

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 99928	Resolution: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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**PURPOSE**

To obtain approval of the WMATA Board for (i) the settlement of the claim under Contract No. 1G0042 - Line, Trackwork and Systems from the contractor Lane, Granite, Slattery-Skanska Joint Venture (LGS) in the amount of \$9,500,000.00 to resolve all outstanding contract issues and closeout the contract in the amount of \$234,581,247.40 and (ii) the increase of the Largo Extension project budget by \$9,500,000.00 from \$459,458,604.00 to \$468,958,604.00.

**DESCRIPTION**

On February 21, 2002, the WMATA Board approved the award of Contract 1G0042 - Line, Trackwork and Systems to Lane, Granite, Slattery-Skanska Joint Venture (LGS) in the amount of \$217,755,000.00. Work under this contract included the preparation of the final design documents, construction and installation of box structures, aerial structures, trackwork, tail tracks, traction power and automatic train control systems for a 3.1 mile long section. This work was done in conjunction with the construction of two new stations (Largo Town Center and Morgan Boulevard) which was awarded under a separate contract as part of the Blue Line Extension.

To date, all design, construction and installation have been completed. The extension was placed in operation on December 18, 2004. This action will allow the issuance of a final modification to compensate the contractor for completed work on the basis of the negotiated settlement.

During the implementation of the contract, the region experienced terrible weather, including excessive rain, a hurricane, and record cold and snowfall. LGS did not submit a claim or a request for an extension of time until the end of the project. On November 30, 2004, LGS submitted a claim for constructive acceleration in the amount of \$29,880,323.00 alleging that they accelerated to meet the opening date of December 18, 2004. The claim is pending before the Armed Services Board of Contract Appeals. WMATA retained outside counsel to litigate the claim. Under the reimbursable agreement with the State of Maryland, MDOT funded the litigation. After extensive

discovery, the parties engaged in mediation with MDOT agreed to pay \$9,500,000.00 to settle the claim and resolve all outstanding contract issues.

## **FUNDING IMPACT**

Budget: Reimbursable Projects  
Line: Largo Metrorail Extension and Parking  
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### Budget Information:

Current Budget Amount	\$459,458,604.00
This Action	9,500,000.00
Revised Budget	\$468,958,604.00
Prior Obligations	458,087,920.00
Subtotal	<u>467,587,920.00</u>
Remaining Budget	\$ 1,370,684.00 *

\* Remaining Budget will be used to fund the litigation expenses and anticipated real estate and insurance costs.

## **RECOMMENDATION**

That the WMATA Board approves (i) the settlement of the claim under Contract No. 1G0042 in the amount of \$9,500,000.00 to resolve all outstanding contract issues and closeout the contract in the amount of \$234,581,247.40 and (ii) the increase of the Largo Extension project budget by \$9,500,000.00 from \$459,458,604.00 to \$468,958,604.00.

PRESENTED & ADOPTED:

SUBJECT: LARGO CLOSEOUT AND SETTLEMENT

PROPOSED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Washington Metropolitan Area Transit Authority (WMATA) awarded Contract No. 1G0042 to Lane, Granite, Slattery-Skanska Joint Venture (LGS) for line, track work and systems on the Largo Metrorail extension project; and

WHEREAS, LGS asserted a claim for constructive acceleration in the approximate amount of \$29 million; and

WHEREAS, The claim for constructive acceleration is pending before the Armed Services Board of Contract Appeals; and

WHEREAS, All work has been completed and the Largo Metrorail extension began revenue service on December 18, 2004; and

WHEREAS, WMATA and LGS reached a settlement of the claim; and

WHEREAS, The State of Maryland has agreed to fund the claim pursuant to the First Amendment to the Funding Agreement funding the Largo Extension; now, therefore be it

*RESOLVED*, That the Board of Directors approves amending and increasing the Largo Extension Project budget by \$9,500,000, from \$459,458,604 to \$468,958,604; and be it further

*RESOLVED*, That the Largo Extension Project Budget may be increased up to an additional \$500,000 to cover the remaining unbilled legal fees; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

  
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Carol B. O'Keeffe  
General Counsel