

**Board Report**

File #: 2021-0499, **File Type:** Contract

Agenda Number: 22.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
SEPTEMBER 16, 2021**

SUBJECT: P3010 LIGHT RAIL VEHICLE PROCUREMENT CONSULTING SERVICES

ACTION: AUTHORIZE CEO TO INCREASE THE CHANGE MODIFICATION AUTHORITY AND INCREASE THE CONTRACT VALUE AND CHANGE PERIOD OF PERFORMANCE FOR CONTRACT (OP39602795A)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. INCREASE the Contract Modification Authority (CMA) from 10% to 15% of the total contract value through Contract Modification 32 to \$3,720,176 for Contract No. OP39602795A with LTK Engineering Services for Technical Support Services for P3010 Light Rail Vehicle Acquisition; and
- B. EXECUTE Modification No. 32 to Contract No. OP39602795A with LTK Engineering Services for Technical Support Services for P3010 Light Rail Vehicle Acquisition, to extend the Period of Performance until 2023 and increase the Not-to-Exceed Total Contract Price by \$1,513,854, from \$23,287,320 to \$24,801,174.

ISSUE

In March 2012, the Board approved a 5-year contract with LTK (OP39602795A) to support Metro's Project Manager in the technical and engineering oversight of the manufacture of the P3010 Light Rail Vehicle (LRV) by Kinkisharyo International, LLC (KI). Subsequently, in January 2017, the Board approved the award of the three 1-year options to support the additional four LRV Options for the P3010 LRV Project (CP 206035) for an additional 157 vehicles, for a combined total of 235 vehicles with anticipation of final deliveries in the latter half of 2020.

Due to unforeseen circumstances, including a global pandemic, unanticipated delays have pushed final acceptance of all 235 rail vehicles to mid-2023. To ensure continuity of consultant support for the P3010 LRV project, it is recommended that Metro extend the existing P3010 consultant contracts.

BACKGROUND

March 15, 2012, the Board approved two contracts to be awarded in response to RFP No.

OP39602795, *Consulting Services for Light Rail Vehicle Acquisition, Technical and Program Management Support*, one to provide technical and one to provide program management support to Metro staff engaged in the management of the P3010 contract for the acquisition & on-time time delivery of a base order of 78 light rail vehicles (LRV) and up to four option orders totaling 235 LRVs for future line extensions and replacement of the aging Metro Blue Line fleet.

(LTK) Consultant for Light Rail Vehicle Acquisition, Technical Support Services

The objective is to support Metro's Project Manager with the engineering and technical oversight of the rail vehicle contractor to ensure performance consistent with the delivery requirements of the P3010 LRV procurement. The consultant provides staff support in the following disciplines:

- Systems Engineering
- Systems Integration
- Quality Assurance
- Design Conformance Tests
- Inspection/Audit of Fabrication and Assembly Site Activities

Actual work is as needed and directed by Metro through written task orders to the consultant contracts, using not to exceed prices based on the fixed labor rates in the contract. The consultants' staff is managed daily by Metro's P3010 LRV Project Manager.

DISCUSSION

Approval of Recommendation A increases the Contract Modification Authority to the LTK Contract, which will allow for continued technical support of the P3010 LRV project. Metro staff requires this project support to navigate the remaining technical issues and delays to achieve the final delivery and acceptance of the P3010 LRVs in June of 2023.

Approval of Recommendation B extends the engagement with LTK for the seamless provision of the technical consultant services in support of the P3010 LRV acquisition project.

DETERMINATION OF SAFETY IMPACT

The approval to transfer funds between the contracts and increase the CMA for the Technical Support and Program Management Support Services will ensure the LRV Procurement Project's continuity and maintain overall system safety, service quality, system reliability, and customer satisfaction.

