



# Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theacepr](http://www.theacepr)

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## ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY

### BOARD OF DIRECTORS

### SPECIAL MEETING AGENDA

Monday, February 27, 2012 – 2:00 P.M.

San Gabriel City Hall

425 S. Mission Drive

San Gabriel, CA 91776

Revised

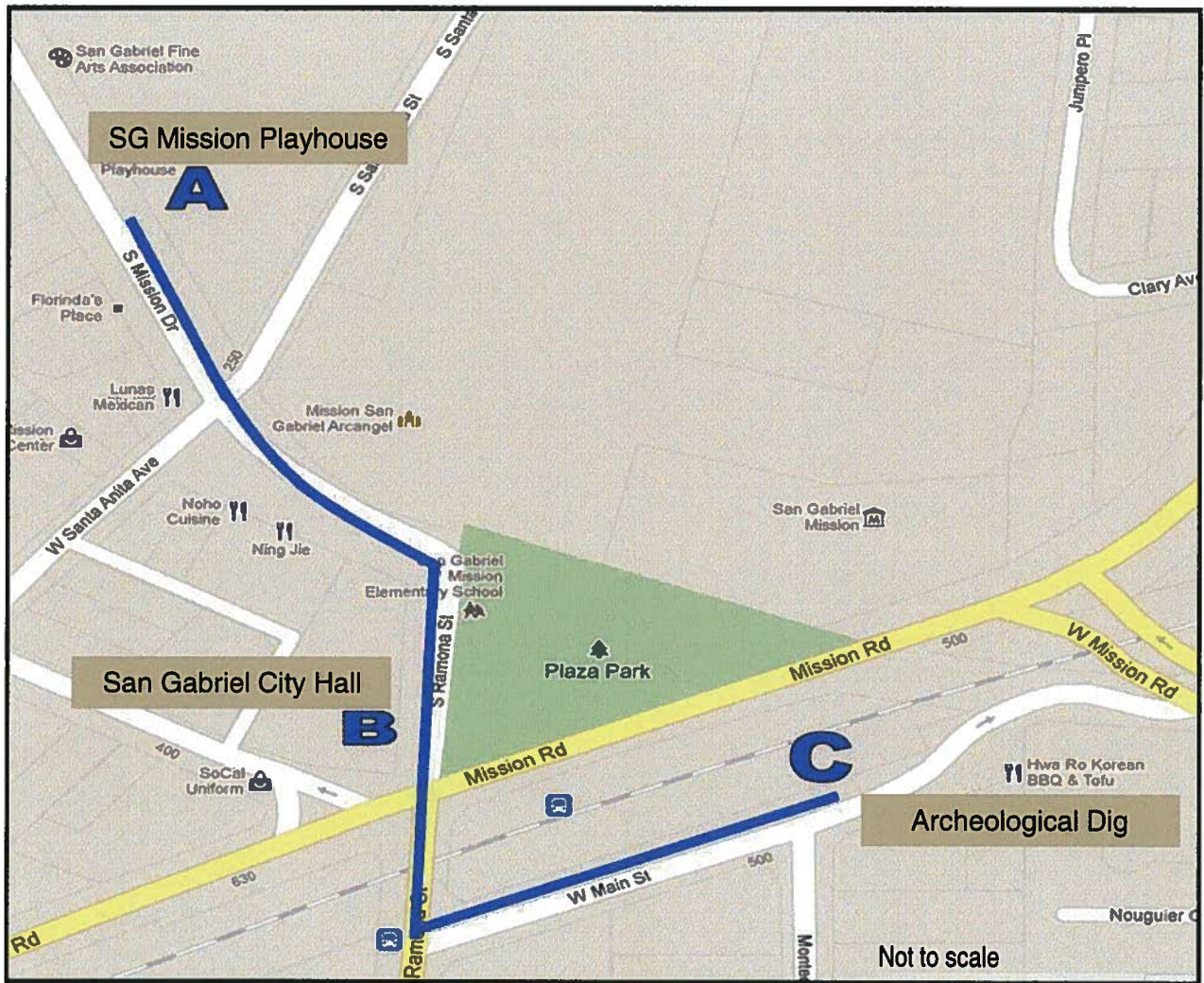
Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute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

Irwindale City Hall is accessible to persons using wheelchairs and with other disabilities. Informational material will be available in large print. Assistive listening devices, materials in other alternate formats, American Sign Language interpreters and other accommodations will be made available upon request. Requests should be made to Deanna Stanley at 626-962-9292 ext. 142 or [deannas@theaceproject.org](mailto:deannas@theaceproject.org). Providing at least 72 hours notice will help ensure availability.

