

SUMMARY MINUTES
DULLES CORRIDOR COMMITTEE
MEETING OF FEBRUARY 18, 2015

Mr. Kennedy called the February 18 Dulles Corridor Committee Meeting to order at 9:00 a.m. A quorum was present during the Meeting: Mr. Caputo, Ms. Hanley, Mr. McDermott, Mr. Mims, Mr. Williams and Mr. Conner, *ex officio*. Mr. Chapman, Mr. Curto, Ms. Merrick, Mr. Session and Ms. Wells were also present.

Recommendation to Award a Sole Source Contract for Equipment for the Washington Metropolitan Area Transit Authority Automatic Train Control Training Facility. Ginger Evans, Vice President for Engineering, reported that staff had presented its recommendation to the Dulles Corridor Committee in November 2014, and the Board of Directors had approved the sole source contract award to Alstom Signaling in December 2014. She explained that staff had used a preliminary rough order of magnitude (ROM) prepared in March 2014 to support its estimate. Additionally, staff's estimate of the detailed scope and the contractor's estimate had been received after the recommendation had been submitted to management for review. Ms. Evans further explained that because the independent cost estimates (ICE) and contractor's price proposals are managed separately until negotiations began, she was unsure exactly when they had been received but unfortunately it had occurred during the time that staff was performing its review process for the Board recommendation. Once staff had received the detailed specification, it had completed the ICE and accepted the proposal, which was within a reasonable percentage of the contractor's proposal. Staff had then negotiated the final price of \$3,339,231, which had been approved by the contracting officer.

Ms. Wells inquired whether there had been a dramatic change in the scope which had led to an increase from the initial estimate of \$2.5 million to \$3.3 million. Ms. Evans responded that the internal ROM had not been based on a scope but rather a request from the Washington Metropolitan Area Transit Authority (WMATA) received in March 2014. The scope had been developed later in the process.

Ms. Wells inquired whether the \$2.5 million presented in December 2014 had been associated with an estimate and not a fixed scope of services, to which Ms. Evans responded affirmatively. She stated that the pricing information had been received during the time period that staff had provided its preliminary information to management for review and inclusion in the monthly materials for the Board and Committee

meetings. Although, staff had a firm scope of services and price estimate at the time of the November 2014 Committee Meeting, it had failed to update the information.

Ms. Wells asked about the process for ascertaining the competitiveness and the fairness of additional costs. Ms. Evans responded that the ICE is submitted separately based on the scope of services prior to receiving the contractor's proposal. She noted that this process is followed to ensure that the ICE is truly independent and can be fairly used to evaluate the contractor's final proposal.

Ms. Hanley stated that the Authority had been placed in a position where it appeared that the cost of the services to be provided by Alstom had increased once the Board had approved the contract award. In the future, it would be important to ensure that staff relied on the ICE. Ms. Evans reported that staff had developed a process to conduct a secondary review meeting the day prior to distributing materials for monthly Board and Committee meetings to ensure current information is included.

The Committee unanimously approved the staff recommendation. Mr. Kennedy stated that he would offer a resolution later that day at the Board Meeting.

Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phases 1 and 2 as of December 31, 2014. Ms. Evans reported that December 2014 expenditures for Phase 1 totaled \$11.6 million. As of December 31, 2014, Project expenditures totaled \$2.735 billion for Phase 1. The forecast for completion for the Phase 1 Project remained at \$2.905 billion. Ms. Evans reported that contingency utilized in December 2014 totaled \$2.4 million; \$10.4 million remained. She reviewed how the contingency funds had been used in December 2014, as well as the status of Phase 1 activities, which had been much the same as the prior month.

Mr. McDermott inquired about the timing of when staff expected to present the final Monthly Cost and Schedule Update for Phase 1. Ms. Evans responded that staff would likely continue to report on a very small number of items through the first quarter of 2016. She reported that the number of staff dedicated to Phase 1 would continue to decrease noting that approximately five employees were presently working on Phase 1. Ms. Evans stated that staff is also reviewing all the bills from other agencies to ensure that they are also decreasing Phase 1 staff

rapidly as possible. She predicted that approximately six months of intense work remained for Phase 1.