FINANCIAL IMPACT

Funding for P3010 consultant support services has been allocated, and initial LOP budget of \$30,000,000 for Consulting Services for Light Rail Vehicle Procurement was approved by the Board in 2012 and extended in 2017. Funds required in fiscal year 2022 are included in Cost Center 3043, Capital Project (CP) 206036. Since this is a multi-year project, the Chief Operating Officer and the Project Manager have been responsible for budgeting. Within CP 206036, there are two consultant supporting services specified: Technical Support and Program Management Support Services.

Increasing the funds and extending the consultant support services for Contract No. OP39602795A will not impact the Board-approved LOP of \$30,000,000.

Impact to Budget

Funding for these services includes Proposition A 35% Rail. This funding source is eligible for Rail Operations and Capital Projects and will maximize fund use based on funding allocation provisions.

EQUITY PLATFORM

This is an existing professional support contract needed to ensure continuity and proper project closeout of the new P3010 Light Rail Vehicle Acquisition Project and does not have any impacts on the previously approved Life-of-Project (LOP). In addition, approving the two recommended items ensures successful completion of the P3010 project, which provides accessible and affordable transportation for all who ride our light rail system.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations supports strategic plan goal # 1.2 - Optimize the speed, reliability and performance of existing system by revitalizing and upgrading Metro's transit assets. The completion and roll out of the P3010 LRVs are state -of-the-art assets which will significantly reduce trip disruptions on rail networks and improve the integrity of the overall network.

ALTERNATIVES CONSIDERED

The Board may choose not to increase the CMA authority or extend the current contract. This is not recommended as critical project activities being supported by consultant staff will be interrupted, likely impacting the project schedule. These activities include but are not limited to; auditing manufacture and assembly site activities, witnessing commissioning tests, reviewing test procedures and test reports, providing warranty support, reviewing car history books before submittal to CPUC, and conducting schedule and milestone reviews. The Metro project team currently does not have the resources to absorb this work.

Additionally, disapproving the two recommended items will adversely impact the P3010 project completion due to the loss of the technical expertise provided through this professional support contract. The adverse impacts may result in insufficient vehicles to meet passenger demand and rollout schedules and degraded passenger wayfinding due to an unreliable passenger communication system. This would have a negative impact on providing transportation services due to being unable to provide sufficient vehicles to all who ride our light rail system and negatively impacting the rider experience.

NEXT STEPS

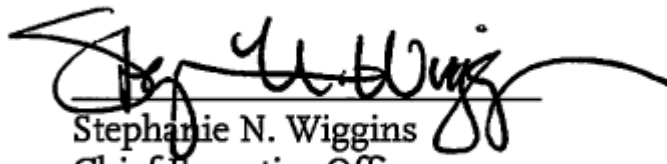
Upon Board approval, staff will increase the CMA amount and execute a Change Modification to extend the performance period and increase the Contract amount with LTK Engineering Services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification Log
Attachment C - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

P3010 LIGHT RAIL VEHICLE PROCUREMENT CONSULTING SERVICES

1.	Contract Number: OP39602795A		
2.	Contractor: LTK Engineering Services		
3.	Work Description: Consulting Services for Light Rail Vehicle (LRV) Acquisition, Technical Support Services		
4.	The following data is current as of: 08/05/2021		
5.	Contract Status: Base Year Task Order Contract expires 11/25/2021		
	Bids/Proposals Opened:	11/30/2011	Contract Award Amount: \$15,236,445 Base
	Contract Awarded:	03/22/2012	Total of Modifications Approved: 31
	NTP:	08/13/2012	Current Contract Value: \$23,287,320 (Base & Options)
	Original Complete Date:	11/25/2021 (Base & Options)	Current Est. Complete Date: 06/30/2023 (Base & Options)
6.	Contract Administrator: Robert Pennington	Telephone Number: (213) 922-5527	
7.	Project Manager: Ray Saito	Telephone Number: (213) 922 -3254	

A. Procurement Background

On March 27, 2012, Contract No. OP39602795 for Element A was executed with LTK Engineering Services (LTK), in the not-to-exceed amount of \$15,236,445, for the five-year Base Contract for Consulting Services for light rail vehicle (LRV) acquisition, technical support. An aggregate total amount of \$5,972,304 for up to three one-year options was proposed and evaluated at the same time.