- I. Pledge of Allegiance
- II. Roll Call and Introductions
- III. Public Comment
- IV. Adjournment to San Gabriel Trench Archeological Site (If weather permits the Board will adjourn to the work site and reconvene to the Council Chambers immediately following the tour. The public is invited to participate in the tour.) Action
- V. Approval of Minutes of Regular Meeting of January 23, 2012 (Pages 1-7) Action
- VI. Chairman’s Remarks
- VII. Board Member Comments
- VIII. Chief Executive Officer’s Report (Pages 8-9) Information

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.

- |       |   |  |
|-------|---|--|
| IX.   | Approval of Contract Amendment for AECOM for Design Services for the Nogales Street Grade Separation Project (Pages 10-11)  | Action                                       |
| X.    | Approval of Contract Amendment for AECOM for Design Services for the Baldwin Avenue Grade Separation Project (Pages 12-13)  | Action                                       |
| XI.   | Approval of Contract Amendment for Burke, Williams & Sorensen for Property Acquisition Legal Services (Page 14)   | Action                                       |
| XII.  | Approval of Acceptance of Sunset Avenue Grade Separation Construction Contract Closeout and Project Acceptance (Pages 15-16)  | Action                                       |
| XIII. | Approval of Declaration of Surplus Property at 614-646 So. Brea Canyon Road, Diamond Bar, CA 92869 (Pages 17-19)  | Action                                       |
| XIV.  | Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54956.9(a) to discuss existing litigation (two cases)   |  |
|       | <ul style="list-style-type: none"><li>• Los Angeles Superior Court Case No. BC429699<br/>Alameda Corridor-East Construction Authority vs MIPCO, L.L.C.,<br/>et al., and</li><li>• Los Angeles Superior Court Case No. BC449102 ACE vs. Unilever<br/>Supply Chain Inc.</li></ul> | Possible<br>Action<br><br>Possible<br>Action |
| XV.   | Adjournment   |  |



**Parking for the ACE Board Meeting is at the San Gabriel Mission Playhouse 320 So. Mission Drive. San Gabriel. The Board meeting will be held at City Hall 425 S. Mission Drive San Gabriel. (Parking is free)**

Directions to the San Gabriel Mission Playhouse

From the 210 Fwy. E – Exit at San Gabriel Blvd. & go approximately 4 miles to Broadway & turn right. Take Broadway to Santa Anita St. & turn left. Take Santa Anita St. to Mission Dr. & turn right.

From the 210 Fwy. W – Exit Sierra Madre Blvd and go south on San Gabriel Blvd approximately 4 miles to Broadway & turn right. Take Broadway to Santa Anita St. & turn left. Take Santa Anita St. to Mission Dr. & turn right.

From 10 Fwy. – Exit San Gabriel Blvd & go north approximately 3 miles to Broadway & turn left. Take Broadway to Santa Anita St. & turn left. Take Santa Anita St. to Mission Dr. & turn right.



**ACE Construction Authority Board of Directors  
January 23, 2012 Regular Meeting Minutes**

1. **Roll Call** – Chairman Spohn welcomed new member Norma Macias and called the meeting to order at 3:04 PM at the City of Irwindale Council Chambers. In attendance were:

Tim Spohn, Industry  
David Gutierrez, San Gabriel  
Stephen Atchley, City of Pomona  
Frank Gomez, Montebello  
Norma Macias, El Monte  
Michael Antonovich, LA County  
Paul Eaton, SANBAG

**Staff**

Rick Richmond, Chief Executive Officer  
Joe Silvey, Legal Counsel  
Deanna Stanley  
Cecilia Cardenas  
Phil Balmeo  
Genichi Kanow  
Paul Hubler

**Guests**

Bob Archeleta, Pico Rivera  
Art Cervantes, Pico Rivera  
Ron Bates, Pico Rivera  
George Nomura, Bechtel  
Frankk Turpin, Bechtel  
Jennifer Pancake, Oliver, Sandifer & Murphy  
Al Contreras, SCE

2. **Pledge of Allegiance** – Vice Chair Gutierrez led the pledge of allegiance.
3. **Approval of December 19, Regular Meeting Minutes** – A motion was made to approve the minutes of the Board of Directors meeting of December 19, 2011. M/S/C/Gutierrez/Atchley/Passed Abstain/Macias
4. **Public Comments** – Pico Rivera Mayor Bob Archeleta thanked the Board for including a project at Durfee Road in the recommended list of projects for

Phase II. He reminded the Board that construction of a grade separation at Durfee Road was a safety issue and assured the Board the City was willing to partner with ACE and would put money into the project.

