

PROCUREMENT SUMMARY

**CONSULTING SERVICES FOR THE A650 HEAVY RAIL VEHICLE (HRV)
OVERHAUL PROGRAM, TECHNICAL AND PROGRAM CONTROL SUPPORT
SERVICES / OP30433488**

1.	Contract Number: OP30433488	
2.	Recommended Vendor: LTK Engineering Services	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 07.27.15	
	B. Advertised/Publicized: 07.27.15	
	C. Pre-proposal/Pre-Bid Conference: 08.11.15	
	D. Proposals/Bids Due: 09.17.15	
	E. Pre-Qualification Completed: 08.22.16	
	F. Conflict of Interest Form Submitted to Ethics: 08.22.16	
	G. Protest Period End Date: 09.08.16	
5.	Solicitations Picked up/Downloaded: 48	Bids/Proposals Received: 2
6.	Contract Administrator: Wayne Okubo	Telephone Number: (213)922-7466
7.	Project Manager: Cop Tran	Telephone Number: (213)922-3188

A. Procurement Background

This Board Action is to approve Contract No. OP30433488 issued in support of the A650 Heavy Rail Vehicle Overhaul and Critical Component Replacement Program. The recommended consultant shall provide engineering and administrative resources to support Metro's Project Manager in the technical and program management of the overhaul. The intent of the overhaul program is to replace vital systems and components, and to update relevant technology to ensure the continued safety, reliability, availability, and maintainability of the fleet for full revenue service and maintain the fleet's State of Good Repair.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a cost plus fixed fee.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 19, 2015 extended the proposal due date to September 17, 2015;
- Amendment No. 2, issued on July 15, 2016 after receipt of proposals requested Best and Final Offers (BAFOs);

A total of two proposals were received on September 17, 2015. A Pre-Proposal conference was held on August 11, 2015 with a total of 12 attendees.

Uncertainty over the A650 overhaul program caused delays in completing the procurement process for this Technical and Program Management Support contract. The award of this contract is contingent upon proceeding with the overhaul of the A650 fleet. Proposal negotiations were delayed until a determination to continue with the overhaul program was made. After oral presentations were conducted on October 29, 2015 both proposers were advised that Metro would not proceed until the status of the overhaul program was determined. Discussions with the proposers resumed once the decision to continue was made.

B. Evaluation of Proposals/Bids

A Proposal Evaluation Team (PET) consisting of staff from Rail vehicle Acquisition and Rail Fleet Services was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|--|------------|
| • Team's Degree of Skill and Experience | 30 percent |
| • Price | 30 percent |
| • Staff Quality and Technical Expertise | 20 percent |
| • Understanding of Work and Appropriateness of Approach for Implementation | 20 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar professional services procurements. Several factors were considered when developing these weights, giving the greatest importance to skill and experience of the firm in performing similar work.

Both of the proposals received were determined to be within the competitive range. The firms are listed below in alphabetical order:

- CH2M HILL, Inc.
- LTK Engineering Services

During the week of September 28, 2015, the evaluation committee met and started the review of the proposals. Proposal clarifications were necessary from both firms with requests sent on October 6, 2015. After clarifications were received and accepted, oral presentations were conducted on October 29, 2015. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were staffing plans, work plans, and perceived project issues. Each team adequately responded to questions relative to each firm's proposed alternatives and previous experience.

Discussions were held with both firms during the week of July 11, 2016. Each firm had adjusted the labor hour base in their initial price proposal by reducing the total hours for some of the labor categories. Best and Final Offers (BAFOs) were requested on July 15, 2016 and both firms were explicitly instructed to use the labor categories and hours provided by Metro on their BAFOs. Metro's BAFO request also contained a division of the work into base and option elements. This segmenting of the work follows the same base and option breakdown applied on the actual vehicle overhaul program. The Option for these services must be exercised by Metro no later than 12 months after Notice to Proceed.

BAFOs were received from both firms and evaluated by the PET. Each proposer made changes to their team, either based on discussions or out of their own best interests. LTK's organization was strengthened by the changes reflected in its BAFO.

