Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2026-0063, **File Type:** Contract **Agenda Number:** 32.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
SEPTEMBER 17, 2026**

SUBJECT: P2000 LIGHT RAIL VEHICLE (LRV) OVERHAUL PROGRAM CONSULTANT SUPPORT SERVICES

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 34 to Contract No PS20113000, a cost plus fixed-fee contract with CH2M Hill, Inc. for the P2000 Light Rail Vehicle (LRV) Overhaul Program Consultant Support Services, increasing the Not-To-Exceed (NTE) contract price by $810,985.32, from $11,012,090.20 to $11,823,075.52, and extending the period of performance from September 30, 2026 through June 30, 2034. This requested increase to the NTE contract price is within the current P2000 LOP budget.

ISSUE

The current consulting service has provided Metro with program and technical support for the P2000 LRV Modernization Contract, originally awarded in March 2017. Technical consultant support is required throughout the P2000 LRV Modernization warranty period to track the performance of 52 post-modernization vehicles. From the latest project schedule update, it is projected that the final modernized LRV will complete its warranty approximately Q1 2034. A firm end date cannot be set at this time, as the conclusion of the warranty period is dependent on when all warranty issues are satisfactorily resolved. Based on current projections, technical consultant support is expected to be required through June 30, 2034.

In addition, the project has experienced several unforeseen technical challenges that required significant additional effort, investigation, testing, development, and coordination. These included multiple fleet defects and warranty-related issues across multiple systems, as well as software and communications upgrades required to support operational readiness for the P2000 fleet on the A and C Lines.

Lastly, there have been delays in achieving Conditional Acceptance of the final LRVs, primarily due to the need for parts replacement and ongoing fault-finding and troubleshooting, which have continued to extend the project schedule and shift the warranty period.

BACKGROUND

At its March 2017 meeting, the Board approved the award of Contract No. PS20113000, a cost-plus, fixed fee contract to CH2M Hill, Inc. in the amount of $5,829,626 (base contract) for technical and program management services in support of the P2000 LRV Modernization Project. The base contract duration was five years. A no-cost contract modification was issued in February 2022, extending the base contract from March 2022 through September 2022.

At its September 2022 meeting, the Board approved extending project support activities by an additional $1,231,187.71, from October 1, 2022, through June 30, 2023. This contract modification was issued through June 2023 to align with anticipated project activities and Metro's fiscal year for project budgeting purposes.

At its May 2023 meeting, the Board approved extending project support activities by an additional $1,861,372.68 through June 30, 2024, with subsequent contract modifications within staff authority to extend the period of performance to December 31, 2025.

At its July 2025 meeting, the Board approved extending the project support activities for an additional $1,448,394.00 through June 30, 2026, with subsequent contract modifications within staff authority per Attachment B.

CH2M Hill Inc. currently provides staff support in the following disciplines, as directed by Metro:

- Project Management
- Systems Engineering
- Systems Integration
- Inspection & Testing Activities at LRV Production/Modernization Site
- LRV Commissioning and acceptance Activities
- Quality Assurance
- Document Control

All work and assignments are on an as-needed basis and directed by the Metro P2000 Project Team through issued Task Orders using fixed labor rates. The Consulting staff is managed daily by Metro's P2000 Project Manager. This requested increase to the NTE contract price is within the current P2000 LOP budget.

DISCUSSION

Findings

Since the subject contract was awarded in March 2017, CH2M Hill, Inc. has been providing Metro's Project Team with technical and program management support, including review of all technical documents, oversight of system and combined-system level integration efforts, witness of verification and validation tests, as well as inspection of workmanship at the corresponding Metro Divisions. The Project is now concluding the Conditional Acceptance phase, which enables the Modernized LRVs to enter revenue service (only two of the 52 total LRVs remain pending Conditionally Accepted).

