Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2026-0788, **File Type:** Contract **Agenda Number:** 11.

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 19, 2026

SUBJECT: SUPPLEMENTAL TECHNOLOGY SUPPORT SERVICES

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed price Contract No. PS141682000 with International Business Machines Corporation (IBM) to provide Supplemental Technology Support Services in the amount of $5,370,000 for the three-year base term, which includes Phase 1 (Information Technology) and Phase 2 (Operations Technology), and $3,090,000 for a two-year option to continue services, for a total not-to-exceed amount of $8,460,000, subject to the resolution of any properly submitted protest(s), if any.

ISSUE

Metro is designated as a critical infrastructure owner and operator under Department of Homeland Security and Transportation Security Administration authorities. Transportation Security Administration Security Directives require Metro to maintain continuous technology security monitoring and demonstrate timely detection and response across both its Information Technology and Operational Technology environments.

BACKGROUND

Through its technology modernization initiative, Metro is strengthening system resilience and optimizing data infrastructure, positioning Metro to make highly efficient, evidence-based capital and operational decisions to provide responsive service for the community.
Metro must have the ability to modernize Metro's technology behind the scenes to prevent disruptions faster and use real-time data to serve our customers better.

DISCUSSION

As the operational landscape increasingly demands advanced data analysis, IT architecture, and network infrastructure capabilities, Metro recommends retaining IBM as Metro's service provider. IBM will help Metro oversee the agency's combined Information Technology (IT) and Operational Technology (OT) environments, providing strategic collaboration to accelerate technology responsiveness, deepen data insights, and support specialized agency initiatives.

To support timely deployment, the implementation milestones are subject to separate service credits and liquidated damages.

DETERMINATION OF SAFETY IMPACT

This contract award is designed to support making the agency safer, more secure, and more reliable for everyone we serve. The engagement is designed to directly support Metro's compliance obligations under the following frameworks and directives:

- Transportation Security Administration Security Directives 1580 and 1582
- National Institute of Standards and Technology Special Publication 800-53 Moderate security control baseline

FINANCIAL IMPACT

FY27 (current year): Metro will use up to $800,000 for the assessment, testing, tuning, and implementation of the initiatives which includes Metro technology assets. This is within the FY27 Adopted Budget.

Since this is a multi-year contract, the Deputy Chief of Information Technology and Cost Center Manager will be responsible for budgeting the cost in future years, including any option exercised.

Impact to Budget

The source of funds for this action will come from state and local funding sources that are eligible for bus and rail operations. This

EQUITY PLATFORM

Metro technology systems and services support bus and rail operations, fare collection, Micro, bike share, and customer information services used by all demographic communities. Many of Metro's riders rely on transit as their primary means of travel, and service disruptions fall hardest on these riders. This contract improves resiliency of those services.
The services are not anticipated to adversely impact the external customer community (for example, people of color, low income, disabled, marginalized communities, minorities, women, disadvantaged or disabled veterans).

The Diversity and Economic Opportunity Department did not recommend a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal for this solicitation due to the prohibition on sub-contracting. It is expected that IBM will perform the services with its own workforce.

VEHICLE MILES TRAVELED OUTCOME

Vehicle Miles Traveled and Vehicle Miles Traveled per capita in Los Angeles County are lower than national averages, the lowest in the Southern California Association of Governments region, and on

the lower end of Vehicle Miles Traveled per capita statewide, with these declining Vehicle Miles Traveled trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted Vehicle Miles Traveled 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 Vehicle Miles Traveled.

While this item only establishes a contract for supplemental technology services and does not, by itself, directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it provides improved functionality. Because the Metro Board has adopted an agency-wide Vehicle Miles Traveled Reduction Target, and this item supports the agency's overall function, it is consistent with the goals of reducing Vehicle Miles Traveled.

*Based on population estimates from the United States Census and Vehicle Miles Traveled estimates from the California Department of Transportation's Highway Performance Monitoring System data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed contract supports Metro Vision 2028 Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The Board may choose not to award the contract and continue relying exclusively on current internal resources. Metro does not recommend this alternative; delaying technology support and modernization will likely lead to a gradual decline in service quality for riders as core systems age without necessary upgrades.

