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

File #: 2026-0130, **File Type:** Contract **Agenda Number:** 31.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
OCTOBER 15, 2026**

SUBJECT: P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION CONSULTANT SUPPORT SERVICES

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 12 to Contract No. PS73193000-P2550, a cost plus fixed-fee contract with Hatch Associates Consultants, Inc. (formerly LTK Consultant Services, Inc.) to provide consultant support services for the P2550 Light Rail Vehicle Modernization Project, increasing the Not-To-Exceed (NTE) contract price by $4,796,082, from $7,038,584 to $11,834,666, and extend the period of performance from October 31, 2026 through December 31, 2031.

ISSUE

This Contract provides program and technical consulting support for the P2550 LRV Modernization Contract. Continued technical support is necessary to oversee the remaining thirty-three (33) vehicle acceptances and manage warranty requirements. With the final LRV projected for conditional acceptance in 2028 and a subsequent three-year warranty period, consultant support is needed through December 31, 2031.

BACKGROUND

In March 2021, the Board approved Contract No. PS73193000-P2550, a cost-plus fixed-fee contract to Hatch Associates Consultants, Inc. (formerly LTK Consultant Services, Inc.) in the amount of $6,470,848.47 for technical and program management services in support of the P2550 LRV Midlife Modernization Project. The base contract duration was five years.

Hatch Associates Consultants, 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 issued as needed and directed by the Metro P2550 Project Team through Task Orders using fixed labor rates, while Metro's P2550 Project Manager manages the consulting staff daily.

DISCUSSION

Since the contract award in March 2021, Hatch Associates Consultants, 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 currently in the Production, Commissioning, and Conditional Acceptance phase. Conditional acceptance enables the Modernized LRVs to enter revenue service. The next phase includes the LRVs' Reliability Demonstration, which measures the performance of the Conditionally Accepted LRVs in revenue service against contractual reliability targets.

Approval of the recommendation modifies Contract No. PS73193000-P2550 to allow for the continuation of technical and program management support for the P2550 LRV Modernization Project. Metro staff requires this Project support to accept the remaining LRVs, navigate and mitigate any technical issues to achieve final acceptance, and provide warranty support until expiration.

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

DETERMINATION OF SAFETY IMPACT

Approving the additional NTE funds for consultant services will ensure team continuity and maintain overall system safety, service quality, system reliability, maintainability, and customer satisfaction. The P2550 LRV Modernization Project permits Metro to maintain the P2550 LRV fleet in a State of Good Repair (SGR).

FINANCIAL IMPACT

The requested new NTE contract price of $11,834,666 is within the overall Board-approved project LOP budget of $206 million. The Contract Price increase of $4,796,082 is included in Cost Center 3043, Rail Vehicle Acquisition, Account 50316, under project number CP 214003, P2550 LRV Overhaul Program.

Since multi-year projects are funding this recommendation, the Chief Operations Officer, Chief Program Management Officer, and respective Project Managers will be responsible for future fiscal

year budgeting.

Impact to Budget

The current budget for this action includes Proposition A 35%, Measure M 2% State of Good Repair, and Federal 5337. These funds are eligible for rail operating and capital projects. Using these funding sources maximizes the allocation intent given fund guidelines and provisions.

EQUITY PLATFORM

The P2550 LRV Midlife Modernization Project enables the successful delivery of these vehicles on Metro's existing LRV lines, such as the A and E lines. These lines serve many Equity Focus Communities (EFCs) in areas such as Downtown LA, Chinatown, Long Beach, and others. Safe, reliable LRVs give Metro customers more mobility, as many rely on public transit to commute seamlessly to work, school, and other opportunities.

At the time of award, Hatch Associates Consultants Inc. made a 25.49% DBE commitment on this contract. However, the U.S. Department of Transportation (USDOT) issued an Interim Final Rule (IFR) that changes the DBE Program, including suspending goals, counting participation, and enforcement, effective October 3, 2025. While the DBE commitment is not a factor in the staff recommendation, one (1) Metro-certified small business is participating.