The identification and resolution of fleet defects provide added value by improving fleet reliability, safety, maintainability, and long-term system performance, while ensuring the contractor addresses issues within their contractual responsibilities. The software updates will also ensure the P2000 fleet is ready for operations on the C and K Lines, supporting future fleet relocation plans aligned with Metro Management and Operations objectives.

The next phase includes the LRV's Reliability Demonstration, which measures the performance of the Conditionally Accepted LRVs in revenue service against contractual reliability targets. Also, the project will soon complete the LRV Final Acceptance and enter the warranty period.

Considerations

Approval of the recommendation modifies Contract No. PS20113000 to allow for continuation of technical and program management support on the P2000 LRV Modernization Project. Staff requires this project support to navigate and mitigate the remaining technical issues to achieve final acceptance and completion of the warranty period for 52 modernized P2000 LRVs, which is projected to end by June 2034.

This is an existing professional services support contract required to ensure continuity, seamless project execution, and completion of the LRV Modernization project. Approving the recommendation ensures the successful completion of the Overhaul/Midlife Modernization Project and ensures that technical issues are properly solved during the next project stages. This will help to provide accessible and affordable transportation for all who ride Metro's light rail system.

DETERMINATION OF SAFETY IMPACT

The approval of the additional NTE funds for the consultant services will ensure team continuity and maintain overall system safety, service quality, system reliability, maintainability, and customer satisfaction.

The P2000 LRV Modernization Project permits Metro to maintain the P2000 LRV fleet in a State of Good Repair (SGR).

FINANCIAL IMPACT

The requested new NTE contract price of $11,823,075.52is within the overall Board-approved project LOP budget of $180,853,926.

The Contract Price increase of $810,985.32 is included in Cost Center 3043, Rail Vehicle Acquisition, Account 50316, under project number CP 206044, P2000 LRV Overhaul Program.

Since this is a multi-year contract, the Cost Center Manager, Sr. Project Manager, and Sr. Executive Officer of Vehicle Acquisitions will be responsible for future fiscal-year budgeting.

Impact to Budget

The current budget for this action includes Proposition A 35% and Federal 5337. These funds are eligible for rail operating and capital projects.

EQUITY PLATFORM

The P2000 LRV Modernization Project enables the successful delivery of these vehicles on Metro's existing LRV lines. These lines serve many Equity Focus Communities (EFCs), including those in Downtown LA, Chinatown, Long Beach, LAX (including the Crenshaw and Aviation areas), Santa Monica, Foothills, etc., as these cars are modernized to run on all of Metro's existing LRV Lines. Having safe, reliable LRVs provides residents of EFCs with options, who are more likely to use public transit to commute seamlessly to work, school, and other opportunities.

CH2M Hill, Inc. (Jacobs Engineering Group) (CH2M) made a 24.81% Disadvantaged Business Enterprise (DBE) commitment on this task-order-based contract. However, the U.S. Department of Transportation has issued an Interim Final Rule that makes changes to the DBE Program, including the suspension of goals, counting participation, and enforcement effective October 3, 2025. While the DBE commitment is not a factor in the staff recommendation, three certified small businesses are participating in this contract.

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 declining 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. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment activities that will improve and further encourage transit ridership, ridesharing, and active transportation. 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

The recommendation supports strategic plan Goal #1.2 - Optimize the speed, reliability, and performance of the existing system by revitalizing and upgrading Metro's transit assets. The completion and rollout of the P2000 LRVs are state-of-the-art assets that will significantly improve the integrity of Metro's overall transit network.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommendation for increasing the contract amount. This is not recommended, as critical project activities currently supported by consulting staff will be interrupted, directly impacting the overall project. These activities include, but are not limited to, witnessing commissioning tests for the last two LRVs, reviewing test reports, reviewing the Project Schedule, providing LRV commissioning acceptance, LRV reliability, and LRV warranty support. The Metro Project Team does not have the in-house resources to undertake all the necessary Project tasks as described.