5. **Chairman's Remarks** – Chairman Spohn indicated meetings were being scheduled with legislators and staff in Washington, DC March 5-7 and any members interested in attending should contact Deanna Stanley. These meetings were held to update the members of the progress of the ACE program and our funding needs. He reminded the Board Congresswoman Grace Napolitano and Union Pacific President/Chair are holding a roundtable discussion at the offices of the Gateway Cities, Thursday, January 26 from 10 to noon. He indicated, also scheduled on Thursday, January 26 at 3PM is the ACE Finance Committee meeting at the ACE Offices.
  
6. **Board Member Comments** – Vice Chairman Gutierrez indicated the April Finance Committee meeting posed a scheduling conflict and requested the meeting be rescheduled to better accommodate schedules.
  
7. **Chief Executive Officer's Reports** – Mr. Richmond distributed a brochure for the archeological work currently underway at the San Gabriel Trench project. He indicated there have been several school tours and invited the Board to contact outreach department if any were interested in a tour of the site. Mr. Richmond referenced the ACE website activity report indicating the website has averaged 45,000 visits during 2011.

Phil Balmeo, Senior Project Manager reviewed slides of archeological work underway at the San Gabriel Trench site. He also showed a slide of pre-construction encroachment work, necessary for the project.

Genichi Kanow, Senior Project Manager reviewed pre-construction demolition activities for the Baldwin Avenue grade separation project. Mr. Richmond reminded the Board that upon completion of the Baldwin project, the site depicted would be excess land and sold.

8. **Election of Officers** – Joe Silvey, Counsel reviewed the process of Board elections. He indicated the floor would be open to nominations and any member could be nominated but alternate member could not. He reminded the board that the term was one year.

Chairman Spohn opened the nominations for Chair. A motion was made by Angle Carrillo to nominate Dave Gutierrez Chairman. The motion was seconded by Stephen Atchley. There were no other nominations. The Board unanimously voted David Gutierrez Chairman.

Chairman David Gutierrez thanked the Board for their confidence and assured them he would continue to represent ACE with honor. He further attributed the success of the Board to its cohesiveness, the ability to articulate thoughts without adversity and remain professional. He thanked Tim Spohn for his leadership and acknowledged his positive attitude and communication has played an important role for ACE in Washington, DC, Sacramento and locally.

Tim Spohn thanked the Board and acknowledged the cohesiveness of the Board helped in his role as Chair. He further thanked Rick Richmond and staff for their support.

Chairman Gutierrez opened the nominations for Vice Chairman. A motion was made by Tim Spohn to elect Stephen Atchley Vice Chairman, and seconded by Norma Macias. There were no other nominations. The Board unanimously voted Stephen Atchley Vice Chairman.

9. **Approval of Pre-Qualified General Contractors for the San Gabriel Trench Project** – Mr. Richmond reviewed the criteria of the pre-qualification process. He indicated 16 applications were received and were reviewed for required certifications, bonding capacity, relevant experience, financial condition, past performance and conformance with legal and compliance issues. Of those submitted, two firms, Griffith Corporation and Tutor-Saliba Corporation were found not to meet the requirements. He reviewed the issues with each. He indicated both firms, in accordance with the process, appealed the decisions to an appeals panel. The panel did not overturn the decision. A motion was made to approve the following firms as pre-qualified contractors for the San Gabriel Trench Project:
- Atkinson Contractors
  - Balfour Beatty Infrastructure, Inc.
  - Bechtel Infrastructure Corporation
  - Flatiron West, Inc.
  - Granite Construction Company
  - Herzog Contracting Corporation
  - Kiewit Infrastructure West Co.

- MCM Construction
- Obayashi Corporation
- Pulice Construction Inc.
- Shimmick Construction Company
- Skanska USA Civil West California District
- Steve P. Rados, Inc. and
- Walsh Construction Company.

M/S/C/Spohn/Gomez/Passed Antonovich Abstained

10. **Approval of Plans, Specifications and Estimates for the Baldwin Avenue Grade Separation Project** – Mr. Richmond reviewed the elements of the Baldwin Avenue grade separation project. He indicated the construction of the project has been extensively delayed due to one property acquisition. He indicated as a result of the recent ruling for a right to take the project can now move forward. He indicated an estimated procurement in March with construction to begin in July and estimated completion date of December 2013.

