



June 16, 2026

To: Transit Committee 
From: Darrell E. Johnson, Chief Executive Officer
Subject: Amendment to Agreements for the OC Streetcar Project

Overview

The Orange County Transportation Authority is currently underway with the implementation of the OC Streetcar Project. Staff is seeking Board of Directors' approval for contract amendments for program management consultant services, construction management consultant services, operations and maintenance services, and vehicle manufacturing to support the delivery of the OC Streetcar Project.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 37 to Agreement No. C-4-1854 between the Orange County Transportation Authority and HDR Engineering, Inc., in the amount of \$4,203,298, and extend the agreement term through June 30, 2027, for continued program management consultant services. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$53,503,298.

- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 27 to Agreement No. C-6-0926 between the Orange County Transportation Authority and PGH Wong Engineering, Inc., in the amount of \$4,911,485, and extend the agreement term through June 30, 2027, for continued construction management consultant services. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$54,099,089.

- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-8-2039 between the Orange County Transportation Authority and Herzog Transit Services, Inc., in the amount of \$3,622,696, to align the start-up and pre-revenue

service contract terms with the revised project schedule for operations and maintenance services. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$63,112,418.

- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-6-1445 between the Orange County Transportation Authority and Siemens Mobility, Inc., in the amount of \$3,051,300, and extend the agreement term through July 14, 2028, for storage of vehicles and spare parts, special tools and test equipment, project extension, and additional design and integration services for a computer-aided dispatch and automatic vehicle location system. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$57,945,077.

Discussion

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Garden Grove and Santa Ana, is implementing a modern streetcar to operate between the Santa Ana Regional Transportation Center in the City of Santa Ana and the intersection of Harbor Boulevard and Westminster Avenue in the City of Garden Grove. The OC Streetcar Project (Project) will improve transit connectivity and accessibility, increase transit options, relieve congestion, and provide benefits to the community and traveling public. The Project is being implemented as part of Measure M2 (M2) Project S – Transit Extensions to Metrolink, approved by Orange County voters in November 2006.

Construction of the 4.15-mile Project involves complex and specialized work, including the installation of embedded track in existing streets, an overhead contact system (OCS) to supply power to the vehicles, stops with canopies, two bridges, and a maintenance and storage facility (MSF).

The Project includes ten streetcar stops in each direction (four shared center platforms and six side platforms in each direction, for a total of 16 platforms). Each stop includes a canopy, benches, leaning rails, trash cans, lighting, variable message signs, video cameras, a public address system, and ticket vending machines. Platforms are 14 inches high to enable level boarding to streetcar vehicles.

The MSF can accommodate up to 15 modern streetcar vehicles, as well as all necessary administration, operations, vehicle maintenance, parts storage, and maintenance-of-way needs for the Project. The MSF also includes secured exterior vehicle storage, a wye track for turning vehicles end-for-end, a free-standing vehicle wash, employee parking, and fire department/delivery access.

In consideration of ongoing mediation of contractor disputes and litigation, the forecasted project completion and opening of public service has been revised to early 2027. As previously shared with the Board of Directors (Board), this schedule extension requires the following agreements to be amended:

Program Management Consultant (PMC) Services

On February 23, 2015, the Board approved an agreement with HDR Engineering, Inc. (HDR) to provide PMC services to support the implementation of the Project. The scope of services of the PMC includes project management administration, coordination between the project designer and construction management consultant (CMC), management oversight of the CMC, third-party utility coordination, quality assurance activities related to construction and vehicle acceptance testing, risk analysis and management, safety and environmental compliance activities, project controls, and coordination with the Federal Transit Administration. HDR also provides support of operations planning, including startup and testing, coordination with other third-party stakeholders including the California Public Utilities Commission, County of Orange, US Army Corps of Engineers, and the Orange County Fire Authority.

The current term of the PMC contract expires on December 31, 2026, and requires an extension through June 30, 2027, to provide additional support to achieve project completion forecasted for early 2027 and subsequent closeout activities.

Staff is requesting Board approval for additional funds, in the amount of \$4,203,298, for continued PMC support services and to extend the term of the agreement through June 30, 2027.

CMC Services

On July 25, 2016, the Board approved an agreement with PGH Wong Engineering, Inc. (PGH Wong) to provide CMC services. The scope of services of the CMC includes administration and oversight of the construction contract, performance of quality assurance field inspections, preparation of daily construction activity reports, processing, collecting, maintaining project communications and records, reviewing and processing of progress payments to the contractor, and reviewing and processing of contract change orders.