On March 15, 2012, the Board authorized the Chief Executive Officer to award the five-year base contract for the P3010 LRV Acquisition Technical Support Services to LTK. Subsequently on January 19, 2017, the Board approved the exercise of the three one-year options for LTK to continue to provide technical consulting services support to the P3010 LRV acquisition project. With the exercise of these Contract Options the technical services were to coincide with the delivery of the last P3010 car scheduled to be delivered by early 2020.

Due to unforeseen circumstances, including a global pandemic, unanticipated delays have pushed final acceptance of all 235 rail vehicles to mid-2023. To ensure continuity of consultant support for the P3010 LRV project, LTK was

requested to submit a proposal for extending the technical P3010 project support through June 30, 2023.

Attachment B shows that thirty-one (31) Contract Modifications totaling \$8,093,178 have been issued to date to Exercise the additional Option Years, address the need for additional technical support, update the names of the staff/personnel authorized in the various labor categories identified in Contract.

B. Evaluation of Proposal

Meetings were held between Metro's Project Manager and Contracting Officer to review the remaining tasks that cannot be completed in the original time period specified in the Task order or Contract term. As a result of these discussions, both parties agreed on the tasks remaining and requested the Consultant to submit a proposal to complete. Metro staff issued a cost and schedule proposal request to extend LTK's technical support services to coincide with the revised P3010 vehicle delivery schedule. LTK's proposed Level of Effort was consistent with the Project Manager's Estimate dated July 2021 and was accepted by the Project Manager in the PM Memo/Technical Evaluation.

Cost/Price Analysis

The recommended not-to-exceed amount for this extension in the Contract Period of Performance is consistent with the labor rates defined in the Base 5-year Contract that applied rate escalation and were included in the initial price proposal evaluation. The proposed labor rates were negotiated and deemed fair and reasonable as LTK applied the same rate escalation percentage that was audited and competitively negotiated for the base and option periods of this Contract.

CONSULTANT PROPOSAL	PM ESTIMATE (ICE)	RECOMMENDED PRICE
\$1,513,854	\$1,608,960	\$1,513,854

The recommended price of \$1,513,854, has been determined to be fair and reasonable based upon MAS audit findings, an independent cost estimate, cost analysis, technical evaluation, fact finding, and negotiations.

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

P3010 LIGHT RAIL VEHICLE PROCUREMENT CONSULTING SERVICES / OP39602795A

Mod. No.	Description	Status (approved or pending)	Date	Amount
1	Mod. No. 1 - Modify Exhibit 1 Firm Fixed Labor Rates and Travel Costs to include additional personnel to the list and their respective fully burdened hourly rates.	Approved	10/01/12	\$0
2	Mod. No. 2 - Modify and replace Exhibit 1-A with Exhibit 1-B Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, and sub-contractors Turner and Virginkar, to the list and their respective fully burdened hourly rates	Approved	11/19/12	\$0
3	Mod. No. 3 - Modify and replace Exhibit 1-B with Exhibit 1-C Firm Fixed Labor Rates and Travel Costs to include additional personnel from sub-contractors Turner, Sean Costello, to the list and their respective fully burdened hourly rates	Approved	01/24/13	\$0
4	Mod. No. 4 - Modify and replace Exhibit 1-C with Exhibit 1-D Firm Fixed Labor Rates and Travel Costs to include additional personnel from sub-contractors Turner, Sean Costello, to the list and their respective fully burdened hourly rates	Approved	03/29/13	\$0
5	Mod. No. 5 - Update Statement of Work language consistent with Contract negotiations.	Approved	06/25/13	\$0
6	Mod. No. 6 - Modify Statement of Work to add language regarding transfer of electronic project files from the LTK Sharepoint Project Control Center to Metro servers upon project closeout.	Approved	06/26/13	\$0
7	Mod. No. 7 - Modify and replace Exhibit 1-D with Exhibit 1-E Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, K. Bisset, J. Morgan, A. Staytieh, M. Barbarash, and B. Whitbred	Approved	09/13/13	\$0
8	Mod. No. 8 - Modify and replace Exhibit 1-E with Exhibit 1-F Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, and modify travel costs and labor costs allocation. The total Contract Amount remain unchanged.	Approved	11/27/13	\$0