A motion was made to approve the plans, specifications and estimates for the Baldwin Avenue grade separation project in the City of El Monte and County of Los Angeles and authorize staff to solicit bids for the project.

M/S/C/Atchley/Spohn/Unanimous

11. **Approval of Contract Amendment for Property Acquisition of Legal Services with Oliver Sandifer & Murphy** – Mr. Richmond reviewed the volume of property negotiations required for the Nogales Street grade separation project. He indicated, the Nogales project, unlike previous projects property requirements have involved much more extensive negotiations with attorneys and the use of eminent domain process. He indicated the amendment for the Board's consideration would carry the contract through the current fiscal year. He reminded the Board the property acquisitions need to be resolved as quickly as possible in order to go out to bid.

A motion was made to authorize the Chief Executive Officer amend the contract with Oliver Sandifer & Murphy in an amount not to exceed \$900,000 for property acquisition legal services to a total contract authorization of \$1,350,000.

M/S/C/Carrillo/Atchley/Unanimous

12. **Approval of FY 2012 Mid Year Budget Revision**– Mr. Richmond indicated the Board approves a an annual fiscal year budget in May and mid-year staff

reviews the budget to assess how the progress of spending compares to the approved budget. He indicated the project progress has been less favorable than expected than when the FY 2012 budget was prepared. He indicated the major line item changes included: A reduction of design expenditures of \$2.5M for Puente and Fairway projects. Baldwin and Nogales acquisitions will continue to FY 2013 and an increase in UPRR compensation resulted in right of way reduction of \$2.8M. An increase of \$10.4M was due to preconstruction utility relocation which was originally a part of FY 2012 was incorporated into the main contract and a delay in SCE relocation on Nogales. Construction management was reduced by \$1.3M due to deferred construction starts. Lastly, the construction budget was reduced by \$11.4M because delays resulted in the deferral of construction at Baldwin of (\$4.8M), Nogales (\$4M) and the San Gabriel Trench (\$3.0). Member Atchley asked how the reduction in the budget would affect the Authority's borrowing. Mr. Richmond responded that the borrowing would have to be at a level to keep a positive cash flow and the borrowing was reduced to \$20 but when construction was underway it would be necessary to increase the level of borrowing.

A motion was made to approve the mid-year budget revision for the fiscal year ending June 30, 2012, reducing the total budget from \$72.077 million to \$43.477 million.

M/S/C/Atchley/Spohn/Unanimous

**13. Approval of Revised Recommended Scope for the Remainder of the**

**ACE Project** – Ron Bates, Pico Rivera City Manager, thanked the Board for their consideration of including the crossing at Durfee Road. He indicated a concern that the process should have weighed more heavily safety since there were four fatalities at the crossing. Art Cervantes, Pico Rivera Public Works Director also addressed the Board. He indicated the staff was interested in helping ACE reduce the cost of the project and value engineering has found potential design changes which would save the need to affect two large parcels, reduction of the profile of the underpass by 5 feet, along with the elimination of sidewalk on one side of the street.

Mr. Richmond reminded the Board that the recommendation for the remainder of the ACE program which approved by the Board in October was considered by the various COG committees and the COG Governing Board, though the COG board deferred action. He reminded the Board that the list of projects were of the same approved by the COG's Public Works Subcommittee and recommended to the COG's Transportation Committee. He reminded the Board that though the recommendation was to approve



eight projects, the funds were not identified to complete all projects. In addition staff would have to return to the Board on which projects to move forward with based on the amount of money identified although staff would, continue to seek funding from a variety of sources. Mr. Atchley thanked Pico Rivera for their determination. Chairman Gutierrez reminded Pico Rivera representatives that ACE would be the agency handing the project and the Board would expect cooperation and respect and cautioned Pico Rivera against creating a conflict between the City and ACE staff.

A motion was made to approve an amended recommendation to the San Gabriel Valley Council of Governments to recommend, consistent with the scope recommended by the SGVCOG Transportation Committee, priorities 1-8 of the Public Works Directors subcommittee.

