

INTRADEPARTMENTAL CORRESPONDENCE

July 14, 2026
8.1.1

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

SUBJECT: REQUEST FOR APPROVAL OF THE TWELFTH AMENDMENT
TO THE LOS ANGELES CITY CONTRACT NO. C-129255
BETWEEN THE CITY OF LOS ANGELES AND THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY

RECOMMENDED ACTIONS

1. That the Board of Police Commissioners REVIEW and APPROVE the attached Twelfth Amendment to the Los Angeles City Contract No. C-129255 [Los Angeles County Metropolitan Transportation Authority (LACMTA), Contract No. PS5862100LAPD24750, Modification No. 12] between the City of Los Angeles acting by and through the Los Angeles Police Department (LAPD) and the LACMTA.
2. That the Board TRANSMIT the Twelfth Amendment to the Office of the Mayor for review and approval.
3. That the Board AUTHORIZE the Chief of Police to execute the Twelfth Amendment upon Mayoral approval.

DISCUSSION

On February 23, 2017, the Los Angeles County Metropolitan Transportation Authority selected the Los Angeles Police Department under a competitive bid process to provide law enforcement services to the Los Angeles County Metropolitan Transportation Authority infrastructure, bus and rail lines, and ridership within the City of Los Angeles. The Los Angeles Police Department and the Los Angeles County Metropolitan Transportation Authority entered a five-year contract which became effective on March 1, 2017, and expired on June 30, 2022. The contract was then extended requiring a new modification for each year.

This Twelfth Amendment extends the term of the contract and period of performance by one year to cover the period from July 1, 2026, through June 30, 2027, and revise the total period of performance to read March 1, 2017, through June 30, 2027. The contract price of \$847,280,655.08 shall be increased by \$119,858,363.72 for a revised not-to-exceed total contract price of \$967,139,018.80. This includes the Purple “D” Line extension into the City of Beverly Hills. Deputy City Attorney Samuel Petty, Public Procurement and Contract Division, has reviewed and approved this Twelfth Amendment as to form.

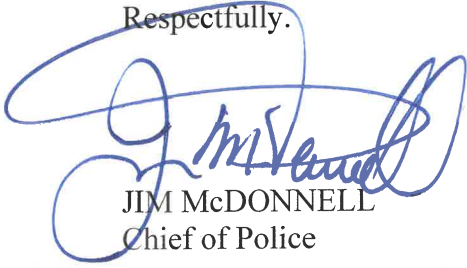
The Honorable Board of Police Commissioners

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Should you have any questions concerning this request, please contact
Commander Natalie Cortez, Commanding Officer, Transit Services Group,
at (213) 922-3614.

Respectfully.

A handwritten signature in blue ink, appearing to read "Jim McDonnell", is written over the printed name and title.

JIM McDONNELL
Chief of Police

Attachments

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
CONTRACT NO. PS5862100LAPD24750, MODIFICATION NO. 12**

FOR: TRANSIT LAW ENFORCEMENT SERVICES

This Contract Modification No. 12 to Contract No. PS5862100LAPD24750 effective June 30, 2026, by and between the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, hereinafter referred to as "LACMTA" or "METRO", and the City of Los Angeles, a municipal corporation acting by and through its Police Department (LAPD), hereinafter referred to as the "CONTRACTOR."

WHEREAS, CONTRACTOR and LACMTA entered into Contract No. PS5862100LAPD24750, effective March 1, 2017, subsequently modified by Modification No. 1, effective July 1, 2018, Modification No. 2 effective August 16, 2021, Modification No. 3 effective January 1, 2022, Modification No. 4 effective July 1, 2022, Modification No. 5 effective January 1, 2022, Modification No. 6 effective June 30, 2022, Modification No. 7 effective December 30, 2022, Modification No. 8 effective June 30, 2023, Modification No. 9 effective June 28, 2023, Modification No. 10, effective June 30, 2024, and Modification No. 11 effective May 7, 2026, hereinafter referred to as the "Existing Contract" and;

WHEREAS, CONTRACTOR and LACMTA desire to amend the Existing Contract as provided herein;

Now, therefore, it is mutually agreed, by and between the parties, as follows:

1. ARTICLE IV, COMPENSATION, SUBARTICLE .A – CONTRACT PRICE is revised as follows:

The not-to-exceed Contract Price of \$847,280,655.08 shall be increased by \$119,858,363.72 for a revised not-to-exceed total Contract Price of \$967,139,018.80.

