



Board Report

File #: 2019-0152, File Type: Contract

Agenda Number: 33.

OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE JUNE 20, 2019

SUBJECT: A650-2015, HEAVY RAIL VEHICLE MODERNIZATION AND CRITICAL COMPONENT REPLACEMENT PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 4 for consultant Technical and Program Management Support Services for the A650 Heavy Rail Vehicle Modernization and Critical Component Replacement Program (MCCRP), Contract No. OP30433488, with LTK Engineering Services, extending the contract for a period of performance by ten (10) months in the not-to-exceed amount of \$993,693 for a new total contract value of \$5,488,530.

ISSUE

This contract extension for consultant Technical and Program Management Support Services is required to coincide with the contract extension granted to the Heavy Rail Vehicle Modernization and Critical Component Replacement Program (MCCRP) contractor (Talgo, Inc.). It includes the Mist Fire Suppression System (MFSS), and the Train-to-Wayside Communication (TWC) system into the project scope.

BACKGROUND

The primary objective of the project is to deliver safe, reliable, high quality, modernized HRV's on-time and within budget, and to create new jobs for Los Angeles County that can be tied directly to the Modernization Program.

To date the MCCRP contractor has been awarded three contract modifications, with one pending. The contract modifications exercised the contract option for 18 additional married-pairs, added a Fire Mist Suppression System, Train to Wayside Communication (TWC) system, and if approved by the Metro Board, will add the inspection and repair of truck frames to the original A650 Option Order Fleet. In aggregate, these contract modifications will result in a 10 month extension to the life of the project.

The approval of this Board action will adjust the term of the Consultant contract to match the Contractor's period of performance and will adjust the Consultant LOP to reflect the additional

engineering and technical support.

The Diversity and Economic Opportunity Department (DEOD) 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. LTK Engineering Services exceeded the goal by making a 30.74% DBE commitment and is deemed responsive to the DBE requirements.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have a direct and positive impact to system safety, service quality, system reliability, maintainability and overall customer satisfaction.

FINANCIAL IMPACT

At the January 2019 Board Meeting, the Board approved an increase to the LOP from \$86,662,000 to \$99,061,908 (Legistar ID 2018-0670) for CP 206038 - A650 HRV Midlife Modernization Project. This amount includes funds for the HRV Modernization project and Contract Modification No.1, 2 and 3. There are also funds allocated for Professional Services, Metro Labor, and Project Contingency.

Impact to Budget

The \$993,693.22 needed for the contract extension will be budgeted upon reassessment of project cash flows and programming of additional funds.

Since this is a multi-year contract, the cost center Manager, Project Manager, and Senior Executive Officer, Vehicle Acquisition will be responsible for ensuring that Project costs are budgeted in future fiscal years. There will be no impact to the Fiscal Year 2019 or 2020 budgets due to the approval of this recommendation.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal #5 to Provide responsive, accountable, and trustworthy governance within the Metro organization. This project will improve safety, service, and reliability in an effort to provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.

ALTERNATIVES CONSIDERED

The Board may choose not to approve these contract modifications. However, this alternative is not recommended as the consultant Technical and Program Management Support Services is required to provide Metro with expert professional engineering, technical, and program management oversight services as directed and required by Metro's Project Manager and Rail Vehicle Acquisition staff. This will ensure the Vehicle Contractor's performance is consistent with the delivery requirements of the MCCRP Contract.

NEXT STEPS

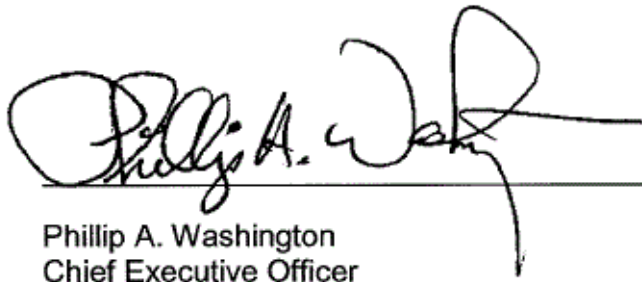
Upon Board approval, the contract modification will be exercised with LTK Engineering Services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

EXTENSION OF CONSULTING SERVICES TO SUPPORT THE OVERHAUL OF 74
A650 HEAVY RAIL VEHICLES/OP30433488

1.	Contract Number: OP30433488		
2.	Contractor: LTK Engineering Services		
3.	Mod Work Description: Extend the term of Technical and Program Management Support Services to coincide with the extension of the overhaul project.		
4.	Contract Work Description: Consulting Services for the A650 Heavy Rail Vehicle Overhaul and Critical Component Replacement Program		
5.	The following data is current as of: 09.29.17		
	Contract Award:	11.1.16	Contract Award Amount: \$3,897,599
	Notice to Proceed:	11.23.16	Total Mods Approved: \$ 597,238
	Original Completion Date:	07.23.21	Pending Mods (with this action): \$ 993,693
	New Estimated Completion Date (with this action):	05.23.22	Current Contract Value (with this action): \$5,488,530
6.	Contract Administrator: Wayne Okubo	Telephone Number: (213)922-7466	
7.	Project Manager: Andrew Kimani	Telephone Number: (213)922-3221	

