



Board Report

File #: 2025-0033, File Type: Contract

Agenda Number: 27.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE APRIL 17, 2025

SUBJECT: BUS ENGINEERING/ACQUISITION, PROGRAM MANAGEMENT, AND TECHNICAL SUPPORT SERVICES CONTRACT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 3 to increase the total authorized funding for Contract No. PS81062000, to Williams Sale Partnership (WSP) USA, Inc. for as-needed professional consultant support services that will be utilized for Zero Emission Bus (ZEB) and charger engineering/acquisition, program management, as well as technical support services, in the Not-to-Exceed (NTE) amount of \$8,897,431.55, increasing the Contract total NTE amount from \$10,930,917.43 to \$19,828,348.98.

ISSUE

In April 2022, the Board approved a six-year, cost-reimbursable, fixed-fee contract award to WSP USA, Inc. for professional consultant support services to supplement internal resources by having a wide range of subject matter experts who specialize in ZEB technology, engineering, and implementation. In the last three years, challenges and intricacies have been associated with transitioning a fleet of nearly 2,200 buses that have required an increased level of effort from the consultants supporting the ZEB program, resulting in a higher burn rate of contract funds.

The funds previously authorized by the Board will be exhausted by June 2025, as the scale and breadth of the work exceeded original expectations. Therefore, the recommended increase will allow staff to complete the scheduled work required to assist Metro with the procurement and delivery of ZEBs, chargers, & charging infrastructure anticipated for the remainder of 2025 through May 2028.

BACKGROUND

In 2018, the California Air Resources Board (CARB) proposed the Innovative Clean Transit (ICT) regulation that required all transit agencies in the state to transition to all Zero Emission fleets by 2040. In addition, ICT ZEB purchase requirements for large transit agencies require 25% of bus purchases to be zero emissions by 2023, 50% by 2026, and 100% by 2029. Metro has met all state-mandated program requirements a decade earlier than the ICT mandate of 2029. In September 2019, Metro awarded its final option for CNG buses and committed to having 100% zero emissions in

all future procurements. Metro has worked to comply with CARB's ICT regulation, but challenges encountered include performance, system integration of evolving technology, grid capacity, supply chain, and utility coordination.

In April 2024, Metro released the largest solicitation for ZEBs in U.S. history. The base order is for 260 battery electric buses (BEBs) and 20 hydrogen fuel cell electric buses (FCEBs), with options to purchase up to 1,160 ZEBs. The option amounts were later increased to allow for a total of 1,980 ZEBs.

DISCUSSION

As of January 1, 2025, staff has issued seven task orders in the amount of \$9,980,136.10. Upon Board approval, staff will execute a Contract Modification to increase funding in the amount of \$8,897,431.55 to a new contract authority of \$19,828,348.98. Examples of work supported by this contract include:

- Procurement and delivery support for BYD/RIDE vehicles
- The electrification of the G and J lines
- Analysis of infrastructure needs and performance
- Deployment plans for Battery Electric Buses (BEBs)
- Support of Metro's leadership for various cross-agency zero-emission transition efforts
- Planning and analysis for Hydrogen Fuel Cell Bus Infrastructure and resiliency charging
- Development of vehicle procurement and performance specifications, such as incorporating Federal Transit Administration (FTA) recommendations

WSP Inc. under contract No. PS81062000 provided both ZEB planning and technical implementation support from 2022 to 2024, including development and updating of Metro's ZEB Master Plan. As Metro onboards more ZEB vehicles and breaks ground on more charging infrastructure projects, the need for technical support has increased significantly. In August 2024, AECOM Technical Services, Inc. was awarded a contract to specialize and assist with ZEB planning, including taking over the reviewing and updating Metro's ZEB Master Plan. After the award of the contract in August 2024, Metro shifted WSP to focus on the escalating demands for technical implementation support for bus acquisition. Further, WSP USA, Inc., was recently tasked with providing guidance and outreach for the acquisition of the Metro contingency fleet for the 2028 Games, including identifying maintenance and infrastructure needs as well as staffing and training considerations for fleet support.

Findings

Factors contributing to the request for additional contract authority include:

- A decreasing number of bus manufacturers in the US and longer lead times for delivery of vehicles and infrastructure. This has required a significantly higher level of effort to update the solicitation documents and conduct industry outreach to promote competition.
- Slower progression of ZEB technology. This has required increased energy modeling for en-route, depot, and resiliency charging to refine the servicing for each bus route and block.

