

PROCUREMENT SUMMARY

LIGHT RAIL VEHICLE CORRECT SIDE DOOR ENABLE SYSTEM / OP123557

1.	Contract Number: OP123557	
2.	Recommended Vendor: Hitachi Rail STS USA, Inc. (Hitachi)	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 05-09-2024	
	B. Advertised/Publicized: N/A- Sole Source	
	C. Pre-Proposal Conference: N/A- Sole Source	
	D. Proposals Due: 07-12-2024	
	E. Pre-Qualification Completed: N/A- Sole Source	
	F. Conflict of Interest Form Submitted to Ethics: July 18, 2024	
	G. Protest Period End Date: 10/23/24	
5.	Solicitations Picked up/Downloaded: 1	Bids/Proposals Received: 1
6.	Contract Administrator: Ani Pogossian	Telephone Number: (213) 922-2874
7.	Project Manager: Aderemi Omotayo	Telephone Number: (213) 922-3243

A. Procurement Background

This Board Action is to approve the award of Contract No. OP123557 to modify the car-borne automatic train control (ATC) software to read Radio-Frequency Identification (RFID) tag data. RFID tags need to be installed at the station platform and other wayside locations to determine which station the light rail vehicle (LRV) is approaching, which rail track the LRV is on, the LRV's position relative to the berthing location, and when a radio frequency change is necessary. The Door Enable System functions under this contract will only be installed on the A and E Lines, as a separate system already performs the Door Enable functions on the C (Green) and K (Crenshaw) Lines. Hitachi STS USA, Inc. (Hitachi), is the sole manufacturer and distributor of the car-borne ATC package including hardware and software in all Metro's light rail vehicles. The hardware and software are proprietary. The contract award is subject to resolution of any properly submitted protest(s), if any.

The contract type is Firm Fixed Price, and the work is expected to be completed by December 2027. The Diversity & Economic Opportunity Department (DEOD) did not recommend a Small/Disabled Veterans Business Enterprise (SBE/DVBE) participation goal for this Procurement due to lack of subcontracting opportunities.

The Light Rail Vehicle Correct Side Door Enable System procurement was solicited twice as an open competitive procurement. The first solicitation in 2018 did not produce any proposals, and the second solicitation in 2021 resulted in one unqualified bidder, with Hitachi as the subcontractor.

On May 9, 2024, Request for Proposals (RFP) No. OP123557 was issued as a non-competitive procurement to Hitachi in accordance with Metro's Acquisition Policy and Procedures. During the solicitation phase of this RFP, LACMTA issued three (3) amendments, and three (3) sets of clarifications, answering a total of twenty-one (21) questions received from the proposer.

Four (4) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 17, 2024, added Special Provisions (SP)-21: California Transparency in Supply Chains Act.
- Amendment No. 2, issued on June 18, 2024, removed section 3.9.2 Construction Safety Supervisor and 6.6.6 Physical Barriers from the Scope of Work and revised General Conditions (GC-35) Rights in Technical Data, Patents and Copyrights.
- Amendment No. 3, issued on May 16, 2024, extended the proposal due date.
- Amendment No. 4, issued on August 5, 2024, BAFO.

One (1) proposer, Hitachi, responded to the RFP by the due date on July 12, 2024.

B. Evaluation of Proposal

This is a non-competitive sole source procurement for services that are available only from a single source due to data rights restrictions that preclude competition. This solicitation was evaluated in compliance with Metro's Acquisitions Policy and Procedures.

Metro's Project Manager (PM) performed a technical evaluation of the proposal in accordance with the RFP. The technical evaluation determined that Hitachi has the technical expertise and capabilities to perform the work as defined in the Scope of Work, as they are the Original Equipment Manufacturer (OEM) of the car-borne ATC package on all LRVs on Metro's property. The proposal required clarification and discussion which eventually resulted in a technically and commercially acceptable offer.

C. Cost Analysis

In accordance with LACMTA's Acquisition Policy and Procedures for a non-competitive acquisition, a cost analysis is required. Therefore, staff performed a cost analysis consisting of an assessment of the proposed cost elements and a comparison with the Independent Cost Estimate (ICE).

LACMTA's Independent Cost Estimate (ICE) amounted to \$28,500,000. This estimate covered various components inclusive of Material, Manufacturing, Installation and Engineering costs.

Hitachi's initial proposal was \$24,937,760. However, following clarifications and negotiations, a revised proposal was required.

In accordance with IP-06, titled "Amendment," Metro issued Amendment No. 4, requesting a Best and Final Offer (BAFO) from Hitachi. Hitachi responded with its revised Technical Proposal and Form 60. This resulted in a reduction from the initial proposal by \$492,961.06, bringing the Price Proposal down from \$24,937,760 to \$24,444,798.94.

The recommended price proposal from Hitachi totaling \$24,444,798.94 is 16.6% lower than the ICE. The primary difference between the ICE and the proposed amount is attributed to the ICE's inclusion of a 12% inflation adjustment for engineering and support labor. By removing the escalation factor from the ICE, the difference between the ICE and the lower proposed price is within 8.5%.

Proposer Name	Initial Proposal Amount	BAFO Proposal Amount	LACMTA ICE
Hitachi Rail STS USA, Inc.	\$24,937,760.00	\$24,444,798.94	\$28,500,000

Based on staff's cost analysis, it was determined that the final proposed price of \$24,444,798.94 was the best attainable value and is deemed fair and reasonable for the required work.

D. Background on Recommended Contractor

In 2015, Hitachi Ltd began acquiring all Ansaldo Transportation S.P.A related transportation companies. Due to this acquirement, the recommended firm, Hitachi Rail STS USA, Inc. was founded in 2019 and headquartered in Pittsburgh, Pennsylvania. Hitachi Rail is active around the world as a contractor and supplier of turnkey services and solutions and builds large projects for railway and mass transit systems for both passenger and freight systems. Their most recent and on-going contracts include LACMTA's HR-4000 Heavy Rail Vehicles Cab Signaling, P2550 Overhaul Cab Signaling, HR-5000 Heavy Rail Vehicles Cab Signaling, A650 Heavy Rail ATC Replacement Program and more.