NEXT STEPS

Upon Board approval, Metro will execute Contract No. PS141682000 with IBM to provide Outsourced Supplemental Support Services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

SUPPLEMENTAL TECHNOLOGY SUPPORT SERVICES/ PS141682000

1.	**Contract Number**: PS141682000	
2.	**Recommended Vendor**: International Business Machines Corporation (IBM)	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: May 11, 2026	
	B. Advertised/Publicized: May 11, 2026	
	C. Pre-Proposal Conference: May 19, 2026	
	D. Proposals Due: July 22, 2026	
	E. Pre-Qualification Completed: October 20, 2026	
	F. Ethics Declaration Forms submitted to Ethics: July 23, 2026	
	G. Protest Period End Date: November 24, 2026	
5.	**Solicitations Downloaded**: 119	**Bids/Proposals Received**: 6
6.	**Contract Administrator**: A. Menemshyan	
7.	**Project Manager**: D. Robinson	

A. Procurement Background

This Board action is to approve Contract No. PS141682000 to provide supplemental technology support services to advance our digital transformation initiatives as we scale our capabilities for future service delivery. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

On May 11, 2026, Request for Proposals (RFP) No. PS141682 was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The Diversity and Economic Opportunity Department did not recommend a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal for this procurement.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 29, 2026, extended the proposal due date from June 11, 2026, to June 25, 2026.
- Amendment No. 2, issued on June 10, 2026, extended the proposal due date from June 25, 2026, to July 8, 2026.
- Amendment No. 3, issued on June 29, 2026, extended the proposal due date from July 8, 2026, to July 22, 2026, and revised SP-13 Liquidated Damages clause to align with milestone due dates.

A total of 119 downloads of the RFP were recorded in the planholders' list. A virtual pre-proposal conference was held on May 19, 2026, and was attended by 75

participants representing 37 firms. There were 477 questions received and responses were provided prior to the proposal due date.

A total of six proposals were received by the proposal due date of July 22, 2026, from the following firms listed below in alphabetical order:

1. Accenture LLP
2. Deloitte & Touche LLP
3. Ernst & Young LLP
4. Inspira Enterprise, Inc.
5. International Business Machines Corporation (IBM)
6. Novacoast, Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Systems Architecture and Technology Integration, Operations and Service Delivery, and Emergency Preparedness Departments was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

• Technical Approach and Understanding	20%
• Implementation/Transition Plan	20%
• Staffing, Key Personnel, and Dedicated Coverage Model	20%
• Operational Technology/Industrial Control Systems (OT/ICS) Capability and Safety-Constrained Operations	15%
• Past Performance/References	5%
• Price	20%

Several factors were considered when developing these weights, giving the greatest importance to technical approach and understanding, implementation/transition plan, staffing, key personnel, and dedicated coverage model, and price.

Of the six proposals received, four were determined to be within the competitive range and are listed below in alphabetical order:

1. Accenture LLP
2. Ernst & Young LLP
3. Inspira Enterprise, Inc.
4. International Business Machines Corporation (IBM)

The proposals submitted by Deloitte & Touche LLP and Novacoast, Inc. were determined to be outside the competitive range and were excluded from further consideration.

From August 4, 2026 to October 13, 2026, the PET independently evaluated and scored the technical proposals. On September 22 and 23, 2026, oral presentations were held, and the project managers and key team members of each firm were invited to present their firm's respective qualifications and respond to the PET's questions. At the conclusion of the oral presentations, the PET determined IBM to be the highest ranked firm.

Qualifications Summary of Firms within the Competitive Range:

International Business Machines Corporation (IBM)

IBM has over 25 years of transit experience, more than 50 global transit organizations, including New York MTA, where IBM operates a 24x7 Information Technology (IT)/Operational Technology (OT) cyber fusion center, and Toronto Transit. IBM has over 300,000 employees across more than 170 countries, over 2,500 businesses in its Partner Plus program, and more than 80 years of delivering research. IBM develops transparent systems to address global challenges, from healthcare to environmental sustainability. The company also aims to drive innovation through partnerships in space technology, cloud computing and data-driven industries.

Since 2019, IBM has provided integrated IT and OT infrastructure monitoring for the New York Metropolitan Transportation Authority, remediating 114 identified gaps across its IT and OT enterprise. IBM possesses strong functional, technical, and project management expertise. IBM's team includes key personnel with direct transit experience at the Washington Metropolitan Area Transit Authority and the Massachusetts Bay Transportation Authority, with expertise and availability to meet the project timeline.