2. ARTICLE V: CONTRACT TERM AND PERIOD OF PERFORMANCE is revised to read as follows:

The Effective Date of this Contract is March 1, 2017 (hereinafter "Commencement Date"). The term of the Contract shall be from the Commencement Date through **June 30, 2027**, for a total Period of Performance of March 1, 2017, through **June 30, 2027**.

3. EXHIBIT B – MEMORANDUM OF COSTS

Exhibit B – Memorandum of Costs is deleted in its entirety, and replaced with Exhibit B – Memorandum of Costs revised as of June 8, 2026, attached hereto, incorporated herein by this reference, and made an integral part hereof.

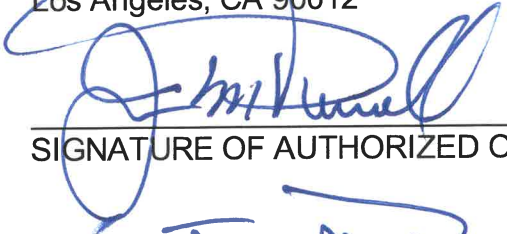
All other terms and conditions of Contract No. PS5862100LAPD24750 shall remain unchanged.

Except as expressly modified hereby, the Existing Contract, as modified, remains in full force and effect as originally executed.

IN WITNESS WHEREOF, the parties have caused this Modification No. 12 to the Existing Contract to be executed by their respective officers duly authorized on the date first written above.

CITY OF LOS ANGELES

c/o Los Angeles Police Department
100 W. 1st Street
Los Angeles, CA 90012



SIGNATURE OF AUTHORIZED OFFICIAL

BY: Jim McInerney
(PRINT OR TYPE NAME)
CHIEF OF POLICE
(TITLE)

Date: 7-16-26

APPROVED AS TO FORM:
HYDEE FELDSTEIN SOTO
City Attorney

By: _____
BRENT NICHOLS
Deputy City Attorney

Date: _____

**LOS ANGELES COUNTY
METROPOLITAN
TRANSPORTATION AUTHORITY**

STEPHANIE WIGGINS
CHIEF EXECUTIVE OFFICER

BY: _____

(DATE)

ATTEST:
Holly L. Wolcott
City Clerk

By: _____
Deputy City Clerk

Date: _____

EXHIBIT B – MEMORANDUM OF COSTS

Sixty (60) days prior to the start of each fiscal year, Contractor shall submit for approval of LACMTA, a list of maximum fully burdened hourly rates per labor classification, together with the necessary documentation in support of the proposed rates [e.g. applicable MOUs with labor unions, current payroll records, prevailing Cost Allocation Plan (CAP) rates and breakdown of estimated Division Overhead costs].

A. Maximum Fully Burdened Rates

The maximum fully burdened hourly rate for each labor classification shall be determined as follows:

1. Sworn personnel (field personnel)

Sworn field personnel shall primarily be assigned to this Contract on an overtime basis.

Direct Labor

The maximum hourly direct labor rate (overtime) for each labor classification [per Memorandum of Understanding MOU) with the respective labor unions] that will be deployed under this Contract.

