

PROCUREMENT SUMMARY

HEAVY RAIL VEHICLE OVERHAUL AND CRITICAL COMPONENT
REPLACEMENT PROGRAM/A650-2015

1.	Contract Number: A650-2015		
2.	Contractor: Talgo, Inc.		
3.	Mod. Work Description: Add Mist Fire Suppression System to Overhaul Program		
4.	Contract Work Description: Overhaul A650 Heavy Rail Vehicles		
5.	The following data is current as of: 8.10.18		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	10.5.16	Contract Award Amount: \$54,698,676
	Notice to Proceed (NTP):	01.16.17	Total of Modifications Approved: \$18,271,818
	Original Complete Date:	11.16.19	Pending Modifications (including this action): \$10,355,000
	Current Est. Complete Date:	05.16.22	Current Contract Value (with this action): \$83,325,494
7.	Contract Administrator: Wayne Okubo		Telephone Number: (213) 922-7466
8.	Project Manager: Andrew Kimani		Telephone Number: (213) 922-3221

A. Procurement Background

This Board Action is to approve Contract Modification No. 2 issued in support of the addition of an onboard Mist Fire Suppression System (MFSS) on 74 A650 Heavy Rail Vehicle (HRV) as part of the overhaul and critical component replacement program on the Option Buy A650 consisting of 37 married pairs.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

On September 22, 2016, Metro's Board of Directors approved Board Agenda Item No. 37 to Talgo, Inc. in the amount of \$54,698,676 for the overhaul of 38 A650 Heavy Rail Vehicles, with the option to overhaul the remaining 36 vehicles of the newest A650 fleet. The intent of this overhaul program is to replace vital systems and components and update relevant technology to ensure the continued safety, reliability, availability, and maintainability of the fleet for full revenue service and maintain the fleet's State of Good Repair.

The recommended Contract Modification is to include the onboard MFSS to the A650 overhaul program currently underway by Talgo. The addition of the MFSS has

merit as this new and innovative safety feature complements the intent of the overhaul program by incorporating updated technology to ensure continued safety of the A650 fleet.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon cost analysis, an independent cost estimate, technical evaluation, fact finding, and negotiations.

Proposal Amount	Metro ICE	Negotiated Amount
\$12,093,482	\$7,355,436	\$10,355,000

The difference between the Metro ICE and the Negotiated Amount is attributed to four factors not fully considered in the ICE; project risk, schedule, logistics, and equipment and materials.

Risk: The MFSS technology is a safety system that is limited in use, and has never been implemented onto a HRV platform in the US. Talgo will install the first system built to US standards.

Schedule: The integration of the MFSS into the A650 overhaul will extend the project by eight months. The schedule extension was not considered in the Metro ICE.

Logistics: The system and component manufacturers of the MFSS are European, primarily designed and manufactured in Italy and Germany. The logistical considerations for coordinating project reviews, inspections, and tests, were not included in the Metro ICE.

Equipment and Materials: The majority of the system and components are designed and built to European standards. Certification to US federal standards, including Buy America, will require additional effort and cost.