LTK proposed a new Senior Schedule Analyst who strengthened the team's skill, quality, technical expertise, and experience based on the scheduler's education and experience background. LTK proposed a new Systems Integrator Engineer who's well rounded background and systems integration experience improves LTK's team in the critical area of system integration. The firm also moved its originally propose Systems Integrator Engineer to the Senior Electrical Engineer role. This move enhances the quality and experience of the engineering team proposed by LTK.

LTK submitted a comprehensive technical proposal that provided a clear implementation approach and a concise plan that addressed design, qualification, production, inspection, and testing phases of the overhaul. The proposal also included "lessons learned" from prior engagements that utilized a similar overhaul approach.

Qualifications Summary of Firms Within the Competitive Range:

LTK

LTK is headquartered in Ambler, PA with regional offices in Los Angeles, Atlanta, Boston, Chicago, Dallas, Denver, Houston, Minneapolis, Newark, New York, Petaluma, Portland, San Francisco, Seattle, and Washington, D.C. LTK has assisted in the design, procurement, rehabilitation, inspection and acceptance testing of over 26,000 passenger railcars operating in North America. LTK has an estimated 360 employees which includes 290 engineers and technicians with expertise in rail vehicle systems planning, engineering, and economic analyses. LTK has provided various engineering, technical, and management services in support of other transit agencies as well as Metro on the P3010 vehicle acquisition project.

CH2M HILL

CH2M HILL has over 30 years of experience in providing vehicle engineering and program management services. CH2M has supported both procurement and overhaul of rail vehicles, managing more than 110 projects totaling more than 13,300 vehicles, working to resolve the range of design, production, testing, and delivery issues that can arise. CH2M HILL has provided various engineering, technical, and management services in support of other transit agencies as well as Metro on the specification development for the A650 overhaul project.

The PET evaluated the proposals and assessed strengths, weaknesses, and associated risks of each proposal utilizing the evaluation criteria factors and sub-factors defined in the RFP. LTK Engineering Services was determined to be the PET's highest rated firm.

Although LTK's final price offer was higher than CH2MHill's price, LTK provided Metro with the "Best Value" for critical technical elements in System Integration, System Engineering, Quality Assurance Engineering and greater availability of key personnel. **These technical advantages in team and individual skill, experience, approach and availability provide Metro with the highest degree of probability of program success.**

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	LTK				
3	Team's Degree of skill and Experience	83.33	30.00%	25.00	
4	Price	92.44	30.00%	27.73	
5	Staff Quality and Technical Expertise	80.00	20.00%	16.00	
6	Understanding of Work and Appropriateness of Approach for Implementation	85.00	20.00%	17.00	
7	Total		100.00%	85.73	1
8	CH2M HILL				
9	Team's Degree of skill and Experience	70.00	30.00%	21.00	
10	Price	100.00	30.00%	30.00	
11	Staff Quality and Technical Expertise	66.67	20.00%	13.33	
12	Understanding of Work and Appropriateness of Approach for Implementation	70.00	20.00%	14.00	
13	Total		100.00%	78.33	2

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate competition, MAS audit findings, an Independent Cost Estimate, cost analysis, technical evaluation, fact finding, and negotiations. Metro has negotiated fixed billing rates for direct labor, overhead rates, and a fixed fee based on the total estimated cost for each Task Order. The pricing for each Task Order will use the Contract defined fixed direct labor rates, overhead rates, other direct costs (ODC) plus a portion of the negotiated fixed fee to establish a lump sum price.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount	
1.	LTK	\$4,368,578	\$6,235,300	Base	\$3,897,599
				Option	\$ 597,238
2.	CH2M HILL	\$3,969,582	\$6,235,300	Base	\$3,576,485
				Option	\$ 578,602

D. Background on Recommended Contractor

The recommended firm, LTK Engineering Services, located in Los Angeles, California, has been in business for 32 years and is an experienced rail vehicle consultant in North America. LTK specializes in rail vehicle and systems engineering with a pool of resources with expertise in rail vehicle procurement, engineering, and component systems. LTK has supported transit car procurements in Los Angeles, Boston, New York City, New Jersey, Philadelphia, and Washington, DC.

LTK has provided engineering expertise for over 20 years to Metro's vehicle procurement projects that include program management for the Blue Line and Green Line Light Rail Vehicles (LRVs). LTK was also selected to provide engineering support for the recent acquisition of the P3010 LRV.