9	Mod. No. 9 - Modify and replace Exhibit 1-F with Exhibit 1-G Firm Fixed Labor Rates and travel costs. The total Contract Amount remain unchanged.	Approved	12/20/13	\$0
10	Mod. No. 10 - Modify and replace Exhibit 1-G with Exhibit 1-H Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, and modify travel costs and labor costs allocation. The total Contract Amount remain unchanged.	Approved	02/21/14	\$0
11	Mod. No. 11 - Modify and replace Exhibit 1-H with Exhibit 1-I Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Judy Hong and modify travel costs and labor costs allocation. Reduction in Travel Cost..	Approved	03/31/14	-\$42,303
12	Mod. No. 12 - Modify and replace Exhibit 1-I with Exhibit 1-J Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Louis Lim. The total Contract Amount remain unchanged.	Approved	07/09/14	\$0
13	Mod. No. 13 - Modify and replace Exhibit 1-J with Exhibit 1-K Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Richard Whitwell. The total Contract Amount remain unchanged.	Approved	10/21/14	\$0
14	Mod. No. 14- Modify and replace Exhibit 1-K with Exhibit 1-L Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK sub-contractor, Virginkar & Associates, Inc., Clark Kidwell. The total Contract Amount remain unchanged.	Approved	10/21/14	\$0
15	Modification No. 15 - Revise Article VII: Invoices to change submittal of invoices to Annie Yang, Project Manager	Approved	01/12/15	\$0
16	Mod. No. 16- Modify and replace Exhibit 1-L with Exhibit 1-M Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Correia, McKinley and Bakar, and Nicholas and Thornburg from TENCO. The total Contract Amount remain unchanged.	Approved	05/28/15	\$0
17	Mod. No. 17- Modify and replace Exhibit 1-M with Exhibit 1-N Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Ji, TENCO, Lawrence and VAI Arellano & Cosio. The total Contract Amount remain unchanged.	Approved	08/05/15	\$0

18	Mod. No. 18- Modify and replace Exhibit 1-N with Exhibit 1-O Firm Fixed Labor Rates and Travel Costs to replace Julio Jimenez with Diane Finkel for LTK, and add Magid Elgendi to TENCO. The total Contract Amount remain unchanged.	Approved	10/30/15	\$0
19	Mod. No. 19- Modify and replace Exhibit 1-O with Exhibit 1-P Firm Fixed Labor Rates and Travel Costs to replace Diane Finkel with Carol Joe for LTK, and add Bernice Lopp and Noah Jones to TENCO. The total Contract Amount remain unchanged.	Approved	01/07/16	\$0
20	Mod. No. 20- Modify and replace Exhibit 1-P with Exhibit 1-Q Firm Fixed Labor Rates and Travel Costs to replace FMI Inspector in Japan Keith Bates with a local Inspector from Osaka, Takahiro Matsumura. The total Contract Amount remain unchanged.	Approved	02/23/16	\$0
21	Mod. No. 21- Modify and replace Exhibit 1- Q with Exhibit 1-R for the addition of Daniel Davies of Virginkar & Associates to provide full time manufacturing inspection and testing support for the carbody shells and trucks. The total Contract amount remains unchanged.	Approved	05/04/16	\$0
22	Mod. No. 22- Exercise three one year options; Increase contract amount by \$5,972,304 for a total NTE amount of \$21,208,749; and Modify and replace Exhibit 1- R with Exhibit 1-S Firm Fixed Labor Rates. The total Contract amount remains unchanged.	Approved	03/16/17	\$5,972,304
23	Mod No. 23 replace Exhibit 1-R with Exhibit 1-S to add LTK Consultant Staff, Christopher Heil and TENCO Test Engineer, Brandon Whang. The total Contract amount remains unchanged.	Approved	09/08/17	\$0
24	Mod No. 24 replace Exhibit 1-S with Exhibit 1-T to add LTK Consultant Staff, Christopher Heil and TENCO Test Engineer, Brandon Whang. The total Contract amount remains unchanged.	Approved	06/01/18	\$0
25	Mod No. 25 replace Exhibit 1-T with Exhibit 1-U to add Franic Ji, Luke Morscheck, and Eric Eom. The total Contract amount remains unchanged.	Approved	06/22/18	\$0
26	Mod No. 26 replace Exhibit 1-S to add personnel from Tenco (John Otis). The total Contract amount remains unchanged.	Approved	01/18/19	\$0
27	Mod No. 27 modify Exhibit 1-U to add Geoff Elsmore (Tenco). The total Contract amount remains unchanged.	Approved	03/26/19	\$0