M/S/C/Atchley/Antonovich/Unanimous

14. **Quarterly Reports** – Mr. Richmond indicated reviewed the project changes from the last quarter. He indicated the current cost forecast shows a \$.5 M decrease for the overall program. The changes were due to utility costs of utility relocations at Nogales of \$.4M and a savings at Sunset for closeout of \$.9M. The project schedule changes included a one month delay for Baldwin due to eminent domain for the remaining parcel but reminded the Board this is now resolved. In addition the preconstruction work has begun for the San Gabriel Trench project. He reviewed accomplishments for the last quarter which included: Sunset Avenue – initiated closeout and completed UPRR punchlist work. Baldwin Avenue – continued right of way litigation and executed UPRR construction and maintenance agreement. San Gabriel Trench – started archeological/paleo work and encroachment removals and released the package for pre-qualification for the main construction work. Nogales Street – continued right of way acquisitions and executed the UPRR construction and maintenance agreement. Lastly, preliminary design work continued for both Puente and Fairway projects.
  
15. **Closed Session:** Mr. Silvey announced the Board would adjourn to closed session in accordance with Government Code Section 54956.9(a) conference with legal counsel regarding existing litigation: Los Angeles Superior court Case No. BC429699 ACE versus MIPCO LLC and Los Angeles Superior Court Case No. BC 449102 ACE versus Unilever Supply Chain Inc.

The Board returned to open session and Mr. Silvey indicated there was no action taken to be reported.

Chairman Gutierrez requested a Special Meeting February 27<sup>th</sup> at San Gabriel City Hall in order to allow the Board and guests to a tour of the archeological work for the San Gabriel Trench project.

16. **Adjournment** – The meeting was adjourned at 3:24PM in memory of Norma Gutierrez, mother of David Gutierrez. At this time Chairman Gutierrez expressed his appreciation to those who extended sympathy to his family.



# Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: February 27, 2012

SUBJECT: CEO Report

The following are items of note since the last meeting:

**Phase II Progress** – I am pleased to report that the San Gabriel Valley Council of Governments Transportation Committee voted unanimously on February 16 to recommend adoption of the ACE Phase II program, consisting of eight grade separation projects as follows:

LOCATION	GRADE SEPARATION TYPE	JURISDICTION	COST EST. (IN MILLIONS)	2025 VEH/HRS DELAY
Fullerton Road (LA Sub.)	Road Underpass	Industry/LA County	\$131.8	115.4
Greenwood Avenue (LA Sub.)	Road Underpass	Montebello	\$61.7	57.9
Hamilton Boulevard (Alhambra/LA Sub.)	Road Underpass	Pomona	\$68.1	36.8
Fairway Drive (Alhambra Sub.)	Railroad Flyover	Industry/Walnut	\$72.9	87.6
Turnbull Canyon Road (LA Sub.)	Road Underpass	Industry/LA County	\$84.8	38.9
Fairway Drive (LA Sub.)	Road Underpass	Industry/LA County	\$100.1	62.5
Puente Avenue (Alhambra Sub.)	Road Underpass or Overpass	Industry/LA County	\$82.8	31.5
Durfee Avenue (LA Sub.)	Road Underpass	Pico Rivera	\$64.5	34.0
<b>TOTAL (W/INFLATION)</b>			<b>\$697.5</b>	
<b>UNALLOCATED FUNDS AVAILABLE</b>			<b>\$423</b>	
<b>SHORTFALL</b>			<b>\$275</b>	

The Transportation Committee recommendation, which was consistent with the SGVCOG City Managers' Steering Committee recommendation, will be forwarded to the SGVCOG Governing Board for consideration at their meeting scheduled for March 15. Once a program scope is approved by the Governing Board, I will develop an implementation plan for consideration.

**CTC Presentation** – I am scheduled to give an ACE Project update presentation to the California Transportation Commission at their February 22 meeting held in Burbank. CTC commissioners and staff have been supportive of the ACE program, and we are appreciative of their support. My presentation will note that the three ACE grade separation projects which will commence construction this year will be substantially funded through the state Prop. 1B bond program, programmed and allocated by the CTC.

**Chief Engineer/Deputy CEO** – We began recruitment of a Chief Engineer/Deputy CEO in December and received very well qualified applicants. After several rounds of interviews, Mark Christoffels has accepted the position. Mark is currently the City Engineer for Long Beach and has extensive skills and talent which I am confident will serve the ACE program well as we move forward with Phase II. Mark was one of our original Senior Project Managers and has kept abreast in our progress. He is expected to start in his new position in early April.

