



Metro

**OPERATIONS COMMITTEE
JUNE 19, 2008**

**SUBJECT: CONTRACT NO. PS8310-1267, RAIL VEHICLE CONSULTANT, LTK
ENGINEERING SERVICES**

ACTION: APPROVE MODIFICATION TO CONTRACT NO. PS8310-1267

RECOMMENDATION

Authorize the Chief Executive Officer to execute Modification No. 1 to Contract No. PS8310-1267, Rail Consulting Services with LTK Engineering Services, to extend the period of performance by thirty months and increase the Total Not-To-Exceed Contract Amount by \$3,919,571 from \$8,588,537 to \$12,508,108.

RATIONALE

LTK Contract No. PS8310-1267 was originally issued for a five year period to provide technical support to staff in managing the P2550 contract with AnsaldoBreda for the manufacturing and delivery of 50 light rail vehicles (LRVs) as necessary to meet the fleet requirements for the Pasadena Gold Line, Eastside Extension, and Exposition Line. The consulting services provide staff augmentation support as the need arises and as requested, at fixed labor rates under detailed task orders, for specific disciplines not available within our staff.

Under the oversight of the P2550 Project Staff, LTK has been providing staff support for the past five years in the following disciplines:

- Propulsion, braking and auxiliary control engineering validation
- Car shell and truck design engineering and life-cycle structural evaluation
- HVAC engineering design compliance
- LRV source inspection (at the manufacturer's facilities in Pittsburg, CA and Pistoia, Italy)
- Signaling and Communications Systems validation
- Electromagnetic Interference (EMI) engineering
- Metallurgical engineering
- User education specialist

Currently, the P2550 contract with AnsaldoBreda for the 50 LRVs is over two years behind schedule; however, the first two vehicles were recently conditionally accepted. Much work

remains to be done in order to complete delivery and acceptance of the 50 vehicles. AnsaldoBreda is working to finalize and submit an updated completion schedule which is estimated to run through December 2010. The LTK contract which supports Metro staff in managing the AnsaldoBreda vehicle contract is due to expire on June 30, 2008. A proposal in the amount of \$3,919,571 for LTK to continue providing these services through 2010 was received, evaluated, audited and negotiated. In order to provide continuity of the services for the P2550 contract oversight, the project recommends approval of the subject modification.

FINANCIAL IMPACT

Funding for these services is included in the Light Rail Vehicle Life of Project Budget in cost center 3910, account number 50316 (SERV PROF AND TECH SERVICE), under project number 800151 and in the Eastside Life of Project Budget in cost center 8510, account number 50316 (SERV PROF AND TECH SERVICE) under project number 800088. Approval of this action will not impact the life-of-project budget for either project. Since this is a multi-year contract, the cost center managers and Executive Officers will be accountable for budgeting the cost in future years.

ALTERNATIVES CONSIDERED

Prior to issuance of the original contract, staff considered the alternative of managing the P2550, Light Rail Vehicle Contract using only our existing in-house staff. It was determined, however, that some consultant staff augmentation would be necessary in certain technical disciplines and especially for on-site vehicle inspection services. Such staff augmentation services have been used on all previous Metro Rail Vehicle Projects. Performance during the past five years indicates that the original determination is still valid.

ATTACHMENTS

Attachment A: Procurement Summary
Attachment A-1: Procurement History
Attachment A-2: List of Subcontractors and DBE Participation

Prepared by: Richard M. Lozano, Director of Rail Vehicle Acquisition and Maintenance
Ben Nahid, Project Manager
Tom Butler, Sr. Contract Administrator



Mike Cannell
General Manager, Rail Operations



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**CONTRACT NO. PS8310-1267, RAIL VEHICLE CONSULTANT
LTK ENGINEERING SERVICES**