Overtime rates shall be in accordance with guidelines provided in the respective MOUs of each labor union. Overtime Position Overhead Rate shall be computed as follows:

Overtime Position Overhead Rate (for sworn personnel)

$$= \text{Hourly Direct Labor Rate} \times \text{OT Overhead Rate}$$

The indirect overtime overhead rate of sworn personnel shall be based on the CAP overhead rate approved by the Federal Government (currently CAP37 – Attachment 3) in effect at the time the work was performed. This rate may change during the fiscal year based on approval by the Federal Government and shall be applied prospectively. CAP rate changes shall be effective on the deployment period immediately succeeding each CAP change notification.

2. Management/Field Supervisory and Administrative Personnel

Contractor shall directly oversee administrative, investigative and patrol operations required under the Contract. All management, field supervisory and administrative personnel of the Contractor shall be billed as Overhead Cost.

Overhead Cost

| The Overhead Cost shall be computed as follows:

Direct Labor

**Indirect Cost Overhead
(Note:
separate indirect cost
overhead shall be
provided for sworn and
civillian personnel)**

OH Overhead = Total Direct Labor cost of
personnel + Indirect Cost
Overhead

Full-time personnel (e.g. field supervision) will be phased in over the first three years of the contract. As Contractor ramps up personnel, Overhead costs may vary monthly. Labor hours in field may likewise vary depending on deployment requirements.

Overhead costs shall be presented as separate cost item in Contractor's invoice.

The maximum hourly direct labor rate for each labor classification [per Memorandum of Understanding (MOU) with the respective labor unions] that will be deployed under this Contract.

Indirect Cost Overhead shall be computed as follows:

= indirect overhead rate x Total Direct Labor Cost
of personnel

The overhead rate for civilian and/or sworn personnel shall be based on the CAP overhead rate approved by the Federal Government (currently CAP37 – Attachment 3) in effect at the time the work was performed. This rate may change during the fiscal year based on approval by the Federal Government and shall be applied prospectively. CAP rate changes shall be effective on the deployment period immediately succeeding each CAP change notification.

On instances wherein Contractor's personnel renders overtime work, Contractor shall bill for current direct labor cost only multiplied by the actual overtime hours rendered. However, if sworn personnel renders overtime work in the field, overtime rates shall be the same as that of sworn field personnel.

Overtime rates shall be in accordance with guidelines provided in the respective MOUs of each labor union. Indirect cost overhead rates do not apply to overtime work.

B. Salary Escalation on Direct Labor Rates

Direct labor rates of sworn field personnel and Transit Services Bureau personnel shall be adjusted annually in accordance with the terms of the MOU with the respective labor unions:

	<u>Maximum Escalation Rate</u>
<u>Base Year 1</u>	<u>0%</u>
<u>Base Year 2</u>	<u>4%</u>
<u>Base Year 3</u>	<u>4%</u>
<u>Base Year 4</u>	<u>4%</u>
<u>Base Year 5</u>	<u>4%</u>

Following the expiration of the base term (March 1, 2017 through June 30, 2022, hereinafter "Base Term"), and for all subsequent Contract extensions, the escalation rate shall be renegotiated and established separately on an annual basis prior to the start of each fiscal period in accordance with the terms of the MOU with the respective labor unions to reflect actual labor costs.

B. Supplemental Costs

Start-up Costs

Start-up costs include:

	<u>Amount</u>
Communication Equipment	\$186,600.00
Field Equipment	\$133,393.75
IT Equipment	\$1,132,380.00
Training (8-hr training for approx 4,000 personnel)	\$2,846,080.00
Vehicles (inclusive of maintenance and fuel costs)	\$5,285,196.56

The above are one-time costs that the Contractor may bill under the contract. Training costs and vehicle costs shall be billed as they are incurred.

Overtime Reserve

An overtime reserve of \$10,832,645.12 has been allocated for this 5-year contract. This shall cover cost of overtime work resulting from booking/arrests and unforeseen operational needs.

Following the expiration of the Base Term, and for all subsequent Contract extensions, the overtime reserve shall be renegotiated and established separately on an annual basis prior to the start of the each fiscal period to reflect current operational needs.