**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. The following changes have occurred:

Consultant/Vendor	Reason for Change	Change Amount	Total Contract Value
J.L. Patterson & Associates, Inc.	Additional safety training courses to accommodate construction phase for upcoming projects	\$22,332	\$50,759
Moffatt & Nichol	Additional services required on San Gabriel Trench project	\$142,010	\$26,433,409

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

- Distributed construction alert notices in English, Spanish and Chinese regarding demolition and site-clearing activities for the Baldwin Avenue grade separation project;
- Organized tours of the San Gabriel archaeological excavation site for community groups, residents, and more than 1,000 students from area schools;
- Staffed an ACE Project information booth at the Owners' Night expo of the Construction Management Association of America, Southern California Chapter; and,
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Baldwin Avenue, and Nogales Street grade separation projects.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: February 27, 2012

SUBJECT: Approval of Contract Amendment for Design Services for the Nogales Street Grade Separation with AECOM Technical Services, Inc.

**RECOMMENDATION:** Staff recommends that the Board authorize the Chief Executive Officer to amend the contract with AECOM (formerly DMJM+Harris) to add \$372,702 for additional design revisions and support during construction of the Nogales Street (L.A. Subdivision) grade separation, for a new contract value of \$4,535,546.

**BACKGROUND:** The ACE Construction Authority assumed sponsorship of the Nogales project in 2008 from the County of Los Angeles. At that time the design of the project was substantially complete though its property acquisition activity had not begun.

At the July 2011 Board meeting, the Board approved Amendment No. 11 to authorize AECOM primarily to provide design support services during construction. That amendment was not executed since it became apparent that more design modifications would be necessary and the expected duration of construction would add to design support during construction.

The additional contract funding breaks down into four different components.

Changes necessary to accommodate Southern California Edison (SCE) requirements (20%) - A SCE substation located immediately adjacent to the railroad on Nogales St. loses its existing access and its distribution lines have to be relocated for the project. This has required intensive negotiation with SCE and significant revisions to the project design.

Changes to accommodate constructability and third party reviews (30%) - The design plans for the project we inherited had not been reviewed for constructability and had not been accepted by third parties whose approval we have to have (City of Industry, LA County, UP, Caltrans, PUC). Obtaining these sign offs, which we now have, has required numerous design changes.

Numerous miscellaneous design changes to accommodate property negotiations and support for anticipated eminent domain litigation (23%) - More than 40 individual property acquisitions are required for the project. In addition to the major revisions for

the SCE property mentioned above, smaller revisions were necessary to reach an agreement with many of the property owners. In addition, we now have eight acquisitions in eminent domain litigation which has required numerous exhibits and drawings to support our litigation efforts.

Additional allowance for design support during construction (27%) - As we have gotten closer to bidding the project we have reassessed the earlier estimated requirement for designer support during construction. Modifications to staging plans driven by the property negotiations mentioned above will lead to a longer project construction duration than previously assumed when budgeting for the designer's support during construction.

The history of this contract is as follows:

<b>Board Action</b>	<b>Authorization</b>	<b>Executed Amount</b>
Contract Award	\$1,894,834	\$1,882,218
Amendment No. 1	\$90,635	\$90,635
Amendment No. 2	\$350,000	\$260,164
Amendment No. 4	\$777,058	\$777,058
Amendment No. 5	\$79,000	\$68,703
Amendment No. 8	\$316,880	\$316,880
Amendment No. 9	\$218,694	\$331,443
Amendment No. 11	\$435,743	\$0
Revised Amendment No.11	\$372,702	\$808,445
Total	\$4,535,546	\$4,535,546

It should be noted that amendments not identified above were time extensions only and did not affect the value of the contract.

**BUDGET IMPACT:** Funds from these contracts are available from grant funds (Federal, State and MTA funds) and have been included in the adopted budget.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: February 27, 2012

SUBJECT: Approval of Contract Amendment for Design Services for the Baldwin Avenue Grade Separation with AECOM Technical Services, Inc.

**RECOMMENDATION:** Staff recommends that the Board authorize the Chief Executive Officer to amend the contract with AECOM (formerly DMJM+Harris) to add \$73,334 for design revisions and litigation support for the Baldwin Avenue grade separation, for a new contract value of \$3,524,003.

**BACKGROUND:** In August 2002, you approved a contract with DMJM+Harris to design the Baldwin Avenue grade separation in the City of El Monte. The current executed contract value is \$3,445,231.

The need for additional funds for design services is to address additional reviews by the project stakeholders, and to provide an allowance for litigation support.

