PROGRAM MANAGEMENT

2026-0387 – CONSTRUCTION MANAGEMENT SUPPORT SERVICES CAPITAL PROJECTS

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RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a contract modification to Contract No. AE76301MC081000 with Zephyr Rail to increase the total authorized contract funding by $328,417, increasing the total Not-To-Exceed (NTE) amount from $9,269,211.94 to $9,597,628.94, for final contract closeout.

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ISSUE

Contract No. AE76301MC081000 is a cost-plus fixed fee contract with Zephyr Rail to provide construction management support services for projects. Metro has completed an overhead reconciliation for work performed from 2022 through 2025, which identified underbilling.

- The requested contract modification does not authorize new scope, new services, or additional level of effort.
- The action provides sufficient contract authority to reconcile overhead costs for work already performed, invoiced, reviewed, and accepted under existing task orders.
- The reconciliation is necessary to complete contract administration and support closeout of the applicable task order adjustments.

DISCUSSION

Metro has completed a reconciliation of Zephyr Rail's overhead rates for work performed under Contract No. AE76301MC081000 from 2022 through 2025. The reconciliation compares the amounts invoiced using provisional indirect cost/overhead rates with the amounts due after applying the applicable final rates for each year of the contract. The reconciliation identified a total underbilling across the task orders issued under the contract.

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FUNDING REQUESTED

A summary of the current and requested contract funding can be found below, and additional contract authority information can be found in Attachment B.

· Total Authorized Funding to Date	$9,269,211.94
· Task Orders Issued to Date	$9,205,628.03
· Remaining Balance to Date	$ 63,583.91
· Total Underbilling amount	$ 392,000.91
· Additional Funding Requested	$ 328,417.00

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NEXT STEPS

Upon Board approval, staff will execute a contract modification to increase the total authorized contract funding and process the applicable task order modifications necessary to complete the overhead reconciliation.

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