



**Massachusetts Bay
Transportation Authority**

GLX Settlement Agreement with GLXC

MBTA Board of Directors

February 25, 2025

John Martin

Project Background

2017

- MBTA entered into a design-build construction contract with GLX Constructors (GLXC) for the Green Line Extension (GLX) Project with a contract price of \$1,017,146,425.

2022 Disputes

- Revenue service begins while project was ongoing.
- GLXC asserts delay/interference/disruption claim resulting from the introduction of revenue service.
- Narrow-gauge defect discovered.
- MBTA stops processing payments to GLXC

2023

- Mediation begins



Settlement Amount

- \$47,737,217: Maximum value of GLXC's delay/interference/disruption claims.
- (\$20,813,095): Credits to the MBTA on open change orders.
- \$4,563,333: Miscellaneous proposed change orders.
- (\$454,823): Credit for spare parts not delivered.

TOTAL: \$30,967,368 (*Rounded to \$31,000,000*)



Settlement Take Aways

- The MBTA pays nothing for GLXC's correction of the narrow-gauge defect (and the MBTA took a credit for bus diversion during correction).
- The \$31,000,000 is well within the Project budget.
- The MBTA has not made a payment to GLXC since October of 2022 (the MBTA released some retainage in January of 2025).
- The MBTA did not waive any future claims or release GLXC.
- GLXC releases MBTA from all claims through Effective Date of the Settlement Agreement
- The Extended Completed Operations insurance coverage policy is in effect for 6 years (\$25 million umbrella coverage).
- Substantial Completion 5/1/2025; Final Completion 6/1/2025.
- On 7/1/2025, MBTA has option of ordering GLXC to cease work and retain any amounts outstanding.



Proposed Vote

- **VOTED:** That the General Manager be, and hereby is, authorized to execute in the name of and on behalf of the Authority the Settlement Agreement between with GLXC dated February 25, 2025 by and between the Massachusetts Bay Transportation Authority and GLX Constructors, Fluor Enterprises, Inc., The Middlesex Corporation, Herzog Contracting Corp., and Balfour Beatty Infrastructure, Inc. relative to the Green Line Extension Design Build Project.

