



Board Report

File #: 2025-0437, File Type: Contract

Agenda Number: 37.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 18, 2025

SUBJECT: CONSULTANT SUPPORT SERVICES FOR THE A650 HEAVY RAIL VEHICLE (HRV) OVERHAUL PROGRAM, TECHNICAL AND PROGRAM MANAGEMENT SUPPORT SERVICES

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Contract Modification No. 19 to Contract No. OP30433488, a cost plus fixed-fee contract with HATCH Associates Consultants, Inc. (HATCH) for the A650 Heavy Rail Vehicle (HRV) Overhaul Program Consultant Support Services, increasing the Not-To-Exceed (NTE) amount by \$11,930,792 from \$8,615,474 to \$20,546,266, and extending the period of performance from October 5, 2025, to June 30, 2031; and
- B. EXECUTE individual contract modifications within the Board-approved contract modification authority.

ISSUE

This contract modification will approve funding for continued Technical and Program Management Support Services that HATCH is providing for the A650 Refurbishment contract with Woojin IS. Additional funding is needed for HATCH due to the change in the A650 vehicle contractor after the termination of the previous contractor, Talgo, Inc. This change in contractor resulted in additional costs, including re-procurement support, reworking vehicles that were previously modified under the terminated Overhaul and Critical Component Replacement Program (OCCRP) contract, additional vehicle systems that became obsolete in the 8 years between contracts, additional travel, and inflation. Refurbishing the existing A650 fleet is critical to comply with Metro's Rail Fleet Management Plan and to meet future service needs.

BACKGROUND

The A650 Option Buy fleet consists of 74 HRVs originally manufactured by Breda Costruzioni Ferroviarie. The fleet's average age is nearly 25 years, and many obsolete components require refurbishment to maintain a State of Good Repair through the 2028 Olympics and beyond.

In September 2016, the Board authorized a contract for the midlife overhaul of 74 A650 Option Buy HRVs. HATCH (previously known as LTK Engineering Services) was awarded the Technical and Program Management Support Services (TPMSS) contract for the A650 OCCRP. Concurrently, Talgo was awarded the OCCRP contract. The TPMSS contract value increased in subsequent Board actions to \$8,615,474. However, in the Spring of 2022, Talgo's contract was terminated.

In March of 2024, the Board authorized a new contract with Woojin IS for the Refurbishment of the A650 vehicles. Metro continued its contract with HATCH for support services for the Refurbishment of the A650 HRVs.

DISCUSSION

The Refurbishment contract with Woojin is significantly more complex than the OCCRP contract with Talgo. Additional components and systems have become obsolete on the A650 vehicles in the eight years between the two contract issuances, requiring those components to be included in the Refurbishment contract scope. Vehicles that were modified during the OCCRP contract will also need to be carefully reverted back to their original configurations in order to deliver a unified A650 fleet. These complexities, combined with inflation, additional travel, and inspections needed due to the design and prototype vehicles being manufactured in South Korea, resulted in the Refurbishment TPMSS costs being significantly higher than the original OCCRP TPMSS costs. This estimated cost was developed by the Project Team and reflected in the additional LOP awarded in February 2024.

Therefore, a contract modification is now required to properly align funding with contract OP30433488 and permit uninterrupted support services for the A650 Refurbishment contract. The contract with HATCH to support the A650 Refurbishment is already in place, and the Board has already authorized the additional consultant funding. No material change is being made to the contract or the project approach with Hatch as they continue to provide TPMSS services for the remainder of the A650 Refurbishment contract.

DETERMINATION OF SAFETY IMPACT

The approval of this NTE contract value increase will have a direct and positive impact on system safety, service quality, system reliability, maintainability, and overall customer satisfaction. The continued A650 TPMSS support services will ensure that the A650 Refurbishment Program will be executed safely and reliably.

FINANCIAL IMPACT

Board approval of the action will have no budget impact for FY26, as the budget is included in CP 214010. The overall Board-approved LOP for the A650 Refurbishment contract with Woojin is \$264,662,611.20, inclusive of \$19,621,538.46 allocated for Professional Services.