Design revisions to accommodate third party reviews (80%) – Due to protracted delays in property acquisition for the Baldwin project, completed design plans have been dormant for the past two years. As we are now nearing bidding the construction we have been requested by project stakeholders to make revisions to the designs to comply with updated agency design standards. This is primarily in the area of drainage and rail shoofly design.

Allowance for litigation support (20%) – This allowance has been established should technical services be required of the designer in response to the ongoing litigation with MIPCO (preparing exhibits, appearances, etc.)

AECOM is the designer for the Baldwin Ave. project and needs to be available to perform the additional tasks. The estimated cost for additional design revisions and litigation allowance is \$78,772, a portion of which is available from previously unexpended contract authorization.

AECOM currently has a contract balance of approximately \$376,000, which was part of Amendment No. 8 authorization. This balance is for design services support during bidding and construction. Design support is required to respond to bidders' questions, assist in any addenda to the bid documents, attend construction meetings as needed,

perform field reviews, respond to contractor requests for information, review contractor submittals for conformance, review any non-conformance issues and provide final as-built drawings.

The history of this contract is as follows:

<b>Board Action</b>	<b>Authorization</b>	<b>Executed Amount</b>
Contract Award	\$2,300,000	\$2,265,669
Amendment No. 7	\$735,000	\$735,000
Amendment No. 8	\$415,669	\$444,562
This Amendment	\$73,334	\$78,772
Total	\$3,524,003	\$3,524,003

It should be noted that amendments one through six were time extensions only and did not affect the value of the contract.

**BUDGET IMPACT:** Funds from these contracts are available from grant funds (Federal, State and MTA funds) and have been included in the adopted budget.





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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: February 27, 2012

SUBJECT: Approval of Contract Amendment for General Counsel and Property Acquisition Legal Services with Burke, Williams & Sorensen LLP

**RECOMMENDATION:** Staff recommends that the Board authorize the Chief Executive Officer to amend the contract with Burke, Williams & Sorensen LLP (BWS) in an amount not-to-exceed \$190,000 for property acquisition legal services. This additional authorization would increase the total contract authorization to \$1,375,040.

**BACKGROUND:** At your May 11, 2009 meeting, you authorized contract award to BWS for general counsel under Task Order No. 1 and property acquisition legal services under Task Order No. 2. The task orders are reauthorized on an annual basis.

In addition to providing general counsel services, BWS represents ACE in certain of our eminent domain actions. BWS's Task Order No. 2 covers these eminent domain actions which include legal actions to obtain the MIPCO property rights needed for the Baldwin Ave. grade separation project. The MIPCO action has required a substantial amount of legal effort in the past few months in connection with three separate hearings on the MIPCO matter. BWS attorneys are now preparing for a valuation trial for the MIPCO property rights, which is scheduled for September, and there will likely be one or two related hearings before the trial. In addition, Burke continues to assist ACE staff in other, smaller eminent domain matters affecting other ACE projects.

Staff recommends an increase to the budget under Task Order No. 2 in the amount of \$190,000 to cover costs that will be incurred through the end of the current fiscal year. Additional costs that may be needed for BWS's efforts regarding MIPCO and other matters in the next fiscal year will be addressed when annual task order budgets for our ongoing support contractors are developed in the next few months for your action before the start of the 2013 fiscal year.

**BUDGET IMPACT:** Funds for this contract are available from Federal, State and MTA funds.



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**MEMO TO:** ACE Construction Authority Board Members and Alternates

**FROM:** Rick Richmond  
Chief Executive Officer

**DATE:** February 27, 2012

**SUBJECT:** Approval of Sunset Avenue Grade Separation Construction Contract  
Closeout and Project Acceptance

**RECOMMENDATION:** It is recommended that the Board:

1. Accept the Sunset Avenue grade separation construction contract with Atkinson Contractors as being completed in conformance with the project plans and specifications;
2. Approve the final closeout of the construction contract; and
3. Authorize the Contracts Manager to release the Labor and Materials Bond and the Faithful Performance Bond upon expiration of the required lien period, if no claims or objections have been filed, upon concurrence of the Chief Executive Officer.

**BACKGROUND:** At your August 28, 2006 Board meeting, you authorized a contract with Atkinson Contractors (Atkinson) for the Sunset Avenue grade separation project in the City of Industry, in the amount of \$41,938,421.50. Atkinson was given full notice to proceed November 4, 2006.

