

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8b.(4), Action Item

Prepared By: Jeffrey Wyly, Chief (Acting)
Division of Mass Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR
LOCALLY-ADMINISTERED SENATE BILL 1 SOLUTIONS FOR CONGESTED
CORRIDORS PROGRAM TRANSIT PROJECTS, PER SCCP GUIDELINES
WAIVER 26-121**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of contract award for two locally-administered Senate Bill 1 (SB 1) Solutions for Congested Corridors Program (SCCP) Transit projects, in Los Angeles County, for the time periods as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission extend the period of contract award for two locally-administered SB 1 SCCP Transit projects, in Los Angeles County, for the time periods as identified in the attachment.

BACKGROUND:

In June 2025, the Commission allocated \$45,507,000 for two locally-administered SB 1 SCCP Transit projects identified in the attachment. The responsible agency is unable to award the contract within six months of allocation, per SB 1 SCCP Guidelines (Guidelines). The attachment describes the details of the projects and the explanation for the delays.

Current Guidelines stipulate that the agencies implementing a project request a time extension if the project will not be awarded within the Timely Use of Funds (TUF) deadline. The Commission may approve a waiver to the TUF deadline, one-time only, for up to 12 months.

Attachment

**Time Extension/Waiver – Contract Award
Solutions for Congested Corridors Program**

Project Number: 1
Applicant: Los Angeles County Metropolitan Transportation Authority
County: Los Angeles
District: 07
PPNO: 6202
Allocation Amount: \$25,507,000
Phase: Construction
Allocation Date: 06/27/2025
Allocation Resolution: SCCP-A-2425-05
Number of Months Requested: 8 Months
Extended Deadline: 02/28/2027
Department Recommendation: Support

North San Fernando Valley Battery Electric Bus Project

The Los Angeles County Metropolitan Transportation Authority (LA Metro) requests an 8-month time extension for the period of contract award for the Construction (CON) phase of the North San Fernando Valley Battery Electric Bus Project. At the time of allocation the project received an additional six months to award beyond the Timely Use of Funds deadline. The additional 8 months will total 20 months to award contract. LA Metro has experienced unforeseen delays due to schedule, safety, and cost concerns.

The project proposes to procure 75 new Battery Electric Buses that would replace and augment the existing fleet of Compressed Natural Gas (CNG) vehicles on four North San Fernando Valley bus lines.

A combination of unrealistic delivery timelines, unresolved technical requirements, and higher-than-expected costs caused LA Metro to experience unforeseen delays in executing contract award. LA Metro requested bus deliveries to begin by April 2028 to prepare for the 2028 Olympic and Paralympic Games and replace aging CNG buses with tank expirations before September 2028, but vendors couldn't meet the schedule so the procurement couldn't proceed. Manufacturers who responded to initial bid advertisements could not meet LA Metro's safety requirement for both a fully enclosed operator compartment and a driver exit window, forcing extended negotiations, which contributed to delays. Regarding cost concerns, the best offer that LA Metro received exceeded cost estimates by 7.4 percent, totaling over \$36 million, which caused LA Metro to reject proposals in October 2025 and restart requests for proposals (RFP). To address future delays, LA Metro conducted additional industry outreach to increase competition and issued two new RFPs in December 2025 with streamlined requirements and smaller, more flexible quantities to attract more manufacturers. Proposals from the outreach were received in March 2026, and contract award is expected

between late September and early October provided the proposal reviews go smoothly. LA Metro adjusted the schedule to account for the potential risk of additional time needed to address technical deviations and perform extended negotiations prior to signing a final contract. LA Metro's schedule for contract award also includes enough time to conduct an audit with Buy America to confirm the awardee is compliant, including more time to ensure the selected contractor and LA Metro agree to all terms outlined in the contract. LA Metro's schedule for contract award accounts for the risk of lengthy final negotiations, as historically, contractors leverage negotiation power as the approval process gets closer to final execution. Considering the strategies implemented to account for past delays and reduce risks for extended negotiations on technical and safety compliance, LA Metro now confidently expects to award the procurement contract by the end of February 2027.

Therefore, LA Metro is requesting an 8-month time extension for the period of contract award for the CON phase from June 30, 2026 to February 28, 2027.

Project Number: 2
Applicant: Los Angeles County Metropolitan Transportation Authority
County: Los Angeles
District: 07
PPNO: 6210A
Allocation Amount: \$20,000,000
Phase: Construction
Allocation Date: 06/27/2025
Allocation Resolution: SCCP-A-2425-05
Number of Months Requested: 4 Months
Extended Deadline: 10/31/2026
Department Recommendation: Support

Los Angeles Metro CORE Capacity & System Integration Project (Replacement-TPSS)

The Los Angeles County Metropolitan Transportation Authority (LA Metro) requests a 4-month time extension for the period of contract award for the CON phase of the Los Angeles Metro CORE Capacity & System Integration Project (Replacement-TPSS). LA Metro has experienced unforeseen delays primarily due to unexpectedly large volume of bidder questions during the Invitation for Bid (IFB) process.

The project proposes to replace four existing traction power substations (TPSS) located along LA Metro's C (Green) and K (Crenshaw) light rail transit lines at Aviation/LAX station, El Segundo station, Douglas station, and Hawthorne Yard/Division 22.

LA Metro experienced unforeseen delays in reaching contract award due to a cyber security incident, additional time taken to change the procurement method, and bid process delays and extensions. LA Metro recently experienced an agency-wide network disruption from early March through April 2026, which prevented staff from accessing essential systems including email, files, and collaborative coordination applications which also caused work stoppages and delays. Additionally, LA Metro switched the TPSS replacement construction contract procurement method, from an RFP to an IFB, in order to streamline and shorten the procurement process. While the switch was intended to save time overall, it initially caused delays because LA Metro had to revise the bid documents, including detailed specifications and design materials to fit the IFB format. The bid opening date was delayed by six months due to unforeseen circumstances including volume and complexity of bidder inquiries. LA Metro received over 700 questions from potential bidders; and policy required written responses to every question, many involving technical details. Ultimately, addressing the clarifications and inquiries led to four amendments to the solicitation. Overall, LA Metro dealt with the delays by adapting the process, maintaining compliance, continuing coordination under constraints, and formally adjusting the schedule instead of rushing a flawed or incomplete contract award, which is now planned for no later than October 31, 2026.

Therefore, LA Metro is requesting a 4-month time extension for the period of contract award for the CON phase from June 30, 2026 to October 31, 2026.