

**Board Report**

File #: 2021-0499, **File Type:** Contract

Agenda Number: 22.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
SEPTEMBER 16, 2021**

SUBJECT: P3010 LIGHT RAIL VEHICLE PROCUREMENT CONSULTING SERVICES

ACTION: AUTHORIZE CEO TO INCREASE THE CHANGE MODIFICATION AUTHORITY AND INCREASE THE CONTRACT VALUE AND CHANGE PERIOD OF PERFORMANCE FOR CONTRACT (OP39602795A)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. INCREASE the Contract Modification Authority (CMA) from 10% to 15% of the total contract value through Contract Modification 32 to \$3,720,176 for Contract No. OP39602795A with LTK Engineering Services for Technical Support Services for P3010 Light Rail Vehicle Acquisition; and
- B. EXECUTE Modification No. 32 to Contract No. OP39602795A with LTK Engineering Services for Technical Support Services for P3010 Light Rail Vehicle Acquisition, to extend the Period of Performance until 2023 and increase the Not-to-Exceed Total Contract Price by \$1,513,854, from \$23,287,320 to \$24,801,174.

ISSUE

In March 2012, the Board approved a 5-year contract with LTK (OP39602795A) to support Metro's Project Manager in the technical and engineering oversight of the manufacture of the P3010 Light Rail Vehicle (LRV) by Kinkisharyo International, LLC (KI). Subsequently, in January 2017, the Board approved the award of the three 1-year options to support the additional four LRV Options for the P3010 LRV Project (CP 206035) for an additional 157 vehicles, for a combined total of 235 vehicles with anticipation of final deliveries in the latter half of 2020.

Due to unforeseen circumstances, including a global pandemic, unanticipated delays have pushed final acceptance of all 235 rail vehicles to mid-2023. To ensure continuity of consultant support for the P3010 LRV project, it is recommended that Metro extend the existing P3010 consultant contracts.

BACKGROUND

March 15, 2012, the Board approved two contracts to be awarded in response to RFP No.

OP39602795, *Consulting Services for Light Rail Vehicle Acquisition, Technical and Program Management Support*, one to provide technical and one to provide program management support to Metro staff engaged in the management of the P3010 contract for the acquisition & on-time time delivery of a base order of 78 light rail vehicles (LRV) and up to four option orders totaling 235 LRVs for future line extensions and replacement of the aging Metro Blue Line fleet.

(LTK) Consultant for Light Rail Vehicle Acquisition, Technical Support Services

The objective is to support Metro's Project Manager with the engineering and technical oversight of the rail vehicle contractor to ensure performance consistent with the delivery requirements of the P3010 LRV procurement. The consultant provides staff support in the following disciplines:

- Systems Engineering
- Systems Integration
- Quality Assurance
- Design Conformance Tests
- Inspection/Audit of Fabrication and Assembly Site Activities

Actual work is as needed and directed by Metro through written task orders to the consultant contracts, using not to exceed prices based on the fixed labor rates in the contract. The consultants' staff is managed daily by Metro's P3010 LRV Project Manager.

DISCUSSION

Approval of Recommendation A increases the Contract Modification Authority to the LTK Contract, which will allow for continued technical support of the P3010 LRV project. Metro staff requires this project support to navigate the remaining technical issues and delays to achieve the final delivery and acceptance of the P3010 LRVs in June of 2023.

Approval of Recommendation B extends the engagement with LTK for the seamless provision of the technical consultant services in support of the P3010 LRV acquisition project.

DETERMINATION OF SAFETY IMPACT

The approval to transfer funds between the contracts and increase the CMA for the Technical Support and Program Management Support Services will ensure the LRV Procurement Project's continuity and maintain overall system safety, service quality, system reliability, and customer satisfaction.

FINANCIAL IMPACT

Funding for P3010 consultant support services has been allocated, and initial LOP budget of \$30,000,000 for Consulting Services for Light Rail Vehicle Procurement was approved by the Board in 2012 and extended in 2017. Funds required in fiscal year 2022 are included in Cost Center 3043, Capital Project (CP) 206036. Since this is a multi-year project, the Chief Operating Officer and the Project Manager have been responsible for budgeting. Within CP 206036, there are two consultant supporting services specified: Technical Support and Program Management Support Services.

Increasing the funds and extending the consultant support services for Contract No. OP39602795A will not impact the Board-approved LOP of \$30,000,000.

Impact to Budget

Funding for these services includes Proposition A 35% Rail. This funding source is eligible for Rail Operations and Capital Projects and will maximize fund use based on funding allocation provisions.

EQUITY PLATFORM

This is an existing professional support contract needed to ensure continuity and proper project closeout of the new P3010 Light Rail Vehicle Acquisition Project and does not have any impacts on the previously approved Life-of-Project (LOP). In addition, approving the two recommended items ensures successful completion of the P3010 project, which provides accessible and affordable transportation for all who ride our light rail system.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations supports strategic plan goal # 1.2 - Optimize the speed, reliability and performance of existing system by revitalizing and upgrading Metro's transit assets. The completion and roll out of the P3010 LRVs are state -of-the-art assets which will significantly reduce trip disruptions on rail networks and improve the integrity of the overall network.

ALTERNATIVES CONSIDERED

The Board may choose not to increase the CMA authority or extend the current contract. This is not recommended as critical project activities being supported by consultant staff will be interrupted, likely impacting the project schedule. These activities include but are not limited to; auditing manufacture and assembly site activities, witnessing commissioning tests, reviewing test procedures and test reports, providing warranty support, reviewing car history books before submittal to CPUC, and conducting schedule and milestone reviews. The Metro project team currently does not have the resources to absorb this work.

Additionally, disapproving the two recommended items will adversely impact the P3010 project completion due to the loss of the technical expertise provided through this professional support contract. The adverse impacts may result in insufficient vehicles to meet passenger demand and rollout schedules and degraded passenger wayfinding due to an unreliable passenger communication system. This would have a negative impact on providing transportation services due to being unable to provide sufficient vehicles to all who ride our light rail system and negatively impacting the rider experience.

NEXT STEPS

Upon Board approval, staff will increase the CMA amount and execute a Change Modification to extend the performance period and increase the Contract amount with LTK Engineering Services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification Log
Attachment C - DEOD Summary

Prepared by: Annie Yang, Sr. Director, Vehicle Acquisition, (213) 922-3254
Jesus Montes, Sr. Executive Officer, Vehicle Engineering & Acquisition, (213) 922-3277

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051


Stephanie N. Wiggins
Chief Executive Officer