- Bus fleet planning and acquisition for the 2026 World Cup and 2028 Games. This has required a greater than anticipated need for industry outreach and transit agency coordination, including assisting Metro leadership in hosting several industry forums to discuss contingency fleet planning, borrowed bus strategies, and best practices in major special event services including fleet design,
- The addition of a pilot for Hydrogen Fuel Cell buses and fueling infrastructure has required material increases in design and planning efforts.
- Release of the largest bus Request for Proposal (RFP) in the US. This solicitation required greater than anticipated effort, given the need to include recommendations from the FTA “Dear Colleague” letter issued on February 7, 2024, including additional industry outreach with options for other municipalities to participate.
- Focus on bus safety improvements due to increased incidents and FTA guidance. Metro is continually identifying safety improvements and innovations that can be incorporated into new buses, including, but not limited to, pedestrian detection, collision avoidance, and onboard Artificial Intelligence (AI) camera systems.
- WSP’s technical expertise is critical to support the analysis and trajectory required to help Metro meet its zero-emission commitments. When the scope of work was initially developed, the type of support needed to supplement staff was identified, but the level of effort, resources, and industry outreach required to complete the tasks and activities assigned were underestimated. However, the benefits and cost-savings realized are critical to ensuring the ZEB vehicles are safe, reliable, and support service needs.

DETERMINATION OF SAFETY IMPACT

Using experts in the transition to zero-emission vehicles and associated infrastructure has a positive safety benefit, ensuring new technology meets the highest safety standards.

FINANCIAL IMPACT

Upon approval, the contract will allow for the distribution of project-related task orders and funded projects to utilize the approved and available LOP budget(s). The assigned project manager will then request and review task orders and use the available project funds within the authorized LOP. Since this is a multi-year contract, the Cost Center Manager, Project Manager(s), and Senior Executive Officer of Vehicle Engineering and Acquisition will be responsible for budgeting the costs in future years.

Impact to Budget

The anticipated task orders will be funded by the respective planning or Capital Projects, including project 201061 Infrastructure J Line, project 202815 Division 8 Charging Infrastructure, project 202816 Resilience Charging System, project 202817 Division Infrastructure Transition, project 201077 Bus 40'ZE w/ BYD, project 201078 BEB and En-Route Charging in cost centers 3048 and 3320.

Since the project task orders are funded with existing LOP budgets and annual funds, the funding sources will vary according to established funding plans for the respective projects. No task order(s)

shall be issued, which increases a capital project LOP. Staff continually reassesses project funding sources and will apply other applicable funding sources as they become available to the respective projects.

EQUITY PLATFORM

The approval of increased funding of the professional consultant support services directly supports Metro's programmatic transition to a ZEB fleet, as well as modifying facilities, ensuring that Equity Focus Communities (EFCs) see the benefits of reduced noise and greenhouse gas emissions in their communities as all divisions are being transitioned. Metro's ZEBs will operate on routes restructured through the NextGen transit service plan. Five of Metro's ten directly-operated bus Divisions are within an EFC. Division 9, the first bus division to be electrified, is located within an EFC, and 59% of the communities served are designated EFCs. Prioritizing the electrification of the J Line, the next line to be electrified, will also bring environmental benefits to some of the region's most densely populated, congested, and polluted communities, many of which are EFCs. Divisions 18 and 7, the subsequent two divisions to be electrified, serve 70% and 52% EFCs, respectively.

WSP USA, Inc. (WSP) made a 30.06% Disadvantaged Business Enterprise (DBE) overall commitment for this contract. The current level of participation is 26.64% DBE, representing a 3.42% shortfall. WSP's mitigation plan to resolve the shortfall is included in Attachment C - DEOD Summary.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these improving VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. All Board items are assessed for their potential impact on VMT to ensure continued progress.

As part of these ongoing efforts, this item is expected to contribute to further VMT reductions. It supports Metro's systemwide strategy to reduce VMT through planning and investment activities that will benefit and further encourage transit ridership, ridesharing, and active transportation, including the transition to a zero-emission bus fleet and the deployment of supplemental bus services for upcoming major events. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation will support Strategic Goal #1 to provide high-quality mobility options that enable people to spend less time traveling. Additional contract funding will support Metro in maintaining the State of Good Repair (SGR) for the existing bus fleet while ensuring that our customers can arrive at their destinations with fewer disruptions. It will also support Goal #3,

Enhance communities and lives through mobility and access to opportunity, and Goal #4 Transform LA County through regional collaboration and national leadership by achieving CARB's goal for a 100% Zero Emission bus fleet.

ALTERNATIVES CONSIDERED

The Board may choose to reject the recommendation and request staff to re-procure these services through an RFP or choose to authorize an alternative amount. The staff does not recommend these alternatives.

Using qualified consultants through WSP USA, Inc. has allowed the agency to secure highly technical expertise without increasing Metro's long-term labor costs. By approving the additional funding through FY28, Metro will receive cohesive and uninterrupted support during process procurements and program implementation.

