



Board Report

File #: 2022-0266, File Type: Contract

Agenda Number: 3.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JUNE 16, 2022

**SUBJECT: TECHNICAL AND PROGRAM MANAGEMENT SUPPORT SERVICES FOR LACMTA
HRV OVERHAUL AND CRITICAL COMPONENT REPLACEMENT PROGRAM**

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 14 to Contract No. OP30433488 with LTK Engineering Services for Technical and Program Management support services for LACMTA A650 Heavy Rail Vehicle Overhaul and Critical Component Replacement Program (OCCRP) to extend the Period of Performance through March 5, 2025 and increase the Not-to-Exceed Total Contract Price by \$3,126,944, from \$5,488,530 to \$8,615,474.

ISSUE

In October 2016, the Board approved a 46-month contract with LTK Engineering (OP30433488) to support Metro's Project Manager with Technical and Program Management Support services to oversee the rail vehicle overhaul contractor tasked with the A650 OCCRP Project.

Staff requests an extension of the existing consultant contract due to OCCRP project schedule delays. It is necessary to extend the consultant contract to ensure continuity of support for the project and execution of contractual terms for the rail vehicle contractor.

BACKGROUND

On October 27, 2016, the Board approved the contract to be awarded to LTK Engineering in response to RFP No. OP30433488, A650 Consulting Services for Heavy Rail Vehicle Overhaul for Technical and Program Management Support Services. This consultant provides technical program management support to Metro staff engaged in the management of the OCCRP for the overhaul & on-time delivery of a base order of 74 HRVs.

LTK Engineering is tasked 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 OCCRP. LTK Engineering provides staff support in the following disciplines:

- Systems Engineering

- Systems Integration
- Quality Assurance
- Value Engineering
- Design Conformance Tests
- Inspection/Audit of Fabrication and Assembly Site Activities
- Commissioning and vehicle acceptance efforts.
- Project Management Support

All work and assignments are as needed and directed by the OCCRP Project Team through written task orders to the consultant contract, using not to exceed prices based on the fixed labor rates in the contract. The consultant's staff is managed daily by Metro's OCCRP Project Manager.

DISCUSSION

Since the contract award of the OCCRP in October of 2016, LTK Engineering has been providing Metro's Project Team with unique rail vehicle technical support including: review of all technical documents; oversight of system and combined-system level integration efforts; witness of verification / validation of designs, inspections; design conformance/qualification testing; and identification of vehicle assembly issues / matters. These are essential prerequisites prior shipping HRVs back to Metro.

Given the performance of the rail vehicle contractor overhaul efforts and the project delays to date, it has become more critical to increase contractor oversight to ensure all significant issues are identified and that the scope of work is performed in compliance with contract requirements.

LTK Engineering consultant support includes assistance with document updates and controls, technical and commercial specifications, gathering all technical documentation, and to assist with on-going project issues.

Approval of Recommendation A modifies the LTK Engineering contract, which allows for continued technical support of the OCCRP. Metro staff requires this consultant support to mitigate the remaining technical issues to ensure safety and performance standards are met and achieve final delivery / acceptance of the HRVs.

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

DETERMINATION OF SAFETY IMPACT

The approval for the Technical Support Services will ensure team continuity and maintain overall system safety, service quality, system reliability, and customer satisfaction.

FINANCIAL IMPACT

Since this is a multi-year project, the cost center manager, project manager, Senior Executive Officer, and Vehicle Engineering & Acquisition team will ensure that funds are budgeted in future Fiscal Years. This action is funded using the existing LOP budget potentially utilizing the Project Contingency.

Impact to Budget

The current source of funds for the overhaul program and Consulting Services is Proposition A 35%. Staff will pursue additional federal funds that may become available for this project to maximize and conserve the use of local funding sources and/or debt.

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

EQUITY PLATFORM

Approving the recommendations in this board report will ensure uninterrupted professional services that support the ongoing OCCRP. This allows for successful delivery of these vehicles for use on Metro's existing heavy rail vehicle lines that serve a majority of Equity Focus Communities (EFCs) who rely on public transit for their daily jobs. EFC areas along the heavy rail alignment include Union Station to Downtown LA, Koreatown (Wilshire/Western), Hollywood, Universal City, and North Hollywood. Please refer to Attachment D for Metro's current rail line map showing the areas of Metro's EFCs that will benefit from this board decision.

LTK Engineering made a 30.74% Disadvantaged Business Enterprise (DBE) commitment. The project is 85% complete based on payments and the current DBE participation is 17.13%, representing a 13.61% shortfall. LTK Engineering submitted an updated shortfall mitigation plan on May 3, 2022, and projects to exceed the 30.74% utilization by the end of all anticipated contract, and task extensions. LTK Engineering remains committed to meeting the 30.74% DBE commitment by the end of vehicle production.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations support 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 overhauled A650s will significantly reduce trip disruptions on rail networks and improve the integrity of the overall network.

ALTERNATIVES CONSIDERED

The Board may choose not to approve this item to 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. The adverse impacts may also result in insufficient vehicles to

meet passenger demand and rollout schedules. This would have a negative impact on providing transportation services due to being unable to provide sufficient vehicles to all who ride our heavy rail system and will negatively impact the rider experience.

The support activities provided by this consultant include but are not limited to; auditing manufacture and assembly site activities, witnessing Qualification and commissioning tests, reviewing test procedures and test reports, providing vehicle acceptance and warranty support, reviewing safety certification checklists before submittal to CPUC and review of car history books with CPUC prior to approval of placing vehicles in service, and conducting schedule and milestone reviews. The Metro project team currently does not have the resources to absorb all the consultant scope of work.

NEXT STEPS


Upon Board approval, staff will execute Contract Modification No. 14 to extend the performance period and increase the Contract amount with LTK Engineering.

ATTACHMENTS

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

Prepared by: David McDonald, Sr. Manager, Project Control, (213) 922-3221
Annie Yang, Sr. Director, Rail Vehicle Acquisition, (213) 922-3254
Jesus Montes, Sr. Executive Officer, Vehicle Engineering & Acquisition, (213)
418-3277

Reviewed by:
Conan Cheung, Chief Operations Officer, (213) 418-3034
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051


Stephanie N. Wiggins
Chief Executive Officer