C:Atchley/Spence/Unanimous

10. Approval to Request Time Extension from Caltrans for Baldwin Avenue Grade Separation Design Funding Allocation

Mr. Richmond reminded the Board that the engineering began on the Baldwin Avenue project in 2003. In late 2004 it was realized that adequate construction funding was not secure to move the forward. In 2007 the project was reactivated and in 2008 property acquisitions began. The funding agreement with Caltrans requires expenditure of \$322,400 in design funds by April 2009, a deadline the project cannot meet. Staff is confident a one year extension will provide adequate time to expend allocated funds and has discussed the matter with Caltrans who requested ACE obtain Board approval for such request.

A motion was made to approve staff to request from Caltrans a 12-month time

extension for \$322,440 in TEA-21 funding already allocated for the design of the Baldwin Avenue grade separation.

M/S/C:Vasquez/Wallach/Unanimous

11. Quarterly Project Progress Report

Mr. Richmond reviewed project costs and accomplishments over the second quarter of fiscal year 2009.

12. Quarterly Financial Status Report

Carlos Monroy, Finance Director reviewed budget to accrued actual expenses, cash expenditures, expenditures versus receipts by project and investments.

13. Closed Session: Mr. Silvey announced the Board would adjourn to close session in accordance with Government Code Section 54956.9 to discuss litigation – Alameda Corridor-East Construction Authority v Arlene Valdez dba Cal Pest.

When the Board returned from closed session Mr. Silvey announced there was no action taken which needed to be reported.

14. Adjournment. The Board adjourned at 2:58PM.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: February 23, 2009

SUBJECT: CEO Report

The following are items of note since the last meeting:

Federal Economic Recovery Act – The ACE Construction Authority supported a provision in the American Recovery and Reinvestment Act of 2009 to establish a program administered by the U.S Department of Transportation for discretionary grants for transportation infrastructure projects, including freight projects. Congress has approved appropriating \$1.5 billion for the program, which could offer an important source of support for goods movement infrastructure which, particularly in California, has not received the federal funding support needed to keep pace with the growth in freight traffic. The creation of this program is a very important step forward in providing an opportunity for freight projects to compete for funding, and staff will continue to monitor the development of rules and regulations governing the program. Copies of a letter of support to Senators Boxer and Feinstein, as well as of a press release issued by the Coalition for America’s Gateways and Trade Corridors, are included in your Information Packet.

Contracting –Our Administrative Code delegates to the CEO the authority to approve new contracts or change orders for Board-approved contracts within certain limits, with a requirement that I report to the Board any such contract action. In addition to the changes identified in the monthly construction reports, the following changes have occurred:

<u>Consultant/Vendor</u>	<u>Reason for Change</u>	<u>Change Amount</u>
Griffith Company	Change Notice 085 – City of Diamond Bar Video Detection System	\$13,461.64
Griffith Company	Change Notices 078.1 and 088 Pump Station Electrical and Paving at the A-American lot	\$67,261.35

In addition, staff has issued a new Request for Proposals for General Counsel and Property Acquisition Legal Services.

Community Outreach Update – Staff has conducted the following project outreach activities:

- Conducted outreach presentation regarding Nogales Street South project at Operation Safe Communities meeting in Rowland Heights;
- Continued conducting pre-construction video and photographic surveys at properties on Pomona Boulevard for the Temple Avenue Fourth Track Infrastructure Project;
- Conducted ongoing business support program, community outreach and construction coordination activities for the Sunset Avenue project.

Construction Progress Reports – Attached is the construction progress report for the Sunset Ave. project.

ALAMEDA CORRIDOR EAST

PROJECT STATUS REPORT

SUNSET AVENUE GRADE SEPARATION PROJECT For the Month: January 2009

Scope:	Construction of grade separations at the UPRR crossings at Orange Avenue and Sunset Avenue. Orange and Sunset Avenues will be lowered slightly and the tracks raised on embankments and two steel thru-girder bridges. California Street will be raised and reconstructed to meet the new track locations. Valley Boulevard will be reconstructed at all three intersections. Trackwork will consist of a new raised mainline track; at grade drill track and industry track connection to the north; and a temporary shoofly to the south requiring temporary closure of the northerly lane of Valley Blvd.	
Contractor:	Atkinson Contractors, LP	
Construction Manager:	PB	
Contract Award:	August 28, 2006	
Notice to Proceed:	November 14, 2006	
Original Completion:	November 18, 2009	Schedule % Complete
Revised Contract Completion:	July 27, 2010	48.1

Schedule Summary	Estimated Start	Estimated Completion	% Complete
California Ave Shoofly & Street Restoration	January 2007	December 2007	100%
Railroad ROW storm drain system	February 2007	January 2009	81%
Valley Blvd Shoofly	May 2007	August 2008	94%
Drill Track	April 2008	April 2009	20%
Drill Track Revision 12 & 14	June 2008	November 2008	30%
Main Line Retaining Walls & Backfill	May 2009	November 2009	0%
Sunset & Orange Bridge Steel Fabrication	November 2007	September 2008	100%
Sunset & Orange Bridge & Roadway Installation	May 2009	June 2010	5%
Valley @ Sunset & Orange Street Restorations	August 2009	October 2009	25%
Landscaping & Irrigation	December 2009	July 2010	0%