The Sunset Avenue grade separation was opened to traffic in November 2010. All work described in the project plans and specifications for this project was not completed until October 2011 due to UPRR mandated drainage modifications.

The project employed 1,169 local workers, 140 of which were San Gabriel Valley residents, or about 12% of the total.

There was a total of 69 subcontractors. Five contractors have offices in the San Gabriel Valley or about 7% of the total.

Per statutes and regulations in effect at the time of bid, there was no DBE utilization requirement. However, there was a 4% actual utilization attained through the course of construction.

ACE staff has accepted all construction work. The major components of the grade separation includes construction of two railroad bridges, retaining walls, drill track, ancillary roadways, curb/gutter, sidewalks, traffic signal installation and landscaping.

Operation and maintenance of the project has been transferred to participating agencies, as follows:

- City of Industry: streets, street lighting, bridge abutments, sidewalks, irrigation and landscaping;
- Los Angeles County Sanitation District: sewer lines;
- Los Angeles County Department of Public Works: streets, traffic signals, and storm drain;
- Union Pacific Railroad: flyover retaining walls, drill track, and railroad bridges;
- Various companies and agencies: water, gas, electrical and communications lines.

During the progress of the work, a number of significant cost issues arose. The Board has approved additional authorization in March 2008 and November 2009. Significant change orders resulted from:

- Delays due to Union Pacific Railroad shoofly installation and drill track acceptance;
- Increased cost for nine spur track connections to adjacent shippers/receivers;
- Cost increase due to enhanced sewer line protection;
- Change in Orange Avenue railroad crossing and Valley Blvd. intersection;
- Changes to the railroad flyover drainage design; and
- Unanticipated utility conflicts as a consequence of a design change at Sunset Ave.

The final construction contract amounts are as follows:

Original Contract Value:	\$41,938,422
Change Orders (28)	<u>\$12,384,637</u>
Final Contract Value:	\$54,323,059
Change order percentage	29.5%

Staff requests that the Board approve final contract closeout and accept the Sunset Avenue grade separation project as completed.

**BUDGET IMPACT:** None.



## Alameda Corridor-East Construction Authority

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

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: February 27, 2012

SUBJECT: Approval of the Declaration of Surplus Property from the Brea Canyon  
Grade Separation Project in the City of Diamond Bar  
APN: 8719-010-901, 902 (ACE Parcel 19E and 19A)  
614-646 Brea Canyon Road, Diamond Bar

**RECOMMENDATION:** Staff recommends that the Board declare two parcels located in the City of Diamond Bar acquired for the Brea Canyon grade separation as surplus property.

**BACKGROUND:** The ACE Construction Authority acquired the above-referenced properties as part of the Brea Canyon grade separation in 2007. The property consists of two county tax assessor parcels totaling approximately 116,590 gross square feet (2.68 acres) of both improved and vacant land zoned for Light Industrial use (M-1). The subject parcels are summarized as follows:

**Parcel 19A (Hartlieb):** Consists of 74,775 square feet of land (1.72 acres) improved with a 20,597 square foot industrial building, paved driveway and 54 on-site parking spaces. The building is subdivided into 8 individual units, of which 7 are currently occupied with tenants. The property is encumbered by a slope easement consisting of 6,782 square feet, for a total net usable area of 67,993 square feet (1.56 acres).

**Parcel 19E (Kennedy):** Consists of 41,815 square feet of land (.96 acres) improved with 14,850 square feet of parking area divided into 38 parking spaces. The property is encumbered by a slope easement consisting of 9,793 square feet and a 4,799 square foot access easement to provide ingress and egress to ACE Parcel 19A, for a total net usable area of 32,022 (.74 acres).

Together, the combined total net usable land area is approximately 99,103 square feet (2.28 acres).

Subsequent to the completion of the Brea Canyon grade separation in 2008, the office building has been rented and returns a modest monthly net income. Staff has held the property in hopes of an improvement in the real estate market, but it is now hard to predict when that might come and meanwhile the need for reinvestment in the building has increased. Therefore we recommend starting the process to dispose of the property. The subject parcels were appraised by ACE in January 2012 with an opinion of value of \$2,000,000 (Parcel 19A - \$1,500,000 / Parcel 19E - \$500,000).

In accordance with ACE Right-of-Way Guidelines and the Caltrans Right of Way manual, should the Board approve disposal of these parcels, they will be made available to governmental and public agencies for specified uses at fair market value first, then offered for sale to the general public.

# ACE Parcels 19A & 19E