Ernst & Young LLP

Ernst & Young LLP has public-sector and transportation expertise and established capability with safety-critical operating environments. The company employs over 400,000 people and operates in over 150 countries. Ernst & Young LLP has global managed security operations experience supporting hundreds of clients and has partnerships with leading infrastructure platforms and tools.

Ernst & Young LLP submitted a thorough proposal with well-defined processes, deliverables, and escalation paths, provided a strong reference from a public transit agency performing similar work, and has prior experience with Los Angeles regional agencies and Metro. However, Ernst & Young LLP's proposed OT security lead had limited OT experience and it was not transit related. Its tiered analyst staff were not identified in the proposal and would be named only after award.

Accenture LLP

Accenture LLP provides information technology and management consulting services across many countries globally. The firm has 814,000 employees worldwide, over 9,000 clients served across more than 120 countries, and more than 350 partners in their ecosystem. Accenture LLP has offices and operations in 52 countries and over 200 cities.

Accenture LLP demonstrated a clear understanding of critical infrastructure environments, proposed working within Metro's existing security platforms, and identified key personnel and staffing levels that met the scope of services. However, Accenture did not demonstrate rail or public transit experience in a similar capacity. Accenture's proposed milestone schedule was considered aggressive which could pose a risk to Metro.

Inspira Enterprise, Inc. (Inspira)

Inspira is a global cybersecurity and AI services company serving clients across the Americas, Middle East and Africa, India, and the Association of Southeast Asian Nations, with operations in over 20 countries. The firm has more than 18 years of experience in providing 24/7 security operations center services to over 100 clients with over 1,500 global cybersecurity practitioners and more than 600 certified professionals. Inspira has over 550 active clients, over 1,500 security professionals, 50 domain specialists, and 5 global cyber fusion centers.

Inspira demonstrated a good understanding of Metro's technology platforms, proposed U.S. based staff, required no data migration, and committed to improving service levels over the contract term. However, Inspira provided minimal details on its key personnel's experience and the projects they worked on to demonstrate their OT experience and performance.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**International Business Machines Corporation (IBM)**				
3	Technical Approach and Understanding	90.00	20.00%	18.00	
4	Implementation/Transition Plan	84.65	20.00%	16.93	
5	Staffing, Key Personnel, and Dedicated Coverage Model	87.65	20.00%	17.53	
6	OT/ICS Capability and Safety-Constrained Operations	86.66	15.00%	13.00	
7	Past Performance/References	100.00	5.00%	5.00	
8	Price	59.10	20.00%	11.82	
9	**Total**		**100.00%**	**82.28**	**1**

10	**Ernst & Young LLP**				
11	Technical Approach and Understanding	88.15	20.00%	17.63	
12	Implementation/Transition Plan	84.00	20.00%	16.80	
13	Staffing, Key Personnel, and Dedicated Coverage Model	86.00	20.00%	17.20	
14	OT/ICS Capability and Safety-Constrained Operations	80.86	15.00%	12.13	
15	Past Performance/References	86.60	5.00%	4.33	
16	Price	62.50	20.00%	12.50	
17	**Total**		**100.00%**	**80.59**	**2**
18	**Accenture LLP**				
19	Technical Approach and Understanding	74.85	20.00%	14.97	
20	Implementation/Transition Plan	77.65	20.00%	15.53	
21	Staffing, Key Personnel, and Dedicated Coverage Model	54.35	20.00%	10.87	
22	OT/ICS Capability and Safety-Constrained Operations	77.53	15.00%	11.63	
23	Past Performance/References	76.60	5.00%	3.83	
24	Price	100.00	20.00%	20.00	
25	**Total**		**100.00%**	**76.83**	**3**
26	**Inspira Enterprise, Inc.**				
27	Technical Approach and Understanding	69.85	20.00%	13.97	
28	Implementation/Transition Plan	70.65	20.00%	14.13	
29	Staffing, Key Personnel, and Dedicated Coverage Model	68.65	20.00%	13.73	
30	OT/ICS Capability and Safety-Constrained Operations	66.66	15.00%	10.00	
31	Past Performance/References	63.40	5.00%	3.17	
32	Price	97.35	20.00%	19.47	
33	**Total**		**100.00%**	**74.47**	**4**

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an Independent Cost Estimate (ICE), technical analysis, cost analysis, and fact finding.

