

## PROCUREMENT SUMMARY

### OPTION FOR CONSULTING SERVICES TO SUPPORT THE OVERHAUL OF 36 A650 HEAVY RAIL VEHICLES/OP30433488

|    |   |   |   |
|----|---|---|---|
| 1. | <b>Contract Number:</b> OP30433488  |   |   |
| 2. | <b>Contractor:</b> LTK Engineering Services   |   |   |
| 3. | <b>Mod Work Description:</b> Exercise Option for Technical and Program Management Support Services for the Overhaul of the Remaining 36 Heavy Rail Vehicles |   |   |
| 4. | <b>Contract Work Description:</b> Consulting Services for the A650 Heavy Rail Vehicle Overhaul and Critical Component Replacement Program                   |   |   |
| 5. | <b>The following data is current as of:</b> 09.29.17  |   |   |
|    |   |   |   |
|    | <b>Contract Award:</b>  | 11.1.16                                   | <b>Contract Award Amount:</b> \$3,897,599                     |
|    | <b>Notice to Proceed:</b>   | 11.23.16                                  | <b>Total Mods Approved:</b> 0                                 |
|    | <b>Original Completion Date:</b>  | 09.23.20                                  | <b>Pending Mods (with this action):</b> \$597,238             |
|    | <b>New Estimated Completion Date (with this action):</b>  | 07.23.21                                  | <b>Current Contract Value (with this action):</b> \$4,494,837 |
|    |   |   |   |
| 6. | <b>Contract Administrator:</b><br>Wayne Okubo   | <b>Telephone Number:</b><br>(213)922-7466 |   |
| 7. | <b>Project Manager:</b><br>Andrew Kimani  | <b>Telephone Number:</b><br>(213)922-3221 |   |

#### **A. Procurement Background**

This Board Action is to exercise the option to provide technical and program management support services for the overhaul of the remaining 36 A650 Heavy Rail Vehicles under Contract No. OP30433488. The option was included as part of the initial evaluation process.

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

On October 27, 2016, Metro's Board of Directors approved Board Agenda Item 2016-0554 to LTK Engineering Services in the amount of \$3,897,599 for technical and program management services related to the overhaul of 38 A650 Heavy Rail Vehicles, with the option to support the overhaul of the remaining 36 vehicles of the newest A650 fleet. The intent of the consultant services is to provide Metro with expert professional engineering, technical oversight, and program management support to ensure the overhaul contractor's performance is consistent with the delivery requirements of the contract.

The recommended Contract Modification is to exercise the option to provide technical and program management support services for the overhaul of the remaining 36 Heavy Rail Vehicles for the amount of \$597,238 increasing the

Contract not to exceed price to \$4,494,837. By exercising the option within a 12 month period Metro saves all escalation costs on the option rates. The estimated savings to Metro, based on an annual escalation rate of 2% and the current level of effort is \$12,000. A survey of the proposers has determined that there would be no expected changes to market prices.

**B. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable for the exercise of the option for technical and program management services supporting the additional 36 A650 Heavy Rail Vehicles based upon adequate price competition attained during the initial solicitation. The negotiated unit rates for the option services was inclusive of any escalation as long as the option was exercised within 12 months from Notice to Proceed and this action is within that designated period.