Not approving the recommendation will also adversely affect the completion of the P2000 LRV Modernization Project due to the loss of the required resources provided under this Consulting Services contract. The potential adverse impacts may include compromised quality and SGR of the Modernized LRVs, and a reduction in the number of LRVs available for rollout to meet current passenger demand.

NEXT STEPS

Upon Board approval, staff will execute Contract Modification No. 34 to increase the contract NTE amount by $810,985.32 with CH2M Hill, Inc. to continue services.

ATTACHMENTS

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

Prepared by: Cecil Bailey, Senior Manager, Project Control, (213) 922-3188
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Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034

Stephanie Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

P2000 LIGHT RAIL VEHICLE (LRV) OVERHAUL PROGRAM CONSULTANT SUPPORT SERVICES / CONTRACT NO. PS20113000

1.	**Contract Number**: PS20113000			
2.	**Contractor**: CH2M Hill, Inc.			
3.	**Mod. Work Description**: Increase the Not-To-Exceed (NTE) contract price by $810,985.32 from $11,012,090.20 to $11,823,075.52.			
4.	**Contract Work Description**: Provide technical and program management support to Metro Project Team managing the existing P2000 Light Rail Vehicle (LRVs) Midlife Modernization Project to ensure timely modernization work and successful delivery of the modernized P2000 LRVs and the associated deliverables.			
5.	**The following data is current as of**: March 3, 2026			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	04/17/17	**Original Not-to-Exceed Contract Award Amount:**	$5,829,626.00
	Notice to Proceed (NTP):	N/A	**Total of Modifications Approved:**	$5,182,464.20
	Original Complete Date:	12/31/21	**Pending Modifications (including this action):**	$ 810,985.32
	Current Est. Complete Date:	06/30/34	**Current Contract Value (with this action):**	$11,823,075.52
7.	**Contract Administrator**: Mildred Martinez		**Telephone Number**: 213-922-4753	
8.	**Project Manager**: Cecil Bailey		**Telephone Number**: 213-922-3188	

A. Procurement Background

This Board Action is to approve Contract Modification No. 34 to increase the total authorized funding for Contract No. PS20113000, to CH2M Hill, Inc. for technical and program management support to Metro's P2000 Project Team on the P2000 LRV Midlife Modernization Project, in the Not-to-Exceed (NTE) amount of $810,985.32, increasing the Contract total from an NTE amount of $11,012,090.20, to an NTE amount of $11,823,075.52.

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 17, 2017, the Board awarded Contract No. PS20113000 to CH2M Hill, Inc.

for technical and program management support to Metro's P2000 Project Team on the P2000 LRV Midlife Modernization Project, in the total NTE amount of $5,829,626.00.

Contract Modification Nos. 1 through 33 were issued with staff delegated authority.

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

B. Cost/Price Analysis

The recommended cost plus fixed-fee price has been determined to be fair and reasonable based upon an Independent Cost Estimate (ICE), negotiations, and a technical evaluation. The negotiation of the NTE amount comprised of validation of CH2M and its subcontractor's current labor rates, audited labor overhead, travel and other direct costs, and a negotiated fixed fee. The approved labor rate for each consultant is based on a cost analysis, which has resulted in a fair and reasonable price determination.

Proposal Amount	Metro ICE	Negotiated Amount
$997,812.98	$819,249.00	$810,985.32

C. Contractor Information

CH2M is an engineering company that provides consulting, design, construction, and operation services for corporations and governments across the world. In 2017, it was acquired by Jacobs Engineering Group but kept its name for existing contracts. Under this Contract, they requested to keep CH2M. For Systems and Rolling Stock, they support bus and rail system projects with a focus on requirements definition, procurement, technical advisory services, modification designs, performance simulations, testing and commissioning efforts, condition assessments, manufacturer audits, maintenance optimization, and major overhaul and modification programs.

In addition to providing technical and program management support for the P2000 LRV Modernization Project, CH2M currently provides program management support for the P3010 LRV Project and is also one of the qualified consulting firms on Metro's Rail Vehicle Bench.