The current term of the CMC contract expires on December 31, 2026, and requires an extension through June 30, 2027, to provide additional support to achieve project completion forecasted for early 2027 and subsequent closeout activities.

Staff is requesting Board approval for additional funds in the amount of \$4,911,485, for continued CMC support services and to extend the term of the agreement through June 30, 2027.

Operations and Maintenance (O&M) Contractor

On May 22, 2020, the Board approved an agreement with Herzog Transit Services, Inc. (Herzog) to provide O&M services for the Project, including the vehicles, MSF, traction power substations, wayside infrastructure, and all streetcar-specific tools and equipment. The agreement also requires Herzog to support the implementation and commencement of project operations during the start-up and pre-revenue phase. The scope of services during this phase includes vehicle commissioning, systems integrated testing, hiring and training of all O&M personnel, and development of all documents, plans, and procedures necessary to meet regulatory requirements for revenue service.

On April 24, 2023, the Board approved the amended agreement, initiating the start-up and pre-revenue phase of the contract which began on July 1, 2023, with an original duration of 18 months. On May 12, 2025, the Board approved Amendment No. 1 to Agreement No. C-8-2039 to align the contract with the updated project schedule.

As previously reported to the Board, the forecasted project completion and opening of public service is anticipated to be early 2027. The current start-up and pre-revenue phase of the O&M contract expires on July 31, 2026, and requires modification to align the contract term with the revised project completion forecasted for early 2027.

Staff evaluated the impact of the revised schedule on the monthly payment structure for the start-up and pre-revenue phase. Based on this analysis, staff is requesting Board approval for additional funds, in the amount of \$3,622,696, to ensure continued support for the extended start-up and pre-revenue phase through January 31, 2027.

Vehicle Manufacturer

On July 24, 2018, the Board approved an agreement with Siemens Mobility, Inc. (Siemens) to manufacture and deliver eight low floor modern streetcar vehicles, system support, spare parts, special tooling, and test equipment (SPSTTE) in support of the Project.

Siemens has stored the vehicles and SPSTTE on behalf of OCTA for longer than anticipated. In this circumstance, the contract allows for negotiation of a long-term storage proposal. OCTA and Siemens have negotiated the costs

relative to these items, along with extended project management costs and continued support services. Additionally, Siemens incurred costs relative to additional design integration efforts needed for the computer-aided dispatch and automatic vehicle location (CAD/AVL) systems that were not assumed at the time of the development of the technical specifications.

Siemens stored eight streetcar vehicles and SPSTTE on behalf of OCTA for a period ranging from ten to 21 months, representative of each vehicle's time of vehicle shipment authorization to the time of delivery. OCTA and Siemens have agreed to an amount of \$1,781,468 that includes costs related to storage space, transportation of vehicles to and from off-site storage facility, storage materials, recurring maintenance labor to maintain the vehicles, pre-storage inspections, and insurance.

Additionally, OCTA and Siemens have agreed to project extension costs from the time of vehicle shipment authorization to June 2026 to account for additional scope such as project and quality management due to the extended storage term and inflationary impacts of base scope work such as commissioning, training and engineering support , in the amount of \$480,787.

Additional engineering and integration efforts were required by Siemens to incorporate the CAD/AVL system into the vehicle platform. The CAD/AVL system constituted owner-furnished equipment provided by a third-party vendor under contract to OCTA.

Due to the extended duration between the original development of the technical specifications and the subsequent installation of the CAD/AVL equipment, multiple hardware components and functional requirements evolved in response to technological advancements and system updates. These changes necessitated additional systems engineering, design coordination, interface validation, and integration activities by Siemens to ensure compatibility with the vehicle architecture and operational requirements.

OCTA and Siemens subsequently negotiated the cost and schedule impacts associated with this additional scope of work and mutually agreed upon amount of \$789,045.

Therefore, staff is requesting Board approval for additional funding, in the total amount of \$3,051,300, and extending the term of the agreement through July 14, 2028, for vehicle and SPSTTE storage, project extension, and CAD/AVL design integration costs to Siemens. Payment of this negotiated amount will resolve several outstanding disputes with Siemens resulting from project delays.