	Proposer Name	Proposal Amount	Metro ICE	Recommended Amount

1.	International Business Machines Corporation (IBM)	$8,460,000	$10,004,530	$8,460,000
2.	Ernst & Young LLP	$7,998,842		
3.	Accenture LLP	$4,999,000		
4.	Inspira Enterprise, Inc.	$5,133,960		

The variance between the recommended amount and the ICE is the result of the ICE conservatively assuming market rates and excluding potential discounts offered by the proposers.

D. Background on Recommended Contractor

The recommended firm, International Business Machines Corporation (IBM), founded in 1911, is actively doing business in over 170 countries. IBM has provided technology infrastructure consulting and managed security operations services to large, complex public transit and critical infrastructure clients. IBM staffs its engagements with its own employees and does not use subcontractors or third-party security operations providers. IBM's current public sector clients include the New York Metropolitan Transportation Authority, for 24/7 IT and OT security monitoring; the Toronto Transit Commission and Keck Hospital of USC, for threat detection and incident response; the Port of Los Angeles, for operation of its Cyber Resilience Center; and the State of California Department of Health Care Services. IBM also completed a multi-year security monitoring and incident response project for the State of California Department of Industrial Relations.

IBM has provided maintenance, repair, and operations/inventory optimization training for Metro, and performance has been satisfactory.

DEOD SUMMARY

SUPPLEMENTAL TECHNOLOGY SUPPORT SERVICES / PS141682000

A. Small Business Participation

At the time of solicitation, the Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal for this solicitation due to the lack of availability. It is expected that IBM will perform the services with its own workforce.

B. Living Wage 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.

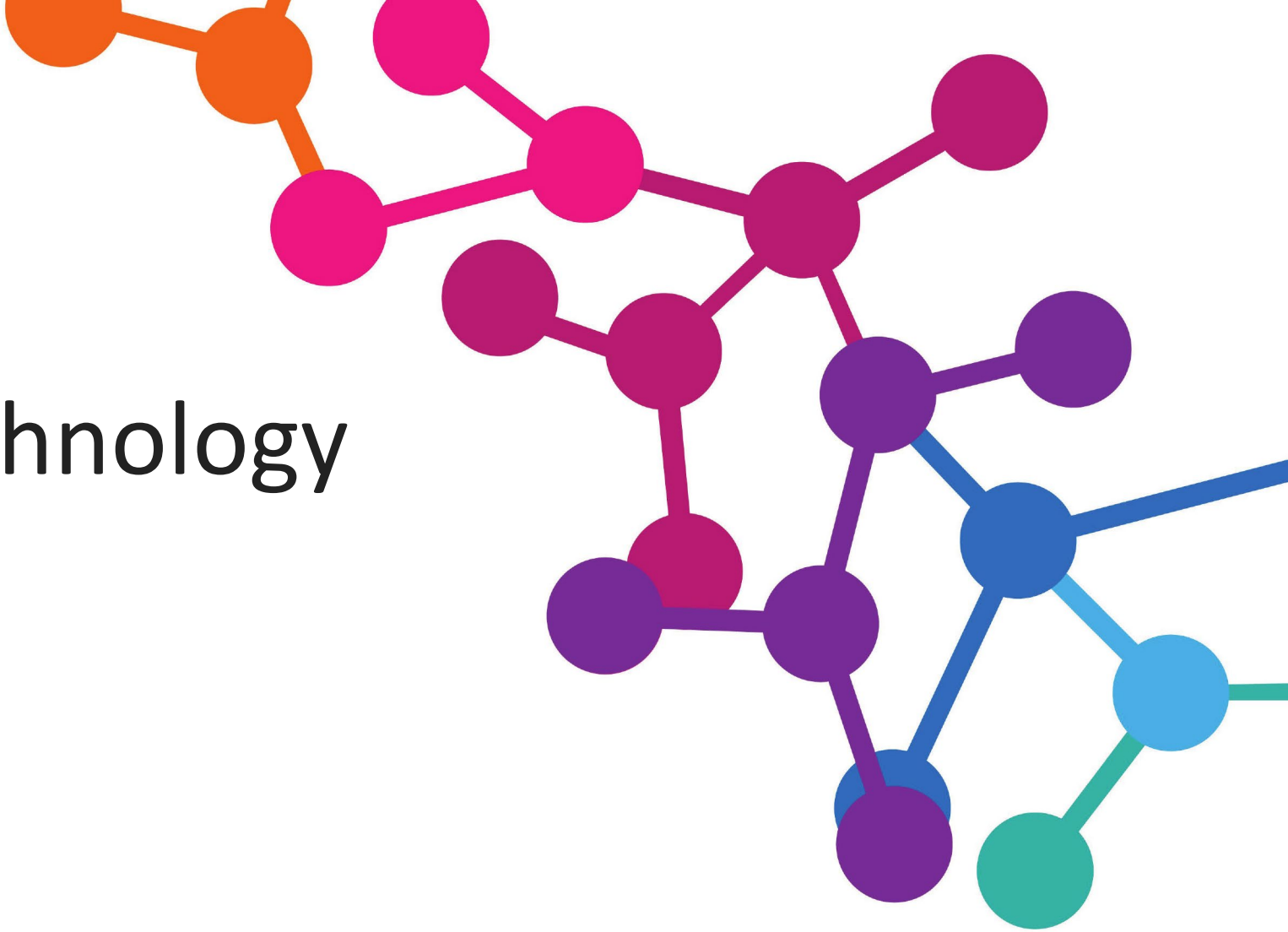
D. Project Labor Agreement/Construction Careers Policy (PLA/CCP)