NEXT STEPS

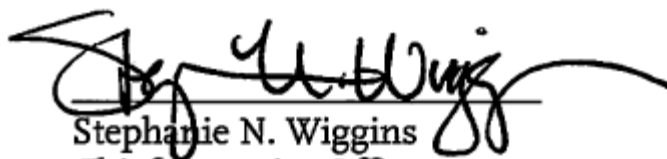
Upon Board approval, staff will execute Modification No. 3 to Contract No. PS81062000 and specific task orders will be issued on an as-needed basis.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

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Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034


Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

BUS ENGINEERING/ACQUISITION, PROGRAM MANAGEMENT AND TECHNICAL SUPPORT SERVICES/PS81062000

1.	Contract Number: PS81062000			
2.	Contractor: WSP USA, Inc.			
3.	Mod. Work Description: Increase Contract Modification Authority			
4.	Work Description: As-needed professional consultant support services that will be utilized for bus engineering and acquisition, program management and technical support services.			
5.	The following data is current as of: 2/27/2025			
6.	Contract Completion Status		Financial Status	
	Contract Awarded:	May 2, 2022	Contract Award Amount:	\$10,930,917.43
	Notice to Proceed (NTP):	May 9, 2022	Total of Modifications Approved:	\$0
	Original Complete Date:	May 8, 2028	Pending Modifications (including this action):	\$8,897,431.55
	Current Est. Complete Date:	May 8, 2028	Current Contract Value (with this action):	\$19,828,348.98
7.	Contract Administrator: Uriel Villa		Telephone Number: (213) 922-1025	
8.	Project Manager: Amy Romero		Telephone Number: (213) 922-5709	

A. Procurement Background

This Board Action is to approve Contract Modification No. 3 to increase the total authorized funding for Contract No. PS81062000, to WSP USA, Inc. for as-needed professional consultant support services that will be utilized for bus engineering and acquisition, program management, as well as technical support services, in the Not-to-Exceed (NTE) amount of \$8,897,431.55, increasing the Contract total from an NTE amount of \$10,930,917.43, to an NTE amount of \$19,828,348.98.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a cost plus fixed fee.

On April 21, 2022, the Board awarded Contract No. PS81062000 to WSP USA, Inc. (WSP) for as-needed professional consultant support services to be utilized for bus engineering and acquisition, program management and technical support services, in the total NTE amount of \$10,930,917.43.

Contract Modification Nos. 1 through 2 were issued with staff delegated authority.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommended cost reimbursable rates have been determined to be fair and reasonable based upon cost analysis, technical analysis, and fact-finding. The recommended price is lower than Metro’s Independent Cost Estimate (ICE) by \$2,568.45 or 0.03%. The current labor rates have been validated with payroll certifications that support the proposed rates. Rate adjustments were accepted based on the projected annual increase in labor costs aligning with the U.S. Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) inflation rate of 3% over the next four years. All other indirect costs rates were consistent with the original proposed rates and supporting documentation. Based on the cost analysis and fact finding, negotiations were deemed unnecessary, as the proposal was determined to be fair and reasonable.

Proposal Amount	Metro ICE	Negotiated Amount
\$8,897,431.55	\$8,900,000.00	\$8,897,431.55

CONTRACT MODIFICATION/CHANGE ORDER LOG

BUS ENGINEERING/ACQUISITION, PROGRAM MANAGEMENT AND TECHNICAL
SUPPORT SERVICES/ PS81062000

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Update Contract Administrator Name	Approved	3/24/2024	\$0.00
2	Unreserve SP-17 – Payment of Prevailing Wage	Approved	4/18/2024	\$0.00
3	Increase Contract NTE Total	Pending	Pending	\$8,897,431.55
	Modification Total:			\$8,897,431.55
	Original Contract:			\$10,930,917.43
	Total:			\$19,828,348.98

DEOD SUMMARY

**BUS ENGINEERING/ACQUISITION, PROGRAM MANAGEMENT AND TECHNICAL
SUPPORT SERVICES CONTRACT/PS81062000**

A. Small Business Participation

WSP USA, Inc. (WSP) made a 30.06% Disadvantaged Business Enterprise (DBE) overall commitment on this Task Order (TO) based contract. WSP has been awarded seven (7) TO's to date. Based on payments the project is 72% complete and the current level of participation is 26.64% DBE, representing a 3.42% shortfall.

WSP contends that the shortfall is due to the existing balance of DBE work being programmed into the latter stages of the current master program schedule in support of Metro delivery requirements, as confirmed by the Metro Project Manager. WSP and Metro are reassessing the schedule and where possible, will accelerate DBE participation to mitigate the shortfall. WSP has a shortfall mitigation plan on file and reported that full compliance is expected by the contract end date.

