



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, March 27, 2017 – 1:00 P.M. San Gabriel City Hall 425 S. Mission Drive San Gabriel, CA 91776

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. Pledge of Allegiance
- II. Roll Call and Introductions
- III. Public Comment
- IV. Approval of Regular Meeting Minutes of February 27, (Pages 1 – 4) Action
2017
- V. Chairman’s Remarks
- VI. Board Member Comments
- VII. Chief Executive Officer’s Report (Pages 5 – 6) Information
- VIII. Project Construction Progress Reports 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. 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 Closeout of Construction Contract with Griffith Company and Acceptance of Nogales Street Grade Separation Project as Complete (Pages 7 – 8) Action
- X. Presentation of ACE Procedures for Procurement of Construction Contracts Receive and File
- XI. Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54956 to discuss pending litigation (one case):
- LA Superior Court Case No. BC 608839 Possible Action
- Alameda Corridor-East Construction Authority v The Heirs and Devisees of Bernardo S. Sanchez, Deceased, Trustee of the Sanchez Family Trust Dated July 27, 2000, and All Persons Claiming By, Through or Under Said Decedent; et al.
- RE: 301 E. Main Street, San Gabriel, CA 91776
- XII. Adjournment Action



If you would like to receive the ACE Board agenda electronically, please email Amy Hanson at ahanson@theaceproject.org



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ACE Construction Authority Board of Directors Meeting February 27, 2017 Minutes

Chairperson Costanzo called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 1:00PM at the San Gabriel City Hall Council Chambers.

1. **Pledge of Alliance** –Member Hadjinian led the pledge of allegiance.
2. **Roll Call:** Chairperson Costanzo welcomed the Board to San Gabriel.

In attendance was:

Juli Costanzo, San Gabriel, Chair
Victoria Martinez, El Monte, Vice Chair
Hilda Solis, LA Board of Supervisors
Jack Hadjinian, Montebello
Barbara Messina, SGVCOG
Tim Sandoval, Pomona

Staff:

Mark Christoffels, CEO
Gregory Murphy, Burke, Williams & Sorensen, legal counsel
Deanna Stanley
Amy Hanson
Alcira Godoy
Charles Tsang
Genichi Kanow
Nathan Bocanegra
Paul Hubler
Phil Balmeo
Rachel Korkos
Ricky Choi
Victoria Butler

Guests:

Glenn Sutor, Harris & Associates
Charlie Nakamoto, Jacobs
Keith Gillfillin, Moffatt Nichol
Ron Butler Moffatt Nichol
Bret Fritziner, Guy F Atkinson
Hank Fung, LA County
John Burton, LA County

3. **Public Comments** – There were no public comments
4. **Approval of January 23, 2017 Board meeting minutes** – A motion was made to approve the January 23, 2017 Board of Director meeting minutes.
M/S/C/Solis/Hadjinian

5. **Chairman Remarks** – Chairperson Costanzo thanked staff for their efforts toward arranging meetings with legislative representatives in Washington DC.
6. **Board Member Comments** – Member Hadjinian indicated he was happy to be in San Gabriel.
7. **Chief Executive Officer’s Report** – Mr. Christoffels reported that the San Gabriel Valley Council of Governments Governing Board unanimously voted to conceptually retain ACE and directed the Ad Hoc Committee to work with both staffs to develop a detailed report for implementation of the combined agencies by June or July. He indicated ACE staff would continue to work on the completion of the projects in the ACE Program.

Member Solis asked if ACE envisioned labor agreements. Mr. Christoffels replied without specific projects identified and without Measure M guidelines released, he was unable to provide a definitive answer to the question. Member Solis requested a report back within 90 days.

8. **Receive and File Fiscal Year 2016 Audited Financial Statements** – Roger Martinez, Engagement Partner of Vasquez and Company reviewed in depth the financial audit procedures. He explained the process, risk based and control driven, was conducted within audit standards to assure financial responsibility. He indicated staff was timely in responsiveness which is always a good sign during an audit. He reported that Vasquez has determined for fiscal year 2016 ACE maintained effective internal controls and accomplished a timely and effective year end closing and financial reporting process. He indicated there was a prior audit of a storage facility which required follow-up.