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 rail vehicle modernization 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) to provide high-quality mobility options that enable people to spend less time traveling. The completion and rollout of the P2550 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, with direct impacts to the overall project. These activities include, but are not limited to, witnessing commissioning for the remaining LRVs, reviewing test reports, reviewing project schedules, and providing LRV commissioning acceptance, reliability, and 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 impact the completion of the P2550 LRV Midlife Modernization Project due to the loss of the required technical expertise, labor, and manpower provided through this Consulting Services contract. Potential adverse impacts may include compromised quality and State of Good Repair of the Modernized LRVs, and reduced available LRVs for rollout to meet passengers' current demand.

NEXT STEPS

Upon Board approval, staff will execute Contract Modification No. 12 to increase the contract NTE amount by $4,796,082 with Hatch Associates Consultants, Inc. to continue services.

ATTACHMENTS

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

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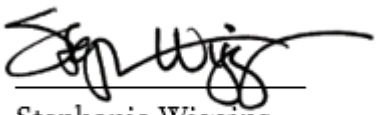

Stephanie Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION CONSULTANT SUPPORT SERVICES / PS73193000-P2550

1.	**Contract Number**: PS73193000-P2550			
2.	**Contractor**: Hatch Associates Consultants, Inc.			
3.	**Mod. Work Description**: Increase the Not-to-Exceed (NTE) contract price by $4,796,082 from $7,038,584 to $11,834,666			
4.	**Contract Work Description**: Provide engineering, technical and program management support to Metro Project team for the P2550 Midlife Overhaul Program to ensure timely overhaul and delivery of the program and associated deliverables.			
5.	**The following data is current as of :** August 10, 2026			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	03-25-2021	**Contract Award Amount:**	$6,470,848.47
	Notice to Proceed (NTP):	04-12-2021	**Total of Modifications Approved:**	$567,736
	Original Complete Date:	04-12-2026	**Pending Modifications (including this action):**	$4,796,082
	Current Est. Complete Date:	12-31-2031	**Current Contract Value (with this action):**	$11,834,666
7.	**Contract Administrator**: Aniza Wan Nawang		**Telephone Number**: 213-922-4677	
8.	**Project Manager**: Paul Park		**Telephone Number**: 213-392-8471	

A. Procurement Background

This Board Action is to approve Contract Modification No. 12 to increase the total authorized funding for Contract No. PS73193000-2550 for professional services in engineering, technical and program management support services to assist and augment Metro project team engaged in the P2550 Midlife Overhaul program, in the Not-to-Exceed (NTE) amount of $4,796,082, increasing the Contract total from an NTE amount of $7,038,584 to $11,834,666.

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

The Contract was executed on April 14, 2021, to LTK Consulting Services, Inc. (later known as Hatch) for a period of sixty (60) months from the Notice to Proceed (NTP). The Contract with Hatch was approved by the Board of Directors on February 18, 2021, under Agenda Number 29. The Contract has a Disadvantaged Business Enterprise (DBE) commitment of 25.49% of the total Contract Price. 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. While the DBE commitment is not a factor in the staff recommendation, there is one (1) Metro certified small business participating.

A Request for Proposal for Task Order 5 was issued to Hatch on February 24, 2026. Metro received a proposal on June 30, 2026.

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), technical evaluation and cost analysis. The total proposal price of $4,796,082 utilizes Hatch and its subcontractors' labor rates, audited labor overhead and fixed fees, and other direct costs. The only factor affecting the proposal price was the direct labor hours, which were reviewed by the Project Manager and determined to be fair and reasonable based on the technical evaluation and alignment with the P2550 Midlife Overhaul Program schedule.