Small Business Commitment	30.06% DBE	Small Business Participation	26.64% DBE
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	3COTECH, Inc.	Caucasian Female	2.72%	0.00%
2.	ADVANTEC Consulting Engineers, Inc.	Asian-Pacific American	3.17%	1.79%
3.	Arellano Associates, LLC	Hispanic American	2.91%	0.00%
4.	Capitol Government Contract Specialists	Caucasian Female	13.63%	24.08%
5.	Elcon Associates Inc	Asian-Pacific American	2.49%	0.00%
6.	LKG-CMC, Inc. (Withdraw)	Caucasian Female	2.76%	0.00%
7.	Virginkar & Associates, Inc.	Asian-Pacific American	2.38%	0.77%
	Total		30.06%	26.64%

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 modification.

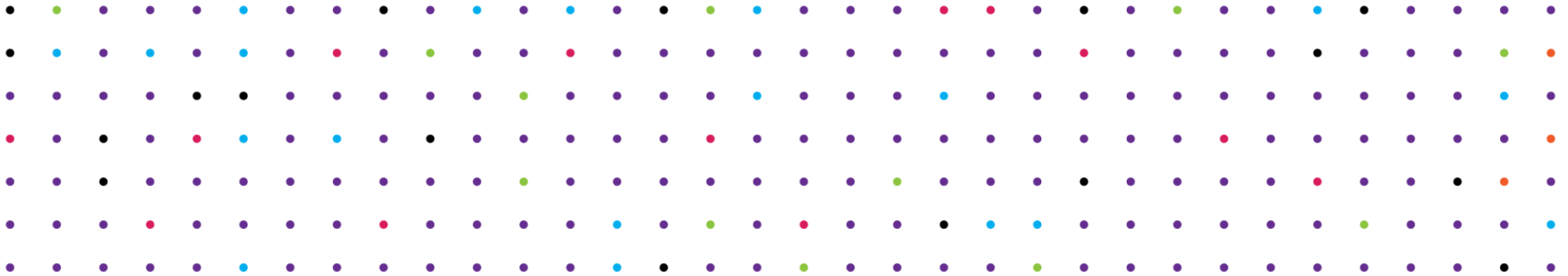
C. Prevailing Wage Applicability

Prevailing Wage is not applicable to this modification.

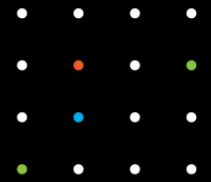
D. Project Labor Agreement/Construction Careers Policy

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

BUS ENGINEERING AND ACQUISITION, PROGRAM MANAGEMENT AND TECHNICAL SUPPORT SERVICES CONTRACT

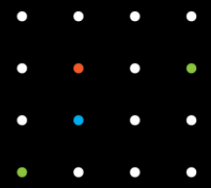


RECOMMENDATION



AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 3 to increase the total authorized funding for Contract No. PS81062000, to Williams Sale Partnership (WSP) USA, Inc. for as-needed professional consultant support services that will be utilized for Zero Emission Bus (ZEB) and charger engineering/acquisition, program management, as well as technical support services, in the Not-to-Exceed (NTE) amount of \$8,897,431.55, increasing the Contract total NTE amount from \$10,930,917.43 to \$19,828,348.98.

ISSUE



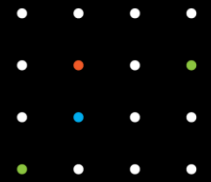
A six-year contract was awarded in May 2022 for professional consultant support services with subject matter experts that specialize in Zero-Emission Bus (ZEB) technology, engineering and implementation.

The scope of work as part of the contract has not changed, but the level of effort and support needed has significantly increased. Over the last 3 years, there have been challenges associated with transitioning a fleet of nearly 2,200 buses to zero-emission.

A contract modification to increase the total authorized funding is needed to ensure Metro has access to technical subject matter experts in the ZEB industry



DISCUSSION



Metro relies on WSP for specialized expertise and engineering support on zero-emission vehicle acquisition/performance specifications, hydrogen fuel cell planning and analysis, resiliency charging design, as well as analysis of infrastructure needs and performance.

Factors contributing to the higher level of effort as part of this contract include:

- Slower progression of technology
- Large bus procurement
- Supply chain and limited number of US manufactures
- Focus on safety and security improvements
- Planning for 2026 World Cup and 2028 Olympics
- Need for industry coordination and outreach

Additional funding is needed to continue the technical support; however, the benefits and long-term cost savings are vital for ensuring that Zero-Emission Bus (ZEB) vehicles remain safe, dependable, and that the infrastructure is robust enough to meet service demands effectively.