Police Service Representative (PSR) Overtime

A five-year overtime cost of \$5,981,863.20 has been allocated for this contract for eight (8) PSR and one (1) senior PSR personnel.

Following the expiration of the Base Term, and for all subsequent Contract extensions, the PSR overtime reserve shall be renegotiated and established separately on an annual basis prior to the start of the each fiscal period to reflect current operational needs.

Canine Costs

Canine services shall be provided on an as-needed basis. Estimates are as follows based on two (2) calls per week; however, billing will be based on actual calls for service and hours worked:

	<u>Annual Cost</u>
Year 1	\$15,874
Year 2	\$16,508
Year 3	\$17,169
Year 4	\$17,856
Year 5	\$18,570

Following the expiration of the Base Term, and for all subsequent Contract extensions, the canine costs shall be renegotiated and established separately on an annual basis prior to the start of the each fiscal period to reflect current operational needs.

C. Transition Costs/Mobilization

LACMTA agrees to pay Transition/Mobilization Costs articulated in Exhibit A and the LNTP (Exhibit G), covering the period of March 1, 2017, through June 30, 2017.

- C.1 In the event of Contract termination or conclusion of services, the Demobilization Costs shall be negotiated and established separately prior to the final phase of service. Such costs shall reflect the actual reasonable expenses required to decommission equipment, reassign personnel, and close out dedicated facilities.

D. Invoicing

Invoices shall be based on actual services performed, in accordance with the agreed-upon deployment plan/schedule. In no case shall billing rate for each personnel exceed the maximum fully burdened rate set for each labor classification.

Monthly billings will be submitted to LACMTA within sixty (60) days after the end of each Deployment Period (DP)

E. Deployment Period

Contractor will bill LACMTA by Deployment Period. A "Deployment Period" is the 28-day period in which personnel are deployed and the basis of the billings submitted by Contractor to LACMTA.