28	Mod 28 - Modify terms to extend Period of Performance 1-year; replaced Exhibit 1-T authorized LTK, Tenco and VAI personnel, modify SOW to allow Metro to assign tasks and schedule. The total Contract amount in increased by \$2,120,874.	Approved	04/24/20	\$2,120,874
29	Mod 29 - Modify and replace Exhibit 1-T Firm Fixed Labor Rates (Geffe Elsmore for Will Choi). The total Contract amount remains unchanged.	Approved	11/25/2020	\$0
30	Mod 30 - Extend Period of Performance from March 26, 2020 to November 25, 2021. The total Contract amount remains unchanged.	Approved	3/24/2021	\$0
31	Modify and replace Exhibit 1-T Firm Fixed Labor Rates and Travel Costs with Exhibit 1 – U Firm Fixed Labor Rates and Travel Costs. The total Contract amount remains unchanged.	Approved	3/27/2021	\$0
	Modification Total:			\$ 8,093,178
	Original Contract:			\$15,236,445
	Current Contract Value			\$23,287,320
32	<i>Pending Change Modification No. 32 Request</i>			\$1,513,854
	<i>Pending Total Not-To-Exceed Amount:</i>			\$24,801,174

DEOD SUMMARY

P3010 LIGHT RAIL VEHICLE PROCUREMENT CONSULTING SERVICES/OP-3960-2795-A

A. Small Business Participation

LTK Engineering Services made a 25.36% overall Small Business Enterprise (SBE) commitment on this task order contract. The overall SBE participation for this contract based on the cumulative value of all task orders issued.

To date, nine (9) task orders and their modifications have been awarded. Based on payments reported, the contract is 96.06% complete and the cumulative SBE participation of all task orders awarded is 26.49%. LTK is exceeding its commitment by 1.13%.

Regarding the firms that have been under-utilized, LTK offered that A-Train Enterprises, Inc. completed their assignment prior to going out of business, sometime in August 2018 and Virginkar & Associates, Inc. completed their assignment in January 2021, under budget. As such, the firms were utilized to the extent possible and neither will be able to contribute further to the SBE commitment for this contract, as their assignments have successfully concluded.

Small Business Commitment	SBE 25.36%	Small Business Participation	SBE 26.49%
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	SBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	A Train Enterprises, Inc.	Caucasian Female	2.05%	0.69%
2.	Turner Engineering Corporation	Caucasian Male	2.80%	11.58%
3.	Virginkar & Associates, Inc.	Subcontinent Asian American	20.51%	14.22%
	Total		25.36%	26.49%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.