A motion was made to receive and file the Fiscal Year 2016 audited financial statements.

M/S/C/Hadjinian/Martinez/Unanimous

9. **Approval of Closeout of Construction Contract with Griffith Company and Acceptance of Nogales Street Grade Separation** – Chairperson Costanzo indicated this item was being pulled at the request of staff.
10. **Approval of Task Order for Paragon Partners for Durfee Avenue Grade Separation**– Mark Christoffels reminded the Board that property acquisition services is provided through a contractor with tasks approved in the annual budget. He reminded the Board that Paragon Partners provided right of way services for the Durfee Avenue grade separation project which required either full or partial acquisitions of 23 parcels. He indicated several property owners have obtained legal counsel which has resulted in more extensive effort than originally planned and budgeted for. He indicated negotiations remain to be

complete on 10 parcels and an additional \$317,798 is required to carry the work through the remainder of the fiscal year.

A motion was made to authorize the Chief Executive Officer to increase the FY 2017 Annual Task Order with Paragon Partners Ltd. (Paragon) in an amount not-to-exceed \$317,798 for right-of-way services for a total FY 2017 task order authorization of \$1,853,001.

M/S/C/Solis/Sandoval/Approved Abstain: Solis

11. **Approval Advance Acquisition of 418 S. Maple Avenue, Montebello, CA** – Mr. Christoffels indicated the subject property has been identified as a property required for the Montebello project has come on the market. He indicated it is reasonable to acquire the property now before the property could potentially be sold to another buyer and potentially be subject to a new owner marketing it at a greater asking price knowing the property was required for the project. He indicated the property was identified for potential use for construction of a pedestrian overcrossing. He indicated the property would be purchased in accordance with a fair market appraisal.

A motion was made to approve the advance acquisition of 418 S. Maple Avenue, Montebello.

M/S/C/Martinez/Hadjinian/Unanimous


15. **Approval of Employee Voluntary Leave Transfer Program** – Mr. Christoffels indicated like many other agencies, staff was interested in having a voluntary leave donation to assist co-workers who unexpectedly have medical situations that cause absences beyond their accumulated sick leave balance. He indicated the donor would be required to maintain 80 hours of sick leave and the program would be strictly voluntary. Mr. Christoffels requested the board consider the program become effective retroactively to February 1st and if approved would be incorporated into the employee policy manual. The Chairperson expressed admiration for the willingness of staff to help co-workers.

A motion was made to approve the Employee Voluntary Leave Transfer program effective February 1st, 2017.

M/S/C/Solis/Hadjinian/Unanimous

18. **Closed Session** – Legal Counsel indicated the Board would adjourn to closed session in accordance with Government Code Section 549869 to discuss existing litigation Los Angeles Superior Court Case No BC539533 ACE vs. Leone Mooradian, et al. The Board returned to open session and legal counsel announced there were no reportable actions taken.

17. **Adjournment** – Chairperson Costanzo reminded the Board that the next regular meeting would be held March 27, 2017. The meeting was adjourned at 1:55PM.

X 

Deanna Stanley
Clerk of the Board



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: March 27, 2017

SUBJECT: CEO Report

The following are items of note since the last meeting:

Durfee Project Funding – The California Transportation Commission at their meeting on March 15-16 will consider ACE’s request to include the Durfee Avenue project in the Trade Corridors Improvement Fund (TCIF) program and to program \$2.62 million of TCIF funds for project construction. I will provide an oral update at your meeting.

Washington, DC Meetings – I will provide an oral update at your meeting regarding our meetings with legislators and Administration officials in Washington, DC scheduled for March 14-15.

Project Labor Agreements – Staff is following up on Board Member Solis request to explore the possibility of ACE incorporating the use of Project Labor Agreements on future projects. Sample PLA agreements have been obtained from Metro, Los Angeles, Long Beach and the Ports. Staff is arranging meeting with union representatives and discussing with Caltrans possible funding constraints related to the use of PLA’s.