Impact to Budget

The funding source for this action is Prop A Rail Set Aside 35%, which is eligible for Rail Capital and

Operating Projects. Staff is also pursuing additional Federal, State, and Local funding sources, such as Cap and Trade and similar sources, as they become available to meet the funding needs for the project.

EQUITY PLATFORM

The A650 Option vehicles will be used on the B Line, the current D Line, and the upcoming D (Purple) Line Extension. Approving the recommendations in this Board report will improve service reliability and provide a more comfortable experience on these lines that serve the majority of Equity Focus Communities (EFCs) who rely on public transportation. Based on the 2019 Customer Survey, the B and D heavy rail lines serve the following:

- Ridership Demographic:
 - 27.7% below the poverty line
 - 1 56.4% had no car available
- Rider Ethnicity:
 - Latino 38.9%;
 - 1 Black 13.1%;
 - 2 White 25.8%;
 - 3 Asian/Pacific Islander 15.2%;
 - 4 Other 6.5%

HATCH Associates Consultants made a 30.74% Disadvantaged Business Enterprise (DBE) commitment on this contract, and the current level of DBE participation is 23.82%, representing a 6.92% shortfall of the DBE commitment. HATCH has a shortfall mitigation plan on file and is implementing corrective measures, as identified in Attachment C. This shortfall is as expected at this phase of the project, since DBE participation in rail vehicle acquisition projects is typically backloaded with inspection and commissioning tasks being performed by DBE firms.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through operational activities that will maintain and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

**Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring*

System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support Metro Strategic Plan Goal No. 5) to “provide responsive, accountable, and trustworthy governance within the Metro organization”. This goal strives to position Metro to deliver the best possible mobility outcomes and improve business practices so that Metro can perform more effectively and adapt more nimbly to the changing needs of our customers.

ALTERNATIVES CONSIDERED

Staff considered using in-house Metro resources to perform this work as an alternative. This approach is not recommended as Metro does not have sufficient resources and subject matter experts available to perform this work. This approach is not recommended due to the lack of staff capabilities listed above.

The Board may choose not to authorize the increase of Contract value for this project; however, this alternative is not recommended by Metro staff because the A650 HRV Refurbishment Program is critical to having sufficient vehicles to meet future service needs for PLE Sections 2 and 3, as well as the 2028 Olympic and Paralympic Games.

NEXT STEPS

Upon Board approval, staff will execute Contract Modification No. 19 to increase the contract NTE amount by \$11,930,792 with HATCH, and a new task order shall be awarded for the continued TPMSS services for the A650 Refurbishment Contract.

ATTACHMENTS

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

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Digitally approved by *Stephanie Wiggins*, Chief Executive Officer

PROCUREMENT SUMMARY

**CONSULTANT SUPPORT SERVICES FOR THE A650 HEAVY RAIL VEHICLE (HRV)
OVERHAUL PROGRAM, TECHNICAL AND PROGRAM MANAGEMENT SUPPORT
SERVICES / CONTRACT NO. OP30433488**

1.	Contract Number: OP30433488		
2.	Contractor: HATCH Associates Consultants, Inc.		
3.	Mod. Work Description: Increase the Not-To-Exceed(NTE) contract price by \$11,930,792 from \$8,615,474 to \$20,546,266.		
4.	Contract Work Description: Consulting Services for the A650 Heavy Rail Vehicle Refurbishment and Critical Component Replacement Program		
5.	The following data is current as of: August 5, 2025		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	11/1/16	Original Not-to-Exceed Contract Award Amount: \$3,897,599
	Notice to Proceed (NTP):	11/23/16	Total of Modifications Approved: 18
	Original Complete Date:	09/23/20	Pending Modifications (including this action): 1
	Current Est. Complete Date:	10/05/25	Current Contract Value (with this action): \$8,615,474
7.	Contract Administrator: Elizabeth Martin-Maldonado		Telephone Number: 213-922-1041
8.	Project Manager: David McDonald		Telephone Number: 213-922-3221

A. Procurement Background

This Board Action is to approve Contract Modification No. 19 to increase the total authorized funding for Contract No. OP30433488, to HATCH Associates Consultants, Inc. (HATCH) for technical and program management support for Metro's A650 Heavy Rail Vehicle (HRV) Refurbishment and Critical Component Replacement Program, in the NTE amount of \$11,930,792, increasing the Contract total from an NTE amount of \$8,615,474, to an NTE amount of \$20,546,266 and extending the Period of Performance to June 30, 2031.

