



Board Report

File #: 2017-0924, **File Type:** Motion / Motion Response

Agenda Number: 31.1.

**REGULAR BOARD MEETING
JANUARY 25, 2018**

Motion by:

GARCETTI, BUTTS, AND DUPONT-WALKER

Board Delegated Authority

In January 2017, the MTA Board approved a one-year pilot to delegate the CEO the authority to execute project agreements up to the Life-of-Project (LOP) budget for the Crenshaw/LAX, Regional Connector, and Purple Line Extension Section 1 & 2 projects.

The one-year contract authority pilot program appears to be effective, and MTA states that the pilot has generated an estimated of over \$20 million in cost savings.

The pilot program allows quick decision-making to avoid potential delays, allows for DBE's to receive adequate compensation, and avoids delays in payments.

An additional benefit also includes the lowering of cost risk factors when interested bidders submit their proposals.

Currently, MTA Chief Program Management Officer provides a monthly project status update at MTA Construction Committee that includes a Change Activity list for each capital transit project.

Each change consists of one line item with a brief description and cost.

Additional details on the justification for each change are required to enhance transparency, Los Angeles County voters expect every tax dollar is accounted for in a transparent manner.

With the flexibility of executing project agreements up to the Life-of-Project (LOP) budget, it should also come with greater responsibilities in accountability.

SUBJECT: MOTION BY GARCETTI, BUTTS, AND DUPONT-WALKER

Board Delegated Authority

WE THEREFORE MOVE that the Board direct the CEO to:

A. Include the following information in the form of quarterly report to the Board:

1. Provide a detailed description and explanation of each change order above \$500,000 issued and executed;
 2. Provide details of the timeline for each change order and/or claim that is submitted and approved. Including the date of contractor submission and MTA execution;
 3. Include the contract modification and/or change order amount that was submitted and what was approved by MTA staff and/or the CEO; and
 4. Issue the first quarterly report to the Board by April 2018.
- B. Include the following pre-conditions to ensure accountability:
- All MTA transit and regional rail capital projects program-wide must establish a Life of Project budget at the beginning of the project in order to be eligible for inclusion in this policy.

WE FURTHER MOVE that the Inspector General:

- C. Perform periodical random spot-check audits of these projects to ensure to the Board that the system and policy are performing in the manner described in the recommendation.