A. Procurement Background

This Board Action is to extend the period of performance to provide technical and program management support services for the overhaul of 74 A650 Heavy Rail Vehicles under Contract OP30433488. The extension is necessary to support the overhaul project, which was extended due to the addition of the Mist Fire Suppression System and the Train-to-Wayside Communication system into the overhaul scope.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a cost plus fixed fee.

On October 27, 2016, Metro's Board of Directors approved Board Report File 2016-0554 to LTK Engineering Services in the amount of \$3,897,599 for technical and program management services related to the overhaul of 38 A650 Heavy Rail Vehicles. On October 19, 2017 Board Report File 2017-0584 for the option to support the overhaul of the remaining 36 vehicles of the newest A650 fleet, was approved.

The intent of extending the consultant services is to provide Metro with expert professional engineering, technical oversight, and program management support to

ensure the overhaul contractor's performance is consistent with the delivery requirements of the contract throughout the duration of the project.

The recommended contract modification is to extend the technical and program management support services for the overhaul project by 10 months in the amount of \$993,693 increasing the Contract not to exceed price to \$5,488,530.

B. Cost/Price Analysis

ICE	Proposed	Recommended
\$1,530,000	\$1,032,879	\$993,693

The recommended price has been determined to be fair and reasonable for the extension of the technical and program management services supporting the A650 Heavy Rail Vehicle overhaul based upon fact finding, an Independent Cost Estimate (ICE), negotiations and adherence to the existing Contract defined rates.

This is a cost plus fixed fee contract. The direct labor rates for this extension were negotiated using the forward priced rate agreement and escalations established in the existing Contract. All newly proposed staff rates were validated with current payroll records. The overhead rates applied for this extension are consistent with the originally proposed provisional rates for the consultant and sub consultants. Due to the extension in the period of performance, the planned closeout audit for overhead rates will be augmented with an intermediate incurred cost audit to be performed during the Option period of the Contract.

CONTRACT MODIFICATION/CHANGE ORDER LOG

CONSULTING SERVICES TO SUPPORT THE OVERHAUL OF
74 A650 HEAVY RAIL VEHICLES/OP30433488

Mod. no.	Description	Status (approved or pending)	Date	\$ Amount
1	Exercise Option to overhaul 18 additional A650 HRV married pairs	Approved	10.26.17	\$ 597,238
2	Administrative change to add staff to project	Approved	09.28.18	\$ 0
3	Administrative change to add staff to project	Approved	09.28.18	\$ 0
4	Time Extension	Pending		\$ 993,693
	Modification Total:			\$ 1,590,931
	Original Contract:			\$ 3,897,599
	Total:			\$ 5,488,530

DEOD SUMMARY

**EXTENSION OF CONSULTING SERVICES TO SUPPORT THE OVERHAUL OF 74
A650 HEAVY RAIL VEHICLES/OP30433488**

A. Small Business Participation

LTK Engineering (LTK) made a 30.74% DBE commitment. The project is currently 37% complete and LTK's current DBE participation is 3.31%, which represents a 27.43% shortfall.

The Prime Contractor explained that while DBE participation was initially planned to occur through contract administration and scheduling review support, the bulk was to be achieved via document control support and in-plant inspections. LTK indicated that they are tracking on target for document control support, but inspections have been delayed due to the delayed start in production. To address this delay, LTK has modified its plan and will add additional full-time DBE inspectors to the project by the end of 2019, and to convert an LTK position for field support testing to a DBE. LTK reiterated its commitment to achieve a 30.74% DBE level by the end of the contract.

Notwithstanding, Metro Project Managers and Contract Administrators, will work in conjunction with DEOD to ensure that LTK is on schedule to meet or exceed its DBE commitment. If LTK is not on track to meet its small business commitment, Metro staff will request that LTK submit an updated mitigation plan. Additionally, key stakeholders associated with the contract have been provided access to Metro's tracking and monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	30.74% DBE	Small Business Participation	3.31% DBE
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	DBE	Ethnicity	% Committed	Current Participation¹
1.	Ramos Consulting Services	Hispanic American	12.39%	2.94%
2.	Virginkar & Associates, Inc.	Subcontinent Asian American	18.35%	0.37%
Total			30.74%	3.31%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.