FORM 60
PROFESSIONAL SERVICES
COST/PRICE SUMMARY

Name of Offeror/Contractor: City of Los Angeles – Los Angeles Police Department				End-Item Deliverable: Transit Law Enforcement Services			
Home office address: 100 W. 1st Street, Los Angeles, CA 90012							
Division(s) and Locations where Work is to be performed: City of Los Angeles				LACMTA Solicitation/Proposal/Contract Number/Change Notice/Change Order Number: PS5862100LAPD24750			
NOTE: For proper calculations of cost elements link additional sheets to this summary page.							
1. Direct Labor		Est. Hours	Rate Per Hour	Est. Cost	TOTAL		
2. Full Time Employee		0.00	\$0.00	\$	12,866,830.94		
Overtime Deployment		0.00	\$0.00	\$	72,138,478.12		
Overtime		0.00	\$0.00		\$5,365,784.41		
TOTAL DIRECT LABOR HOURS		0.00	TOTAL DIRECT LABOR		\$90,371,093.46		
6. Labor Overhead (O/H)		O/H Rate	x Base	Est. Cost			
7. Full Time Employee (CAP47)		0%		\$17,671,305.61			
Overtime Deployment (CAP47)				\$10,301,374.68			
Overtime (CAP47)				\$643,917.86			
TOTAL LABOR OVERHEAD					\$28,616,598.15		
9. Direct Material				Est. Cost			
10. a. Purchase Parts				\$870,672.11			
11. b. Subcontracted items				\$0.00			
12. c. Other TSA Credit				\$0.00			
TOTAL DIRECT MATERIAL					\$870,672.11		
14. Equipment			Unit Cost	Est. Cost			
15.			\$0.00	\$0.00			
16.			\$0.00	\$0.00			
TOTAL EQUIPMENT					\$0.00		
18. Subcontractors				Est. Cost			
19.				\$0.00			
20.				\$0.00			
21.				\$0.00			
TOTAL SUBCONTRACTORS					\$0.00		
TOTAL BURDENED COST (add lines 5, 8, 13, 17 and 22)					\$119,858,363.72		
24. Other Direct-Costs				Est. Cost			
25.							
26.							
27. NOTE: Cost estimates are provided for evaluation and are based on current actual rates that are subject to change due to pending labor negotiations, current published Cost Allocation Plan (CAP) Rates, escalation rates, Los Angeles City commodity contracts, and current market rates.							
TOTAL OTHER COSTS					\$0.00		
29. Travel				Est. Cost			
30. a. Transportation				\$0.00			
31. b. Per Diem or Subsistence				\$0.00			
TOTAL TRAVEL					\$0.00		
33. General and Administrative Expense		Rate %	% x Line 23				
34.		0%		\$0.00			
TOTAL GENERAL AND ADMINISTRATIVE EXPENSE					\$0.00		
TOTAL ESTIMATED COSTS (Total Lines 23, 28, 32 and 35)					\$119,858,363.72		
37. Profit/Fee	Total Labor and Overhead (line 5 + line 8)	Rate %	% x Total Labor and Overhead				
38.	\$119,858,363.72	0%		\$0.00			
TOTAL FEE					\$0.00		
TOTAL ESTIMATED PRICE (Total of Lines 38 and 39)					\$119,858,363.72		
Milestone /Task Number	Milestones/Tasks	Hours	Completion Date	Payment Amount			
41.							
42.				\$0.00			
43.				\$0.00			
44.				\$0.00			
TOTAL MILESTONES/TASKS (Must equal line 40)					\$0.00		
* Attach Form 60 for all proposed subcontracts.							
46. Fill in applicable sections only							
47. Has any Agency of the United States Government, State government, local public agency or the Los Angeles County Metropolitan Transportation Authority (LACMTA) performed any review of your account or records, overhead rates and general and administrative rates in connection with any public prime contract or subcontract within the past twelve months? Yes No If yes, when?							
48.a. Agency Name/Address Los Angeles County Metropolitan Transportation Authority (LACMTA)				48.b. Individual to contact/Telephone Number LACMTA SSLE Compliance Unit 213.922.7464			
49. As required by LACMTA, firms not audited, as described above, shall submit financial data and calculations in sufficient detail to support all proposed direct costs and subcontractor costs.							
50. The proposal reflects our estimates and/or actual costs as of the date and by submitting this proposal, Proposer/Consultant grants to LACMTA Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the proposal as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to contract award or execution of contract modification.							
51. CERTIFICATE The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. Proposer/Consultant represents: (a) that it has , has not , employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer/Consultant) to solicit or secure a contract, and (b) that it has , has not , paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer/Consultant) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract, and agrees to information relating to (a) and (b) above, as requested by the Contracting Officer.							
52. CERTIFICATE OF CURRENT COST OR PRICING DATA This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in Section 2.101 of the Federal Acquisition Regulations (FAR) and required under subsection 15.403-4) submitted, either actually or by specific identification in writing, to LACMTA's Contracting Officer or to LACMTA's Contracting Officer's representative in support of Yr 10 Contract Extension PS5862100LAPD24750* are accurate, complete and current as of 02.13.2026 **. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the Proposer/Consultant/Contractor and LACMTA that are a part of the proposal.							
53. This proposal as submitted represents our best estimates and/or actual costs as of this date.							
54. Type Name and Title of Authorized Representative Transit Service Bureau				Signature		Date XX.XX.2026	
* Identify the proposal, quotation, request for price adjustment, or other submission involved, giving appropriate identifying number (e.g. Information For Bid No., Request for Proposal No., Change Order No., Modification No., etc.)							
** Insert the day, month and year when price negotiations were concluded and price agreement was reached.							
*** Insert the day, month and year of signing (i.e., When price negotiations were concluded and mutual agreement was reached on contract price).							