Procurement Approach**PMC Services**

The original procurement was handled in accordance with OCTA Board-approved procedures for architectural and engineering (A&E) services that conform to both state and federal laws. On February 23, 2015, the Board approved an agreement with HDR for an initial term of five years with two, two-year option terms. The total maximum obligation of the initial five-year term was \$20,962,005. The first two-year option term approved by the Board on February 24, 2020, extended the agreement to March 31, 2022, and increased the maximum obligation to \$29,026,290. The second two-year option term was extended to 33 months based on the anticipated project schedule, approved by the Board on December 13, 2021, extended the agreement to December 31, 2024, and increased the maximum obligation to \$44,343,767. Amendment No. 34, approved by the Board on February 24, 2025, extended the agreement to December 31, 2026, and increased the maximum obligation to \$49,300,000. The agreement has also been previously amended as shown in Attachment A.

OCTA staff and HDR have agreed upon the required level of effort (LOE) for continued PMC support services. OCTA staff found HDR's cost proposal to be fair and reasonable relative to the negotiated LOE and the independent cost estimate prepared by OCTA staff. Proposed Amendment No. 37 to Agreement No. C-4-1854, in the amount of \$4,203,298, will increase the total contract value to \$53,503,298 and extend the term of the agreement by six months through June 30, 2027.

CMC Services

The original procurement was handled in accordance with OCTA's Board-approved procedures for A&E services, which conform to both state and federal laws. On July 25, 2016, the Board approved an agreement with PGH Wong. The original time and expense agreement was issued on December 6, 2016, in the amount of \$10,752,136. This agreement has been previously amended as shown in Attachment B.

OCTA staff and PGH Wong have agreed upon the required LOE for additional CMC support services. OCTA staff found PGH Wong's cost proposal to be fair and reasonable relative to the negotiated LOE and the independent cost estimate prepared by OCTA staff. Proposed Amendment No. 27, in the amount of \$4,911,485, will increase the total contract value to \$54,099,089 and extend the term of the agreement by six months through June 30, 2027.

O&M Contractor

The original procurement was handled in accordance with OCTA's Board-approved procedures for professional and technical services. On May 22, 2020, the Board approved an agreement with Herzog, in the amount of \$45,065,590. The agreement was previously amended as shown in Attachment C.

OCTA staff requested a cost proposal from Herzog to account for the extended start-up and pre-revenue phase. OCTA staff negotiated the staffing levels which have been aligned with the revised project schedule and modified to hire only key management personnel to support vehicle delivery and training activities that began in spring 2025 and defer hiring frontline O&M staff until needed. OCTA staff found Herzog's cost proposal to be fair and reasonable related to the negotiated staffing levels and the independent cost estimate prepared by OCTA staff. Proposed Amendment No. 3 to Agreement No. C-8-2039, in the amount of \$3,622,696, will increase the total contract value to \$63,112,418 and extend the start-up and pre-revenue phase through January 31, 2027. Staff will return to the Board to address any modifications needed to the contract to reflect the updated revenue service terms of the agreement prior to revenue service.

Vehicle Manufacturer

The original procurement was handled in accordance with OCTA's Board-approved procedures for goods and services, which conform to both state and federal laws. On March 26, 2018, the Board approved an agreement with Siemens, in the amount of \$51,527,520. This agreement was previously amended as shown in Attachment D.

OCTA staff and Siemens have agreed upon the costs relative to vehicle and SPSTTE storage, project extension, and CAD/AVL additional design integration. Staff found Siemens' cost proposal to be fair and reasonable relative to the negotiated scope and the independent cost estimate prepared by OCTA staff. Proposed Amendment No. 11, in the amount of \$3,051,300, will increase the total contract value to \$57,945,077. Staff will continue to negotiate with Siemens on other contract items in dispute relative to responsibility of delay prior to vehicle shipment authorization.

Fiscal Impact

Funds are included in OCTA's Fiscal Year 2026-27 Budget, Capital Programs Division, under professional services for the Project in fund 0051.

Summary

Staff is seeking Board of Directors' authorization for contract amendments for program management consultant services, construction management consultant services, operations and maintenance services for the start-up and pre-revenue phase, vehicle storage, project extension, and computer-aided dispatch, and automatic vehicle location design integration to support the delivery of the OC Streetcar Project.

Attachments

- A. HDR Engineering, Inc., Agreement No. C-4-1854 Fact Sheet
- B. PGH Wong Engineering, Inc., Agreement No. C-6-0926 Fact Sheet
- C. Herzog Transit Services, Inc., Agreement No. C-8-2039 Fact Sheet
- D. Siemens Mobility, Inc., Agreement No. C-6-1445 Fact Sheet

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