

**Board Report**

File #: 2023-0161, **File Type:** Contract**Agenda Number:** 20.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
MAY 18, 2023****SUBJECT: TECHNICAL AND PROGRAM MANAGEMENT SUPPORT SERVICES****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 24 to Contract No. PS20113000, a cost plus fixed-fee contract with CH2M Hill, Inc. for technical and program management support services in support of the P2000 Light Rail Vehicle (LRV) Overhaul/Midlife Modernization Program, to increase the Not-To-Exceed (NTE) contract price by \$1,861,372.68 from \$7,060,813.71 to \$8,922,186.39 to permit continued consultant support through June 30, 2024.

ISSUE

This Contract provides the agency with program and technical consultant support for the P2000 LRV Modernization/Overhaul Contract that was originally awarded in March 2017. Due to the global pandemic, which continues to impact the supply chain, availability of resources, inspections, and test activities, the project schedule continues to be impacted and the final acceptance of all existing P2000 LRVs (fifty-two LRVs total) is deferred from December 2023 to June 2024.

BACKGROUND

In March 2017, the Board approved (#2017-0149) Contract No. PS20113000, a cost plus, fixed fee contract to CH2M Hill, Inc. in the amount of \$5,829,626 (base contract) for technical and program management services in support of the P2000 LRV Midlife Modernization/Overhaul Project. The base contract duration was five years. A no cost contract modification was issued in February 2022, extending the base contract from March 2022 through September 2022.

In September 2022, the Board approved (#2022-0459) to extend project support activities for the additional amount of \$1,231,187.71, from October 1, 2022, through June 30, 2023. This contract modification was issued through June 2023 to align with anticipated project activities and Metro's fiscal year for project budgeting purposes.

CH2M Hill Inc. currently provides staff support in the following disciplines, as directed by Metro:

- Project Management
- Systems Engineering
- Systems Integration
- Design Conformance Tests
- Inspection Activities at LRV Production/Modernization Site
- LRV Commissioning and acceptance Activities.
- Quality Assurance
- Document Control

All work and assignments are on an as-needed basis and directed by the Metro P2000 Project Team through issued Task Orders using fixed labor rates. The Consulting staff are managed daily by Metro's P2000 Project Manager.

DISCUSSION

Findings

Since the subject contract was awarded in March 2017, CH2M Hill, Inc. has been providing Metro's Project Team with technical and program management support, including review of all technical documents, oversight of system and combined-system level integration efforts, witness of verification and validation tests, and inspection of workmanship at the production/ modernization site. The Project is now in the Conditional Acceptance phase, an essential gateway to allow the Modernized LRVs to enter revenue service. The next phase includes the LRV's Reliability Demonstration which measures the performance of the Conditionally Accepted LRVs in revenue service against contractual reliability targets.

The Project schedule continues to be impacted by the remaining effects of the pandemic. Examples of the impacts include supply chain disruptions which delayed the start and completion of manufacturing, assembly, inspection, and test activities.

Approval of the recommendation modifies Contract No. PS20113000 to allow for the continuation of technical and program management support for the P2000 LRV Midlife Modernization/Overhaul Project. Metro staff requires this Project support to navigate and mitigate the remaining technical issues to achieve final delivery and acceptance of the 52 modernized P2000 LRVs.

This is an existing professional services support contract required to ensure continuity, proper project execution, and completion of the LRV Midlife Modernization/Overhaul project. Approving the recommendation ensures the successful completion of the Overhaul/Midlife Modernization Project, which provides accessible and affordable transportation for all who ride Metro's light rail system.

DETERMINATION OF SAFETY IMPACT

The approval for the additional NTE funds for the consultant services will ensure team continuity and maintain overall system safety, service quality, system reliability, maintainability, and customer satisfaction.

The P2000 LRV Modernization Project permits Metro to maintain the P2000 LRV fleet in a State of Good Repair (SGR).

FINANCIAL IMPACT

The requested new NTE contract price of \$8,922,186.39 is within the overall Board approved project LOP budget of \$160.8 million.

The Contract Price increase of \$1,861,372.39 has been included in Cost Center 3043, Rail Vehicle Acquisition, Account 50316, under project number CP 206044, P2000 LRV Overhaul Program.

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

Impact to Budget

The current source of funds for this project are Proposition A 35% and Federal Funds Section 5337, State of Good Repair. Also, Federal Funds Section 5307, Proposition A/C, Measure R/M, and Transportation Development Act funds will be used as required. Staff will pursue additional federal funds that may become available through the Infrastructure Investment and Jobs Act (IIJA) or other federal sources for this project, to maximize and conserve the use of local funding sources before considering debt financing. These funds are not operating eligible funds.

EQUITY PLATFORM

This is an existing Consulting Services contract needed to ensure continuity and proper project closeout of the P2000 LRV Midlife Modernization/Overhaul Project and allows for the successful delivery of those vehicles for use on Metro's existing light rail vehicle lines that serve a majority of Equity Focus Communities (EFCs) who rely on public transit for their daily lives, including travel for work, school, and other activities. The rail ridership consists of 67% low-income and 82% passengers of color based on the Countywide Planning's 2022 customer satisfaction survey. EFC areas along the light rail alignments included areas in Downtown LA, Chinatown, in the vicinity of downtown Long Beach, and others. Please refer to Attachment D for Metro's current rail line map showing areas of the EFCs that will benefit from this board decision.

CH2M Hill Inc. made a 24.81% Disadvantaged Business Enterprise (DBE) commitment. The project is 81% complete based on payments, and the current DBE participation is 12.91%, representing an 11.90% shortfall.

The current shortfall to date is anticipated as the majority of the DBE participation is planned for the latter part of the project when more vehicles are in production and are being delivered at a higher rate.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan Goal #1.2 - Optimize the speed, reliability, and performance of the existing system by revitalizing and upgrading Metro's transit assets. The completion and rollout of the P2000 LRVs are state-of-the-art assets that 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 the recommendation for increasing the contract amount. This is not recommended as critical project activities currently supported by consulting staff will be interrupted, with direct impacts on the overall project schedule. These activities include but are not limited to; inspection at the production/modernization site, witnessing commissioning tests, reviewing test reports, reviewing Project Schedule, and providing LRV commissioning acceptance, and warranty support. The Metro Project Team does not have the in-house resources to undertake all the necessary Project tasks as described.

Not approving the recommendation will also adversely impact the P2000 LRV Overhaul/Midlife Modernization Project completion due to the loss of the required technical expertise, labor, and manpower provided through this Consulting Services contract. The potential adverse impacts may include compromised quality and SGR of the Modernized LRVs, and reduced number of available LRVs for rollout to meet the passengers' demand that continues to trend positively towards the pre-pandemic levels.

NEXT STEPS

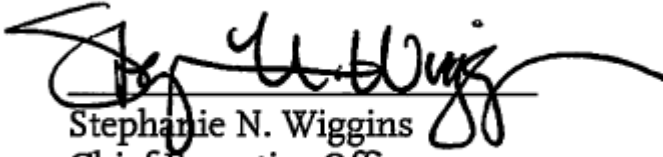
Upon Board approval, staff will execute Contract Modification No. 24 to increase the contract NTE amount by \$1,861,372.39 with CH2M Hill, Inc. for continuation of services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification Log
Attachment C - DEOD Summary
Attachment D - Metro EFC Map

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