Proposal Amount	Metro ICE
$4,796,082	$6,466,720

The price difference between the submitted proposal (25.8% lower than ICE) compared to the ICE is attributed to the factor below:

The ICE estimated approximately 39% more direct labor hours than Hatch's proposal due to different assumptions made in developing the ICE. The ICE was based on the current historical burn rate of approximately 770 labor hours per month or 9,240 hours annually and assumed consistent level of effort throughout the task order period. This approach was intended to provide a conservative estimate based on current workload. Whereas Hatch has proposed gradual reduction in staffing and labor hours towards the end of the performance period, averaging 464 labor hours per month or 5,568 annually.

C. Contractor Information

Hatch (previously known as LTK Engineering Services, Inc.) was founded in 1921 and is headquartered in Pittsburgh, Pennsylvania. Hatch has a local office in Los Angeles, CA and specializes in rail systems engineering, maintenance facilities, signals and communications, traction electrification and fare collection. Hatch clients include Sound Transit, Charlotte Area Transit System (CATS), Dallas Area Transit System (DART, Denver Regional Transit District (RTD) and Massachusetts Bay Transportation Authority (MBTA). Hatch has performed for LACMTA in the

procurement of new HR5000 Heavy Rail Vehicle, and in the rail vehicle overhaul campaigns for P3010 Light Rail Vehicles and P2550 Light Rail Vehicle.

ATTACHMENT B

CONTRACT MODIFICATION LOG

P2550 LIGHT RAIL VEHICLE (LRV) MODERNIZATION CONSULTANT SUPPORT SERVICES
PS73193000-P2550

Mod. no.	Description	Status (approved or pending)	Date	$ Amount
1	Add new staff	Approved	07-08-21	$92,521
2	Add new staff	Approved	09-07-22	$0
3	Add new staff	Approved	03-22-23	$0
4	Assignment from LTK Engineering to Hatch	Approved	06-30-23	$0
5	Add new staff	Approved	09-20-23	$0
6	Add new staff	Approved	12-05-23	$0
7	Add new staff	Approved	07-09-24	$0
8	Add new staff	Approved	10-02-24	$0
9	Increase the NTE Contract Price, add staff and update overhead rates	Approved	03-28-25	$451,723
10	Extend performance period and add staff	Approved	09-19-25	$0
11	Increase the NTE Contract Price, extend performance period and add new staff	Approved	06-26-26	$23,492
12	**Increase the NTE Contract Price, and Extend Performance Period**	**Pending**	**TBA**	**$4,796,082**
	Modification Total:			**$5,363,818**
	Original Contract:			**$6,470,848**
	Total:			**$11,834,666**

DEOD SUMMARY

P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION CONSULTANT SUPPORT SERVICES / PS73193000-P2550

A. Small Business Participation

At the time of award, Hatch Associates Consultants Inc. made a 25.49% DBE commitment on this 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. While the DBE commitment is not a factor in the staff recommendation, there is one (1) Metro certified small business participating.

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

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.

RAIL VEHICLE ACQUISITION

P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION CONSULTANT SUPPORT SERVICES

Metro

Operations, Safety, & Customer Experience Committee Meeting
October 15, 2026

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 12 to Contract No. PS73193000-P2550, a cost plus fixed-fee contract with Hatch Associates Consultants, Inc. (formerly LTK Consultant Services, Inc.) to provide consultant support services for the P2550 Light Rail Vehicle Modernization Project, increasing the Not-To-Exceed (NTE) contract price by $4,796,082, from $7,038,584 to $11,834,666, and extend the period of performance from October 31, 2026 through December 31, 2031.

Metro

ISSUE & DISCUSSION

ISSUE

This extension is necessary to incorporate an expanded scope of work for warranty support and to account for prior project delays resulting from COVID-19, supply chain disruptions, and offsite vehicle qualification testing. Existing contract funds are projected to be expended by the end of 2026.

DISCUSSION

This extension will allow Hatch to continue to provide technical and program management support. The project is currently in the production, commissioning, vehicle acceptance, and reliability demonstration phases.

Metro