1.	Contract Number: PS8310-1267, Modification No. 1		
2.	Recommended Vendor: LTK Engineering Services		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$3,919,571	Recommended Price: \$3,919,571	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Labor Rates		
5.	Procurement Dates:		
	A. Issued: 2/4/08		
	B. Advertised: NA		
	C. Pre-proposal Conference :NA		
	D. Proposals Due: 2/20/08		
	E. Pre-Qualification Completed: NA		
	F. Conflict of Interest Form Submitted to Ethics: 5/16/08		
6.	Small Business Participation:		
	A. Proposal Goal: 25% DBE	Date Small Business Evaluation Completed: NA	
	B. Small Business Commitment: 27.64% DBE Details are in Attachment A-2		
7.	Request for Proposal Data:		
	Notifications Sent: NA	Proposals Picked up: NA	Proposals Received: NA
8.	Evaluation Information: NA		
9.	Protest Information:		
	A. Protest Period End Date: NA		
	B. Protest Receipt Date: NA		
	C. Disposition of Protest Date: NA		
10.	Contract Administrator: Tom Butler	Telephone Number: 213-922-7312	
11.	Project Manager: Ben Nahid	Telephone Number: 323-724-4075	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

**CONTRACT NO. PS8310-1267, RAIL VEHICLE CONSULTANT,
LTK ENGINEERING SERVICES**

A. Background on Contractor

LTK Engineering Services is headquartered in Ambler, Pennsylvania with a local office in Los Angeles. LTK was organized in 1921 as Louis T. Klauder and Associates. LTK entered the rail transportation field in 1935, resulting in over 67 years of rail transportation experience. LTK's consulting services has the capability of accomplishing the required project covering all phases. This project includes initial design reviews, system integration, and pre-revenue support.

LTK's experience with us on related projects includes the Nippon Sharyo P865 and P2020 vehicles, Breda A650 Option vehicles, and Siemens P2000 vehicles.

B. Procurement Background

On April 24, 2003, the Board approved Contract No. PS8310-1267 in the amount of \$9,017,964, inclusive of a 5% contingency. The contract, which was issued in an amount of \$8,588,537, provided for technical support for a period of five years in managing the P2550 contract which also was approved at the same Board meeting. Due to the two year delay in delivery and completion of the P2550 contract, LTK's services are still required to augment Metro's staff during the estimated additional time it will take AnsaldoBreda to deliver the 50 vehicles.

Contract Modification No. 1 will provide for a seamless continuation of LTK's services to support completion of the P2550 contract.

C. Evaluation of Proposals

The LTK contract contains a listing of the applicable labor rates and labor categories and other direct costs that apply to these services and which were negotiated in a competitive environment prior to award of the original contract. This same labor rate structure and labor categories with negotiated updated rates and other direct costs will apply to the requested thirty month extension.

D. Cost/Price Analysis Explanation of Variances

LTK's price was determined to be fair and reasonable based upon a technical evaluation of the tasks and associated costs, and the results of our audit. The proposal for this modification was also compared with the original contract rates. The rates as updated and negotiated are deemed to be fair and reasonable.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

**CONTRACT NO. PS8310-1267, RAIL VEHICLE CONSULTANT
LTK ENGINEERING SERVICES**

Prime Contractor

LTK Engineering Services
811 W. 7th Street, Suite 1200
Los Angeles. CA 90017

Small Business Commitment

This Contract Work Order (CWO) has a Disadvantaged Business Enterprise (DBE) participation commitment of 27.64%. The contract was awarded to LTK on April 24, 2003, and is approximately 90% complete. Current DBE attainment¹ based on the current contract amount² is 14.87%. The DBE participation³ based on total actual amount paid-to-date to Contractor and total actual amount paid-to-date to DBE firms is 16.56%.

Four of the originally listed DBE subcontractors are still performing on this Contract. However, two originally listed DBE subcontractors did not perform as the listed scope was performed by us.

Original Award Amount	\$8,588,537
Current Contract Amount²	\$8,588,537
Total Actual Amount Paid to Date to Prime	\$7,707,178

Subcontractor's Name	Commitment	Current Attainment¹	Current Participation³	Current Status
Virginkar & Associates	CWO	8.44%	9.40%	Performing
LKG-GMC Consultants	CWO	5.22%	5.82%	Performing
D'Leon Consulting Engineers	CWO	0.00%	0.00%	Metro Performed Their Work
GC Tech, Inc.	CWO	0.20%	0.22%	Performing
TEC Management Consultants	CWO	0.00%	0.00%	Metro Performed Their Work
A-Train Enterprises, Inc.	CWO	1.01%	1.12%	Performing
TOTAL	27.64%	14.87%	16.56%	Performing

¹Current Attainment = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Current Contract Amount

²Current Contract Amount = Original Contract Amount + Contract Cost Modifications

³Current Participation = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Actual Amount Paid-to-Date to Prime