

**Board Report**

File #: 2016-0573, **File Type:** Contract**Agenda Number:** 22.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
SEPTEMBER 15, 2016****SUBJECT: CONSULTING SERVICES FOR HEAVY RAIL VEHICLE ACQUISITION,
PROGRAM CONTROL SUPPORT SERVICES****ACTION: AWARD PROFESSIONAL SERVICES CONTRACT****RECOMMENDATION**

AWARD a cost plus fixed fee contract for **Program Control Support Services for the Heavy Rail Vehicle (HRV) Acquisition**, Contract No. PS5868500, to STV/PB Heavy Rail Vehicles II, a Joint Venture, in the not-to-exceed amount of \$5,651,853.54 for the 64 HRV Base Order.

ISSUE

This action authorizes contract award to STV/PB Heavy Rail Vehicles II, a Joint Venture, to support Metro's designated Project Manager, with project control, management and oversight of the Rail Vehicle Contractor to ensure performance consistent with the requirements of the HR4000 Heavy Rail Vehicle Acquisition Contract. Consultant shall apply appropriate program control and oversight support resources to facilitate the timely production and delivery of the HR4000 HRVs and associated deliverables for the 64 HRV Base Order.

DISCUSSION

Metro is currently supporting three rail line extensions on the Purple Line Extension (PLE). This rail line expansion, previously named the Westside Subway Extension, extends service from the terminus of the Purple Line at the Wilshire/Western Station to Westwood.

In accordance with the Rail Fleet Management Plan FY2015-FY2040 (Draft, June 10, 2015, v.7.1), Metro anticipates a need to expand each rail fleet to accommodate anticipated growth in ridership, line extensions; replace vehicles reaching the end of their useful revenue service life; and support the maintenance department with reasonable spare ratios to prevent deferred maintenance issues. The base order of 64 HRVs will address the operational service requirements of the PLE, Section 1, with 34 HRVs; the remaining 30 HRVs will be used to replace the original A650 HRVs that will be reaching the end of their revenue service life. As such, this contract base order will be supporting the fleet replacement efforts in addition to the PLE section 1 extension. There are five (5) Options totaling 218 HRVs for potentially a cumulative purchase of 282 vehicles.

The Options below were evaluated as part of this procurement action, but the authority to award the Options are not included in the staff recommendation. The Options can be exercised at any time during the term of the contract. Authority will be requested at the same time that the HRV Options are recommended to be approved by the Board for award in the future.

- Option 1 - 24 HRVs: Red Line Expansion
- Option 2 - 84 HRVs: System Expansion
- Option 3 - 20 HRVs: PLE, Section 2
- Option 4 - 16 HRVs: PLE, Section 3
- Option 5 - 74 HRVs: Fleet Replacement of existing 74 vehicles

STV/PB Heavy Rail Vehicles II, a Joint Venture shall provide support to Metro's designated Project Manager or his/her designee, with program control and oversight of the Rail Vehicle Contractor to ensure that performance is consistent with the delivery requirements of the HR4000 Heavy Rail Vehicle Contract, which may include Metro's exercise of any or all of the five (5) Options.

The scope of services shall include, but not be limited to:

- provide oversight of the project status;
- identify any variances from schedule and deliverable requirements and recommend corrective action;
- assess and report on project performance;
- support of Project Reviews;
- performing Buy America audit and reviewing Change Order requests; and
- other program management and oversight support services as directed by Metro.

The Consultant shall provide, on an as needed basis, highly experienced and qualified Program Control staff with demonstrated expertise in all subject areas listed in STV/PB Heavy Rail Vehicles II, a Joint Venture Statement of Qualifications for the duration of the Contract.

The Diversity & Economic Opportunity Department (DEOD) has completed its initial evaluation of the Proposer's commitment to meet the twenty percent (20%) Race Conscious Disadvantage Business Enterprise (RC DBE) goal established for this project. STV/PB Heavy Rail Vehicles II, a Joint Venture exceeded the goal by making a 20.88% DBE commitment and is deemed responsive to the DBE requirements.

DETERMINATION OF SAFETY IMPACT

The approval of this contract award will have a direct and positive impact to system safety. The procurement of sixty-four (64) new HRVs will feature the most current safety systems and augment service levels by replacing the underperforming original 30 A650 HRVs.

FINANCIAL IMPACT

The total not-to-exceed contract amount is \$5,651,853.54. Funding for the base order is within the respective Life of Project (LOP) budgets for the PLE Section 1 (865518) of \$2,773,880,000 and the Heavy Rail Procurement Project (206037) of \$130,910,000.

The FY17 planned expenditures of \$2,497,043 is included in the annual budgets for the two aforementioned projects in Cost Center 3043, Rail Vehicle Acquisition, and Account 50316, Professional & Technical Services and as per Attachment C.

Since this is a multi-year contract, the cost center manager will ensure that costs will be budgeted in future years.

Impact to Budget

The source of funds for this action affecting PLE Section 1 is Measure R 35%, and is within the Adopted LOP budget. Funding sources for the PLE Section 1 project is planned for the design, construction and procurement efforts; these funds are not eligible for operations.

The source of funds for the Heavy Rail Procurement project is a combination of Measure R 35% which is not eligible for transit operations and Proposition A 35% which is eligible for transit operations. Staff is actively pursuing additional Federal sources such as Section 5337 and other eligible federal sources. Staff is also pursuing additional State and Local funding sources such as Cap and Trade and similar sources as they become available to meet the funding needs of project 206037.

ALTERNATIVES CONSIDERED

Staff considered using in-house Metro resources to perform this work. This approach is not recommended as Metro does not have sufficient resources and Subject Matter Experts (SME) available to perform this work.

The Board of Directors may choose not to authorize the Contract award for this project; however, this alternative is not recommended by staff as this project is critical to support the Purple Line Extension, accommodate projected growth in ridership, and increase vehicle spare ratios to enable the Maintenance department to effectively plan and schedule its work.

NEXT STEPS

Upon Board approval, a Contract will be awarded and a Notice-to-Proceed will be issued to STV/PB Heavy Rail Vehicles II, a Joint Venture. Metro and STV/PB Heavy Rail Vehicles II, a Joint Venture

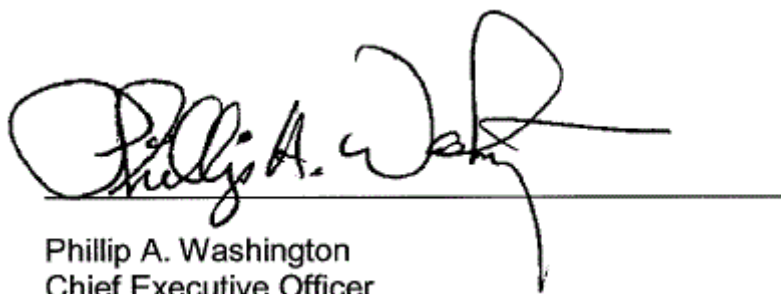
will mobilize required resources and SMEs to ensure timely completion of deliverables by the Vehicle Contractor.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Funding/Expenditure Plan

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