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

Contract OP30433488 was executed on November 1, 2016 with LTK Engineering (LTK) and on October 30, 2020, LTK merged into HATCH and all terms and conditions under Contract No. OP30433488 were assigned and assumed by HATCH on July 1, 2023, for a 46 month period of performance for a total NTE amount of \$3,897,599 to provide technical and program management support to Metro's A650 Project Team on the A650 HRV Overhaul Program Project.

The contract period of performance was extended five times:

- Contract Modification No. 01 dated January 23, 2018 – Extended the Period of Performance from August 31, 2020, to July 5, 2021.
- Contract Modification No. 4 dated July 09, 2019 – Extended the Period of Performance from July 5, 2021, to May 5, 2022.
- Contract Modification No. 13 dated April 24 09, 2022 – Extended the Period of Performance from May 5, 2022, to July 5, 2022.
- Contract Modification No. 14 dated June 27, 2022 – Extended the Period of Performance from July 5, 2022, to March 5, 2025.
- Contract Modification No. 18 dated August 5, 2025 – Extended the Period of Performance from March 5, 2025, to October 5, 2025.

(Refer to Attachment B – Contract Modification/Change Order Log)

Hatch Associates Consultants, Inc. made a 30.74% Disadvantaged Business Enterprise (DBE) commitment. Based on payments, the project is 79% complete and the current DBE participation is 23.82%, representing a 6.92% shortfall of the DBE commitment. Hatch has a shortfall mitigation plan on file and contends, and Metro's PM concurred that the shortfall is due to Metro's cancellation of its contract with the previous car builder, which resulted in Hatch being unable to fully utilize Virginkar & Associates, Inc (VAI) to the listed commitment. Hatch reported that it expects to fully mitigate the shortfall by utilizing VAI for inspection of the A650 railcars that are currently being performed.

(Refer to Attachment C – DEOD Summary)

B. Cost/Price Analysis

A Request for Proposal was issued to HATCH on July 20, 2025. Metro received a proposal on July 31, 2025. Staff completed negotiations on August 5, 2025. The recommended price has been determined to be fair and reasonable based upon an Independent Cost Estimate (ICE), negotiations, and a technical evaluation. The negotiation of the NTE amount comprised validation of HATCH and its subcontractor's current labor rates, audited labor overhead, travel and other direct costs, and a negotiated fixed fee for this is cost-plus-fixed-fee contract type. The approved labor rate for each consultant is based on actual cost with payroll documentation, which has resulted in a fair and reasonable determination. The factors affecting the NTE amount were anticipated level of effort, travel and other direct costs, which have been

reviewed and negotiated by the Contracting Officer to align with the A650 HRV Overhaul Program's extended project schedule. The negotiated amount is a 5.4% reduction from the initial proposed amount; however, it is still 6.2% higher than the ICE. The primary contributing factor to this variance is attributed to the ICE not accounting for the fixed fee used in this contract.

Proposal Amount	Metro ICE	Negotiated Amount
\$12,610,126	\$11,235,560	\$11,930,792

D. Contractor Information

Hatch Associates Consultants, Inc., is a leader in providing consultant support services to the infrastructure, energy and mining and metals sectors. Hatch engineering expertise includes areas such as rail vehicle engineering, rail systems engineering, revenue systems and technology, zero-emissions transportation, operations planning and simulations, systems assurance, intercity and high-speed rail, rail corridor development and transit advisory services.

In addition to providing technical and program support for the A650 HRV Overhaul Program, Hatch currently provides program management consulting services for Metro's P3010 New LRV procurement and the HR4000 & HR5000 New Heavy Rail Vehicle procurements, and P2550 Light Rail Vehicle Overhaul campaign.