Financial Summary			
Original Contract Value	\$41,938,421.50		
C.O.s Approved This Month	\$0		
C.O.s Approved to Date	\$5,165,184.94		
Current Contract Value	\$47,103,606.44		
Invoiced to Date (% of revised contract)	\$14,630,672.80		31.1%
Release of Liens are Current	<input checked="" type="checkbox"/>		

SUNSET AVENUE GRADE SEPARATION PROJECT

Contractor	Atkinson Contractors, LP	
Contract Award	August 2006	
Limited NTP	November 1, 2006	
NTP	November 14, 2006	
Contractual Completion	November 18, 2009	
Revised Completion	48.1%	July 27, 2010
Original Contract Value	\$41,938,421.50	
Change Orders this Month	\$1,251,163.53	
Amended Contract Value	\$48,354,769.97	
Earned to Date (Amended Value)	31.1%	\$14,630,672.80
Release of Liens are Current	<input checked="" type="checkbox"/>	



LA CORR Spur 861 Work

Progress Summary

• California Ave Shoofly & Street Restoration	100%
• Railroad ROW storm drain system	83%
• Valley Blvd Shoofly	97%
• Drill Track	25%
• Drill track Revision 12 & 14	45%
• Main Line Retaining Walls & Backfill	0%
• Sunset & Orange Bridge Steel Fabrication	100%
• Sunset & Orange Bridge & Roadway Installation	5%
• Valley at Sunset & Orange Street Restorations	25%
• Landscaping & Irrigation	0%

Safety and Security Issues:

- LOST TIME INJURY STATUS: No injuries reported.
- SITE INCIDENTS: None.
- RR INCIDENTS: None
- SECURITY INCIDENTS: None

Issues

- Two Existing L.A. County Sanitation sewer manholes and one clean-out are in the trackway of proposed industry spur #825 and #826. L.A. Sanitation provided CM with details. Designer revising plans for these three structures.
- RFP issued for revised work and Contractor is pricing.
- LA Sanitation plan set of pipe protection work (CN 041) final approval not received. Designer to submit final drawings upon resolution of manhole and spur track conflicts.
- Edison, Verizon and Time-Warner lines potential conflict with Sunset roadway and Drill Track. SCE distribution indicates relocation mid-February 2009; Verizon relocation date late February 2009. Time-Warner indicates temporary relocation mid February 2009 and permanent relocation in March 2009. Does not appear Time-Warner will delay Drill Track construction.
- Designer is evaluating proposed UPRR re-alignment of Commercial Lumber & Pallet spur 858 track. UPRR indicates design and work window are unacceptable to business owner.



Drill Track Grading (CN 025)

Work Accomplished this Month

- Completed Drill Track retaining wall construction (CN 038). Wall at spur 858 eliminated.
- At C.M. request, L.A. Sanitation provided modified pipe protection detail and flow rate in existing trunk sewer.
- SCE transmission pole replaced with taller pole. This item is no longer in conflict with Drill Track construction.
- Contractor completed spur #861 and completed west-end Drill Track connection grade from STA 14+29 to STA 21+05 during weekend outage. 3' of unsuitable Drill Track material was excavated and dumped (CN 025).
- Continue Drain Line 'I'. Complete Drain Lines '1S' and '2S'.

Upcoming Work next Month

- UPRR to complete Shoofly Track (02/08/09 cutover).
- Start Drill Track Subgrade preparation (3000 LF).
- Negotiate CN 041 (sanitary sewer pipe protection).
- Negotiate and install fence at Drill Track Retaining Walls (CN 038.1).
- Complete Tropicana Drill Track drainage and spur 829.



Forming Manhole at Line I





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Finance Committee Meeting January 15, 2009 Minutes

The meeting of the Finance Committee was held on January 15, 2009 at noon at the ACE Construction Authority office, 4900 Rivergrade Road, Irwindale, California.

1. **Roll Call & Introductions**

In attendance were:

Hon. Harry Baldwin, San Gabriel	<u>ACE Staff</u>
Hon. Tim Spohn, Industry	Rick Richmond, Chief Executive Officer
Kevin Radecki, Industry	Carlos Monroy, Director of Finance
Hon. Stephen Atchley, Pomona	Menchu Ituralde, Grants/Audits Manager
Linda Lowry, Pomona	Deanna Stanley, Office Manager
Hon. David Spence, La Canada Flintridge	
Nicholas Conway, SGVCOG	

2. **Public Comment** – There were no public comments.
3. **Committee Organization and Meeting Dates** – The committee agreed the Chairman would be the same as the Chairman of ACE. The committee agreed to meet quarterly.
4. **Review of ACE Financial Management System** – Rick Richmond reviewed the history of the financing of the ACE Project. He reviewed the comprehensive financial management system of the ACE Project. Elements included finance department organization, funding, budgeting, spending, billing, audits and treasury. He reviewed federal, state, local, city/county and railroad funding and how funds are allocated to each project. He reviewed the 28 active accounts and how each must be balanced for reimbursements. He reviewed project budgets and annual budgets. He reviewed annual indirect rate approvals which are done by Caltrans. Mr. Richmond reviewed invoice approvals, retention and invoice payment processes. He indicated invoices to funding agencies are prepared within five working days after payment of major contractor invoices. Mr. Richmond reviewed the various elements of audits at length. He reported on the Authority's treasure/banking investments.
5. **Current and Future Status Reporting** – The Committee agreed the current reporting was acceptable but would like to discuss ACE internal audits further at

the next Committee meeting.