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. Since my last report, I have approved the following:

Consultant/Vendor	Reason for Change	Change Amount	Total Contract Value
Griffith & Company	Nogales Street Grade Separation project: Change Order No. 10 – Project Settlement; Contract Items and Change Order Reconciliation	\$1,529,286	\$50,819,501
Griffith & Company	Nogales Street Grade Separation project: Change Order No. 11 – Binding Arbitration	\$524,745	\$51,344,246

SWCA Environmental Consultants	Extend contract term through November 30, 2017	\$0.00	\$7,818,062
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Community Outreach Update – Staff conducted the following project outreach activities:

- Distributed construction alert notices regarding repaving work on San Gabriel Boulevard and Agostino Road for the San Gabriel Trench project;
- Distributed construction alert notices regarding a traffic shift on Valley Boulevard for the Puente Avenue project;
- Distributed construction alert notices regarding mass excavation and shoring installation for the Lemon Avenue freeway ramps project; and
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Puente Avenue, Fairway Drive and Fullerton Road grade separation projects.



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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Mark Christoffels
Chief Executive Officer

DATE: March 27, 2017

SUBJECT: Approval of Closeout of Construction Contract with Griffith Company and Acceptance of the Nogales Street (L. A. Sub.) Grade Separation Project as Substantially Complete

RECOMMENDATION: It is recommended that the Board:

1. Accept the Nogales Street (L. A. Sub.) grade separation construction contract with Griffith Company (Griffith) as being substantially completed in conformance with the project plans and specifications, and authorize the Chief Executive Officer to close out the construction contract upon receipt of project and financial documentation from the contractor.
2. Approve retention payment to Griffith Company, upon completion of the statutory period identified in the California Civil Code, if no claims or objections have been filed, and upon concurrence of the Chief Executive Officer; 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 the December 2012 Board meeting, the Board authorized a contract with Griffith Company for the construction of the Nogales Street (L.A. Sub.) grade separation project in the City of Industry, in the amount of \$47,365,888.00. Griffith was given full notice to proceed on May 13, 2013.

The Nogales Street (L.A. Sub.) grade separation was opened to traffic on June 17, 2016. All work described in the project plans and specifications for this project was completed in January of 2017, after the demolition of the Charlie Road Detour and restoration of Railroad Street, and completion of all final testing for the pump station.

The project employed 848 local workers, 88 of which were San Gabriel Valley residents, or about 10% of the total.

There was a total of 59 subcontractors. Four contractors have offices in the San Gabriel Valley or about 7% of the total.

Griffith met the Disadvantaged Business Enterprise (DBE) Program goal established under this contract:

DBE Contract Goal: 11%
Griffith's DBE Goal Attainment: 11%

ACE staff and the City of Industry as well as Los Angeles County Department of Public Works have accepted all construction work. The major components of the grade separation includes construction of a double track railroad, retaining walls, widening of Walnut Drive and Gale Avenue, curb/gutter, sidewalks, new traffic signal installation and landscaping, and reconfiguration of the Ranch 99 Market parking lot and access road.

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

- City of Industry: streets, street lighting, sidewalks, irrigation, landscaping and sewer lines
- Los Angeles County Sanitation District: sewer line
- Los Angeles County Department of Public Works: storm drain, bridge abutments
- Union Pacific Railroad: mainline track and railroad bridge
- Various companies and agencies: water, gas, electrical and communications lines

This project was completed within the contingency authority provided to the Chief Executive Officer by ACE's Administrative code. At the time of preparation of this report, the final estimated construction contract amounts are as follows:

Original Contract Value	\$47,365,888.00
Change Orders (1-12)	\$4,128,357.63
Final Contract Value	\$51,494,245.63
Change Order Percentage	8.72%

Staff requests that the Board approve final contract closeout and accept the Nogales Street (L.A. Sub.) grade separation project as completed.

BUDGET IMPACT: The project was completed within the approved budget.