Ms. Hanley referenced the Virginia Department of Transportation (VDOT) items included amongst the status of Phase 1 activities and inquired about them. Ms. Evans stated that she did not want to characterize the items as insignificant, but noted that they were small. Ms. Hanley requested that staff provide her a complete list of the VDOT items and inquired about WMATA's Cooperative Agreement Amendment No. 5. Ms. Evans promised to provide a list of outstanding VDOT items, information on the permit closure process and the WMATA Cooperative Agreement.

Ms. Evans reported that \$38.7 million had been spent in December 2014 for Phase 2. She also reported that the total budget and forecast completion totaled \$2.778 billion. Ms. Evans noted that the amount of contingency utilized in December 2014 totaled \$3.7 million, and she reviewed the items where these funds had been used. Ms. Evans reported that \$535.5 million remained for contingency utilization in Phase 2.

Hensel Phelps Quarterly Update on Phase 2 – Package B Washington Metropolitan Area Transit Authority Rail Yard and Maintenance Facility. Will Thompson of Hensel Phelps reported that it had completed approximately \$129 million of work for the Authority at Dulles International, including the Midfield Concourse, the Ramp Control Tower, the Pedestrian Walk-Back Tunnel and the Regional Midfield Concourse. Hensel Phelps had also served as the general contractor for all the phases of the Udvar Hazy Air and Space Museum at Dulles.

Mr. Thompson reported that WMATA had also awarded Hensel Phelps three contracts during the last 12 years involving six facilities with regard to Metrorail.

Since Hensel Phelps is a design-build contractor, Mr. Thompson stated that it is responsible for all of the work associated with the Phase 2 - Package B WMATA Rail Yard and Maintenance Facility. He reviewed Hensel Phelps' team members, including SYSTRA, Giuliani Associates, Inc., Timmons Group, Langan Engineering & Environmental Services, Cardo Haynes Whaley and EPCM Inc., a Disadvantaged Business Enterprise (DBE). In addition to its primary designers, Hensel Phelps also used the services provided by M.C. Dean, Inc. and Shapiro & Duncan Mechanical Contractors.

Mr. Thompson reported that the awarded contract's value is \$252,989,000. The Notice to Proceed had been issued August 18, 2014, and the project, located on the north side of Dulles International (off of Old Ox Road), is scheduled to be completed mid-October of 2018.

Mr. Thompson also reported that Hensel Phelps is one of the nation's safest contractors, with its Experience Modification Rate nearly twice as good compared to the industry average. To date, staff, inclusive of the design management team and those managing the process, had worked approximately 35,000 man hours. Mr. Thompson noted that Hensel Phelps would employ tradesmen later this summer.

Mr. Thompson reviewed the process for the current design status, including four integrated permit packages that had to be submitted to allow Hensel Phelps to complete its work. He reported that approximately 140 employees had been working on the project for the last six months.

With regard to the schedule, Mr. Thompson reported that substantial completion would be achieved in August 2018 with the final completion scheduled in October 2018. He noted that Hensel Phelps is tracking well thus far with its design process, which is approximately 40 percent completed. Mr. Thompson reviewed the schedule according to five disciplines and their duration for completion – Engineering & Design (16 months); Procurement (26 months); Construction (29 months); Commissioning (33 months); and Systems Safety & Operational Readiness Testing (8 months). He noted that Hensel Phelps would have four critical milestone interfaces with the Package A contractor, Capital Rail Constructors. These interfaces are November 2016 - allow Hensel Phelps to tie into the power switch with Virginia Power; February 2017 - tie in the fiber optic cabling for signaling to ensure that the yard is communicating to the revenue line from the maintenance-of-way building into Route 606 Station; March 2017 - connect to Capital Rail Constructors rail yard; and November 2017 - test train signal to ensure connectivity from a safety standpoint. While the milestones are fairly aggressive, Mr. Thompson stated that he believed it would give Hensel Phelps the opportunity to turn the project over successfully.