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.

E. Manufacturing Careers Policy

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least $50 million.

Supplemental Technology Support Services



Finance, Budget and Audit Committee
NOVEMBER 19, 2026

Metro

Background

- Metro's technology modernization will improve resilience and data analysis.
- All personnel performing core functions will be direct employees of the legal entity executing the contract with Metro
- Metro will have dedicated, named resources assigned to Metro rather than pooled analysts shared across other customers.

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Why Supplemental Technology Support Services

- Metro is designated as a critical infrastructure owner and operator under Department of Homeland Security (DHS) and Transportation Security Administration (TSA) authorities. TSA Security Directives require Metro to maintain continuous technology security monitoring and demonstrate timely detection and response across both its Information Technology and Operational Technology environments.

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Scope of Services

Phase 1 (Information Technology)

- Services across all Metro Information Technology and Operational Technology systems
- Missed implementation milestones are subject to service credits and liquidated damages

Phase 2 (Operational Technology)

- Non-intrusive industrial control system enhancement and oversight.
- Passive Operational Technology reporting.

Operational Technology safety: no disruptive action in Operational Technology without explicit Metro Operational Technology Operations and Engineering approval.

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Procurement Summary

477

questions received and answered

75

pre-proposal conference attendees

3

amendments issued

6

proposals received

Request for Proposal Number PS141682 issued May 11, 2026; proposals due July 22, 2026. Firm fixed price, three-year term with one two-year option.

Evaluation Criteria

Criterion	Points / %
Technical Approach & Understanding	20
Implementation/Transition Plan	20
Staffing, Key Personnel, and Dedicated Coverage Model	20
Operational Technology and Industrial Control Systems Capability and Safety-Constrained Operations	15
Past Performance/References	5
Pricing	20
Total	**100**

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Recommendation and Next Steps

AUTHORIZE the Chief Executive Officer to award a firm fixed price Contract No. PS141682000 with International Business Machines Corporation (IBM) to provide Supplemental Technology Support Services in the amount of $5,370,000 for the three-year base term which includes Phase 1 (Information Technology) and Phase 2 (Operations Technology), and $3,090,000 for a two-year option to continue services, for a total not-to-exceed amount of $8,460,000, subject to the resolution of any properly submitted protest(s), if any.

- Execute the contract; contractor holds project kickoff, confirms dedicated named personnel for Metro approval, and delivers a finalized implementation plan
- Begin Phase 1 (Information Technology) onboarding following kickoff; begin Phase 2 (Operational Technology) upon Metro's written notice to proceed
- Report progress and service level performance, and conduct a formal performance evaluation before recommending exercise of the option term

Metro