6. **Review of Fiscal Year 2008 Audit Comments** – Carlos Monroy reviewed ACE responses to the comments of the Lopez & Company audit. He indicated new accounting standards require auditors to communicate control deficiencies that are significant deficiencies or material weaknesses in internal control. He explained a significant deficiency is a control, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

He explained material weakness is a significant deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. He indicated the findings of the audit did not result in a significant deficiency. He reviewed each finding.

7. **Adjournment** – The meeting was adjourned and staff was asked to schedule the next meeting in three months.



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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: February 23, 2009

SUBJECT: Approval of Contract for Financial Audit Services

RECOMMENDATION: Staff recommends that the Board:

1. Approve the selection of Vasquez & Company, LLP to provide financial audit services; and
2. Authorize the Chief Executive Officer to issue a task order to Vasquez & Company, LLP for audit services covering FY 2009 in an amount not-to-exceed \$35,000.

BACKGROUND: The ACE Construction Authority must conduct a financial and compliance audit for each completed fiscal year. In addition, the Authority must prepare a Single Audit Report on federal grant activities. On December 3, 2008, the San Gabriel Valley Council of Governments (SGVCOG) issued a Request for Qualifications (RFQ) for consultant services to provide both the SGVCOG and the ACE Construction Authority with independent audit capabilities for up to a five-year period starting with FY 2009. Proposals were due on January 7, 2009. The RFQ was sent to 50 audit firms and advertised on the SGVCOG website and the website of the California Society of Municipal Finance Officers. The SGVCOG received two proposals on January 7. The procurement was conducted by the SGVCOG in a manner consistent with our procurement policy. If the Boards of both organizations approve this selection, each organization will negotiate a contract with the selected consultant.

The consultant will provide ACE with the following types of services:

- Conduct a financial and compliance audit of the ACE Construction Authority for FY 2009;
- Assist in producing a Comprehensive Annual Financial Report (CAFR) for FY 2009;
- Prepare a Single Audit Report on Federal grant activities for FY 2009; and
- Prepare a Management Report for FY 2009.

The above services can be renewed at the discretion of SGVCOG and the Authority on an annual basis through FY 2013. A Technical Evaluation Committee (TEC) was established to review the proposals and interview firms. The Committee consisted of

one member from ACE and three members from other public agencies who oversee audit activities.

The TEC reviewed the written proposals and interviewed:

- Robert Eichel & Associates
- Vasquez & Company, LLP

Following the interviews held on February 12, 2009, the TEC unanimously recommended the selection of Vasquez & Company, a certified public accounting firm. Staff anticipates a multiyear contract with annual renewals approved as part of the annual budget.

BUDGET IMPACT: Funds for this contract are available from grant funds (Federal, State and local) and have been budgeted to pay for the anticipated costs for the above referenced scope of work.



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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: February 23, 2009

SUBJECT: Approval of Contract Amendment for Design Services during
Construction for Brea Canyon Road Grade Separation with DMJM+Harris

RECOMMENDATION: Staff recommends that the Board authorize the Chief Executive Officer to amend the contract with DMJM+Harris to add \$12,000 for design support services during construction of the Brea Canyon Road grade separation, for a new contract value of \$3,785,376.

BACKGROUND: In June, 2008, you approved what we expected to be the last amendment to the contract, primarily for design of irrigation, landscaping and fountain restoration at one of our adjacent property owners, the J.F. Shea Corporation, and an extended contract completion date.

We are recommending approval of an amendment for additional services to finalize "punch-list" items of work on the project and to compensate them for more participation than anticipated in resolving the Shea site restoration. Such additional services include site selection of plant materials with the landscape architect and minor design revisions to the irrigation and landscaping elements which were not included in the original scope of work.

The history of this contract is as follows:

Board Action	Authorization	Executed Amount
Contract Award	\$2,183,000	\$2,174,510
Amendment 1	\$64,949	\$64,949
Amendment 3	\$445,300	\$444,597
Amendment 4	\$347,500	\$347,500
Amendment 8	\$10,000	\$9,000
Amendment 9	\$465,500	\$465,460
Amendment 10	\$213,360	\$213,360
Amendment 12	\$54,000	\$54,000
Amendment 13	\$12,000	\$12,000
Total	\$3,795,609	\$3,785,376

BUDGET IMPACT: Funds for this contract are available from State TCRP, local MTA Proposition C Funds and City of Industry funds. Costs for this project have been included in the adopted budget.