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

P2000 LIGHT RAIL (LRV) OVERHAUL PROGRAM CONSULTANT SUPPORT SERVICES/ CONTRACT NO. PS20113000

Mod. no.	Description	Status (approved or pending)	Date	$ Amount
1	Administrative Changes	Approved	11.16.17	$0.00
2	Update Exhibit 1 with Exhibit 1.1 to add new staff	Approved	12.21.17	$0.00
3	Update Exhibit 1.1 with Exhibit 1.2 to add new staff	Approved	07.11.22	$0.00
4	Update Exhibit 1.2 with Exhibit 1.3 to add new staff	Approved	04.18.18	$0.00
5	Update Exhibit 1.3 with Exhibit 1.4 to add new staff	Approved	08.16.18	$0.00
6	Update Exhibit 1.4 with Exhibit 1.5 to add new staff	Approved	04.12.19	$0.00
7	Update Exhibit 1.5 with Exhibit 1.6 to add new staff	Approved	04.16.19	$0.00
8	Update Exhibit 1.6 with Exhibit 1.7 to add new staff	Approved	07.24.19	$0.00
9	Update Exhibit 1.7 with Exhibit 1.8 to add new staff	Approved	09.05.19	$0.00
10	Update Exhibit 1.8 with Exhibit 1.9 to add new staff	Approved	11.13.19	$0.00
11	Update Exhibit 1.9 with Exhibit 1.10 to add new staff	Approved	03.13.20	$0.00
12	Update Exhibit 1.10 with Exhibit 1.11 to add new staff	Approved	03.20.20	$0.00
13	Update Exhibit 1.11 with Exhibit 1.12 to add new staff	Approved	09.09.20	$0.00
14	Update Exhibit 1.12 with Exhibit 1.13 to add new staff	Approved	11.03.20	$0.00
15	Update Exhibit 1.13 with Exhibit 1.14 to add new staff and Extend the Period of Performance through December 31, 2023.	Approved	07.12.21	$0.00
16	Update Exhibit 1.14 with Exhibit 1.15 to add new staff	Approved	02.15.22	$0.00
17	Update Exhibit 1.15 with Exhibit 1.16 to add new staff	Approved	05.11.22	$0.00

18	Update Exhibit 1.16 with Exhibit 1.17 to add new staff	Approved	07.06.22	$0.00
19	Increase $1,231,187.71 to the Not-to-Exceed Contract Price. Update Exhibit 1.17 with Exhibit 1.18 with increase Not-to-Exceed Contract Price	Approved	09.27.22	$1,231,187.71
20	Update Exhibit 1.18 with Exhibit 1.19 to add new staff	Approved	09.27.22	$0.00
21	Update Exhibit 1.19 with Exhibit 1.20 to add new staff	Approved	11.16.22	$0.00
22	Update Exhibit 1.20 with Exhibit 1.21 with years 8 and 9 labor rates	Approved	02.28.23	$0.00
23	Extended the Period of Performance through December 31, 2025.	Approved	04.05.23	$0.00
24	Increase $1,861,372.68 to the Not-to-Exceed Contract Price	Approved	06.27.23	$1,861,372.68
25	Update Exhibit 1.22 to add new staff	Approved	08.23.23	$0.00
26	Update Exhibit 1.22 to add new staff	Approved	04.23.24	$0.00
27	Update Exhibit 1.22 with Exhibit 1.23 to add new staff	Approved	05.31.24	$0.00
28	Update Exhibit 1.23 to add new staff	Approved	09.06.24	$0.00
29	Update Exhibit 1.23 to add new staff	Approved	07.24.25	$0.00
30	Increase the Not-to-Exceed Contract Price by adding the CMA limit	Approved	08.05.25	$641,509.81
31	Increase $1,448,394.00 to the Not-to-Exceed Contract Price and extend the Period of Performance to June 30, 2026	Approved	07.24.25	$1,448,394.00
32	Update Exhibit 1.23 to add new staff	Approved	03.17.26	$0.00
33	Extend the Period of Performance to September 30, 2026	Approved	09.01.26	$0.00
34	Increase $810,985.32 to the Not-to-Exceed Contract Price and extend the Period of Performance to June 30, 2034	**Pending**	**Pending**	**$810,985.32**
	Modification Total:			**$5,993,449.52**
	Original Contract:			**$5,829,626.00**
	Total:			**$11,823,075.52**

