

HR5000 CONTRACT RESOLUTION

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY RATIFYING THE HR5000 CONTRACT, CONTRACT MODIFICATIONS, AND THE PROCUREMENT AND AWARD OF THE HR5000 CONTRACT

WHEREAS, Contract No. OP239906000HR5000 (HR5000 Contract) is a time-sensitive contract entered by Los Angeles County Metropolitan Transportation Authority (Metro) to procure new Heavy Rail Vehicles (HRVs) critical to Metro's ability to, among other things, accommodate transportation needs for the 2028 Olympics and satisfy the service level requirements of federal funding grant agreements;

WHEREAS, on December 1, 2022, the Board approved a new policy titled and referred to as the Manufacturing Careers Policy (MCP) and also approved a solicitation for the HR5000 Contract Request for Proposals (RFP) to secure at least 182 new HRVs;

WHEREAS, Metro staff issued the RFP for the HR5000 on December 5, 2022 and it was subsequently amended;

WHEREAS, on January 25, 2024, the Board approved an award of the HR5000 Contract to Hyundai Rotem USA Corporation (Hyundai Rotem) understanding that the procurement complied with the MCP;

WHEREAS, although proposals in response to the HR5000 RFP were scored uniformly, fairly and without favoritism and in accordance with the criteria specified in the RFP, it was later determined that the HR5000 RFP, including amendments thereto, did not fully incorporate all requirements of the MCP;

WHEREAS, it was also determined that the HR5000 Contract, as initially executed, did not fully incorporate all requirements of the MCP;

WHEREAS, to implement and incorporate all requirements of the MCP into the HR5000 Contract, Metro and Hyundai Rotem modified the HR5000 Contract on June 27, 2024 (Modification 1) and November 20, 2024 (Modification 3);

WHEREAS, the modified HR5000 Contract is now in compliance with all material aspects of the MCP and Metro staff is monitoring compliance with the MCP;

WHEREAS, for the reasons set forth in the "Ratification of the HR5000 Heavy Rail Vehicle (HRV) Contract and the A650 HRV Refurbishment Contract" dated May 22, 2025 (Board Report), Metro acknowledges that a re-bid of the HR5000 Contract is contrary to Metro's interests and mission and would, in fact, substantially prejudice Metro by jeopardizing Metro's ability to, among other things, meet transportation needs for the Summer Olympics to be held in Los Angeles in 2028;

WHEREAS, for the reasons set forth herein and in the Board Report and in light of the fact that the HR5000 Contract now complies with the MCP, the Board believes that ratification of the HR5000 Contract, Modification 1 and Modification 3, and the procurement of the contract is in Metro's best interest and advances the goals of the MCP;

WHEREAS, the failure of the RFP to mirror the requirements of the MCP did not provide a competitive advantage to any bidder;

WHEREAS, for the reasons set forth in the Board Report, the Board confirms and satisfies itself that modifications to the HR5000 Contract to bring that contract into compliance with the MCP are not a fundamental change to the HR5000 Contract and do not result in any unfairness in the contract procurement, award, or otherwise;

WHEREAS, it would be unlikely that a re-bid of the HR5000 Contract would allow for HRVs to be delivered within the time frame required by Metro, no bidders other than the current contractor would likely respond to a re-bid, there is no assurance that the MCP commitments would be increased (and might actually be reduced) in the event of a re-bid, and the more than \$85 million already paid to the contractor by Metro might be squandered for no obvious benefit;

WHEREAS, for the reasons set forth in the Board Report, the Board exercises its authority to ratify in the HR5000 Contract procurement, award, the executed contract and modifications to the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

Section 1. Ratification. The HR5000 Contract procurement, award, the executed contract and Modification 1 and Modification 3 are ratified by the Board.

Section 2. Severability. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 3. Effective Date. This Resolution shall be effective upon adoption by the Board.

CERTIFICATION

The undersigned, duly qualified and acting as Board Clerk of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on May 22, 2025.

COLLETTE LANGSTON
Board Clerk, Los Angeles County Metropolitan
Transportation Authority