Mr. Thompson reported that the current workforce consisted of approximately 140 employees, most of which are design professionals with unique expertise in certain trades. He stated that once the design phase had been completed, and Hensel Phelps began hiring tradesmen, the diversity would increase dramatically. Mr. Thompson noted that Hensel Phelps has a reputation for having a very diverse workforce and

providing opportunities to people in the communities in which they live and work. He provided information about where employees resided -- approximately 55 percent in Virginia; 18 percent in Maryland; 1 percent in the District; 4 percent in Pennsylvania; and 22 percent in other states. Mr. Thompson noted that people from as far away as California who had unique design expertise are working on the project.

Mr. Thompson reported that while Hensel Phelps had a DBE contract goal of 14 percent, its planned DBE participation is a minimum of 15.1 percent. Presently, Hensel Phelps had either awarded a formal contract or had completed negotiations for 12.3 percent of its subcontracted dollars to DBEs with approximately \$69 million contracting dollars remaining. While approximately 70 percent of the contracts associated with the project had already been awarded, Mr. Thompson stated that a large amount of opportunities remained. Additionally, Hensel Phelps had a self-performance requirement to perform 25 percent of the work associated with the project.

Mr. Thompson reported that Hensel Phelps had attended four general outreach events, three of which had been held in the District and one in Fairfax, to provide information about the project, as well as contracting opportunities with subcontractors. Four more outreach efforts had been scheduled in Herndon near the job site location.

Mr. Thompson reported that the Dulles Corridor Metrorail project is linked to Phelps' corporate website so people could find out about contracting and employment opportunities by accessing the website – http://henselphelps.com/dulles_corridor_metrorail_project. He noted that the website also provided an opportunity for people to inform Hensel Phelps of any issues or complaints.

Ms. Merrick stated that she had appreciated the fascinating report and suggested that the Board take a tour of the project sometime during the third quarter. Ms. Evans agreed to work with staff to schedule a future tour.

Ms. Hanley requested an opportunity to review the plans for Phase 2 with staff. Ms. Evans stated that she and staff would determine options to offer to Ms. Hanley.

Mr. Mims requested additional details regarding the entities that would comprise the DBE participation goals, as well as the North American Industry Classification System code associated with the services that would be provided. He also requested additional information with regard

to the services provided by the architectural/engineering firms compared to the actual construction performed by the tradesmen. Ms., Evans promised to provide the requested information. Mr. Thompson noted that contractors had not yet been identified for most of the specialized trades that would be needed.

Mr. Session stated that he was familiar with Hensel Phelps' work in the District of Columbia. With regard to outreach, Mr. Session inquired whether Hensel Phelps would be amenable to hosting at least one future outreach session in the District of Columbia, to which Mr. Thompson agreed.

Mr. Session also inquired whether Hensel Phelps would be amenable to work with some of the minority trade associations, such as the Conference of Minority Transportation Officials, in an effort to identify DBEs. Mr. Thompson stated that Hensel Phelps is a member of several minority trade associations but that it would be open to investigating others, at which time Mr. Session inquired about the point of contact. Mr. Thompson responded that while he could always be contacted, Brad Lewis is the diversity manager for this particular project.

Ms. Merrick reminded the Board that it had been advised to follow a different process in regard to contacting contractors. Mr. Potter stated that historically, direct contact between Directors and a number of contractors and other entities had occurred. A decision had been made whereby if a Director made a recommendation or request, it would come through Mr. Potter to maintain a coordinated effort. Therefore, any information that Directors wished to provide to Hensel Phelps (and other contractors) should be provided to management for distribution. Ms. Merrick inquired whether the issue had been a part of the Inspector General (IG) recommendation, to which Mr. Potter stated that it had been amongst ways the Authority had decided to deal with issues that had been identified in the IG recommendations.

Ms. Merrick stated that it is very important that the Board respect the correct protocol. She noted that it was also important for contractors to be aware of the protocol so that everyone involved could follow it accordingly.

The Meeting was thereupon adjourned at 9:41 a.m.