DEOD SUMMARY

P2000 LIGHT RAIL VEHICLE (LRV) OVERHAUL PROGRAM CONSULTANT SUPPORT SERVICES/ CONTRACT NO. PS20113000

A. Small Business Participation

CH2M Hill, Inc. (Jacobs Engineering Group) (CH2M) made a 24.81% Disadvantaged Business Enterprise (DBE) commitment on this task-order based contract. However, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program, including the suspension of goals, counting participation, and enforcement effective October 3, 2025. Metro is currently reviewing the Interim Final Rule (IFR) to identify necessary program and procedural changes to ensure full compliance. While the DBE commitment is not a factor in the staff recommendation, there are three certified small businesses participating in this contract.

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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of $2.5 million.

E. Manufacturing Careers Policy

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least $50 million.

VEHICLE ENGINEERING AND ACQUISITION

P2000 LIGHT RAIL VEHICLE (LRV) OVERHAUL PROGRAM CONSULTANT SUPPORT SERVICES

Metro

Operations, Safety, and Customer Experience Committee
September 17, 2026

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 34 to Contract No PS20113000, a cost plus fixed-fee contract with CH2M Hill, Inc. for the P2000 Light Rail Vehicle (LRV) Overhaul Program Consultant Support Services, increasing the Not-To-Exceed (NTE) contract price by $810,985.32, from $11,012,090.20 to $11,823,075.52, and extending the period of performance from September 30, 2026 through June 30, 2034. This requested increase to the NTE contract price is within the current P2000 LOP budget.

Metro

ISSUE & DISCUSSION

PROJECT: P2000 Light Rail Vehicle Overhaul/Midlife Modernization Program Consultant Support Services

AWARDEE : CH2M Hill, Inc. (JACOBS)

DEOD COMMITMENT: 24.81% DBE Commitment. However, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program and DBE regulations at 49 C.F.R. Part 26, effective October 3, 2025. During this transition period, certain provisions contained in the contract documents related to contract goals, enforcement, and counting of participation are suspended. While the DBE commitment is not a factor in the staff recommendation, there are three certified small businesses participating in this contract.

Metro

ISSUE & DISCUSSION

ISSUE

P2000 Midlife Modernization Project has experienced several unforeseen technical challenges that required significant additional effort, investigation, testing, development and coordination; technical challenges were notified to the P2000 Overhaul Contractor via multiple Fleet Defects and Warranty related issues involving multiple systems as well as software and communication upgrades. Therefore, key milestones have been delayed, such as: Conditional Acceptance of the last two LRV's, Final Acceptance and End of Warranty Period.

Consulting services are required through the listed key milestones to support readiness on the A and C Line.

Metro

ISSUE & DISCUSSION

DISCUSSION

This existing professional service support provides Metro Project Team both technical and program management supports during the remaining phases of the project, including Conditional Acceptance of remaining two LRVs, Fleet Reliability, Final Acceptance and End of Warranty.

Approval of the recommendation modifies Contract No. PS20113000 to allow continuation of technical and program management supports for the P2000 LRV Midlife Modernization Project. Metro staff requires these professional supports to navigate and mitigate the remaining technical issues to achieve final acceptance of P2000 LRVs and a successful warranty period. The Metro Project Team does not have the in-house resources to undertake the described support.

Based on current projections, consultant support is anticipated through June 30, 2034 (estimated date based on end of extended warranty on final LRV).

Metro