CONTRACT MODIFICATION/CHANGE ORDER LOG

CONSULTANT SUPPORT SERVICES FOR THE A650 HEAVY RAIL VEHICLE (HRV) OVERHAUL PROGRAM, TECHNIAL AND PROGRAM MANAGMEENT SUPPORT SERVICES / CONTRACT NO. OP30433488

Mod. no.	Description	Status (approved or pending)	Date	Dollar Amount
1	Update Exhibit 1 add new staff and extend PoP from 46 to 56 months from 8/31/20 to 7/5/21.	Approved	01.23.18	\$597,238
2	Update Exhibit 1 with Exhibit 1.1 to add new staff	Approved	01.03.19	
3	Update Exhibit 1.1 with Exhibit 1.2 to add new staff	Approved	04.26.19	
4	Update Exhibit 1.2 with Exhibit 1.3 to add new staff, extend PoP from 56 to 66 months from 7/5/21 to 5/5/22 and increase NTE amount	Approved	07.09.19	\$993,693
5	Update Exhibit 1.3 with Exhibit 1.4 to add new staff	Approved	09.16.19	
6	Update Exhibit 1.4 with Exhibit 1.5 to add new staff	Approved	11.26.19	
7	Update Exhibit 1.5 with Exhibit 1.6 to add new staff	Approved	05.19.20	
8	Update Exhibit 1.6 with Exhibit 1.7 to add new staff	Approved	08.31.20	
9	Update Exhibit 1.7 with Exhibit 1.8 to add new staff	Approved	11.04.20	
10	Update Exhibit 1.8 with Exhibit 1.9 to add new staff	Approved	05.05.21	
11	Update Exhibit 1.9 with Exhibit 1.10 to add new staff	Approved	09.14.21	
12	Update Exhibit 1.10 with Exhibit 1.11 to add new staff	Approved	11.18.21	
13	Extend PoP from 66 to 68 months from 5/5/22 to 7/5/22	Approved	04.26.22	

14	extend PoP from 68 to 100 months from 7/5/22 to 3/5/25 and increase NTE amount	Approved	06.27.22	\$3,126,944
15	Update Exhibit 1.11 with Exhibit 1.12 to add new staff	Approved	11.02.22	
16	Update Exhibit 1.12 with Exhibit 1.13 to add new staff	Approved	02.07.23	
17	Administrative Changes	Approved	06.30.23	
18	Update Exhibit 1.13 with Exhibit 1.14 to add new staff extend PoP from 100 to 107 months from 3/5/25 to 10/5/25	Approved	08.05.25	
19	Increase the Not-to-Exceed Contract Price by \$11,930,792 and extend the Period of Performance to June 30, 2031	Pending	Pending	\$11,930,792
	Modification Total:			\$16,648,667
	Original Contract:			\$3,897,599
	Total:			\$20,546,266

DEOD SUMMARY

**CONSULTANT SUPPORT SERVICES FOR THE A650 HEAVY RAIL VEHICLE (HRV)
OVERHAUL PROGRAM, TECHNICAL AND PROGRAM MANAGEMENT SUPPORT
SERVICES / CONTRACT NO. OP30433488**

A. Small Business Participation

HATCH Associates Consultants, Inc. (HATCH) made a 30.74% Disadvantaged Business Enterprise (DBE) commitment. Based on payments, the project is 79% complete and the current DBE participation is 23.82%, representing a 6.92% shortfall.

HATCH has a shortfall mitigation plan on file. HATCH reported that due to Metro's cancellation of its contract with the previous car builder, HATCH has been unable to further utilize Virginkar & Associates, Inc. (VAI) as originally committed to which Metro's project manager concurred. HATCH further reported that it anticipates fully mitigating the shortfall by engaging VAI for ongoing inspection services of the A650 railcars currently in progress. Metro will continue monitor HATCH's efforts to meet its DBE commitment.

Small Business Commitment	30.74% DBE	Small Business Participation	23.82% DBE
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	Ramos Consulting Services	Hispanic American	12.39%	11.84%
2.	Virginkar & Associates, Inc.	Subcontinent Asian American	18.35%	11.98%
	Total		30.74%	23.82%

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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.