

PROCUREMENT SUMMARY

P2000 LIGHT RAIL VEHICLE OVERHAUL PROGRAM, RAIL VEHICLE
CONTRACTOR / OPP2000

1.	Contract Number: OPP2000	
2.	Recommended Vendor: Alstom Transportation, Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: July 9, 2015	
	B. Advertised/Publicized: July 22, 2015 and July 27, 2015	
	C. Pre-Proposal Conference: August 5, 2015	
	D. Proposals Due: March 18, 2016	
	E. BAFOs Due: October 12, 2016	
	F. Second BAFOs Due: December 23, 2016	
	G. Pre-Qualification Completed: March 3, 2017	
	H. Conflict of Interest Form Submitted to Ethics: Submitted 2/14/17	
	I. Protest Period End Date: March 20, 2017	
5.	Solicitations Picked up/Downloaded: 73	Bids/Proposals Received: 2
6.	Contract Administrator: Nicole Dang	Telephone Number: 213-922-7438
7.	Project Manager: Annie Yang	Telephone Number: 213-922-3254

A. Procurement Background

This Board Action is to approve the award of Contract No. **OPP2000** issued to support the overhaul of 52 Siemens P2000 Light Rail Vehicles (LRV). The intent of this solicitation was to procure a LRV overhaul program to achieve and maintain the LRVs state of good repair; where the overhaul and component replacement program prioritizes enhanced safety, availability, and reliability. Board approval of contract awards are subject to resolution of all properly submitted protests.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price contract.

Fifteen amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 5, 2015, extended the proposal due date to January 6, 2016, and revised the Compensation and Payment Provisions, Pricing Forms PF 1-7, Proposal Submittal Requirements, Form PS-1, and Technical Specifications (TS-1: Consolidated CDRL List and TS-20: Requirements Management, Design Validation and Verification).
- Amendment No. 2, issued on October 19, 2015, revised Pricing Forms 1-7, Special Provisions, Instructions to Proposers, Submittal Requirements to

clarify the Federal Transit Administration (FTA) approved Local Employment Program.

- Amendment No. 3, issued on October 19, 2015, revised Pricing Forms 1-7 and Technical Specification (TS-13: Communications).
- Amendment No. 4, issued on November 17, 2015, revised Form TF-6 and Technical Specification (TS-12: Braking Equipment).
- Amendment No. 5, issued on December 4, 2015, extended the proposal due date to February 5, 2016, and revised Technical Specifications (TS-1: Introduction, TS-9: Electrical, TS-13: Communications and TS-6: Automatic Train Control).
- Amendment No. 6, issued on January 20, 2016, extended the proposal due date to March 4, 2016, and revised Proposal Forms TF 3-4 and Technical Specifications (TS-2: System, Level Design, Infrastructure, and Performance, TS-6: Passenger Doors, and TS-14: Automatic Train Control).
- Amendment No. 7, issued on February 2, 2016, revised Technical Specifications (TS-6: Passenger Doors and TS-14: Automatic Train Control).
- Amendment No. 8, issued on February 9, 2016, revised Technical Specification (TS-13: Communications).
- Amendment No. 9, issued on February 12, 2016, revised Pricing Forms 1-7 and Technical Specifications (TS-1: Introduction, TS-11: Trucks, and TS-14: Automatic Train Control).
- Amendment No. 10, issued on February 29, 2016, extended the proposal due date to March 18, 2016.
- Amendment No. 11, issued on March 7, 2016, revised Proposal Requirements and Proposal Submittal Checklist Form PS-1.
- Amendment No. 12, issued on September 23, 2016, after receipt of proposals, requested Best and Final Offers.
- Amendment No. 13, issued on December 5, 2016, to request the second Best and Final Offers.
- Amendment No. 14, issued on December 9, 2016, revised Pricing Forms 1-8, Special Provisions, Contract Document Article IV: Compensation, Instructions to Proposers, and Technical Specifications (TS-2: System Level Sign, Infrastructure, and Performance, TS-3: Carbody, TS-11: Trucks, and TS-12: Communications).

- Amendment No. 15, issued on October 19, 2015, revised the Proposal Submittal Requirements, Contract Documents: Statement of Work and Special Provisions.

A Pre-Proposal Conference was held on August 5, 2015, at the Metro Green Line Yard. Vehicle inspections were held for the proposers from August 5, 2015, through August 7, 2015.

Eight sets of questions and answers were issued during the solicitation phase of this RFP. Responses were posted to the project data repository site, accessible to all solicitation plan holders.

A total of two proposals were received on March 18, 2016. Subsequently, Metro received revised proposals on October 12, 2016, and December 3, 2016, in response to changes to program overhaul requirements and requests for Best and Final Offers.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from the Metro Rail Vehicle Acquisition department was convened to conduct a comprehensive technical evaluation of the proposals received. Additionally, technical advisors (TAs) from Metro's Rail Fleet Services department, Metro Rail Vehicle Engineering department, and consultants from CH2M Hill, Inc. augmented the PET as subject matter experts.

The proposals were evaluated based on the following evaluation criteria and weights:

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|--|------------|
| • Past Experience and Past Performance | 350 Points |
| • Price | 300 Points |
| • Technical Compliance | 250 Points |
| • Project Management Experience | 100 Points |
| • Incentive Enhanced U.S. Content | 50 Points |
| • Incentive Local Employment Plan | 50 Points |

The evaluation criteria are appropriate and consistent with criteria developed for similar vehicle acquisition procurements. Several factors were considered when developing these weights, giving the greatest importance to past experience and past performance on rail vehicle overhaul, system integration, and on new rail vehicle acquisition.

Both proposals received were determined to be within the competitive range. The firms are listed below in alphabetical order:

1. Alstom Transportation, Inc. (Alstom)

2. Talgo, Inc. (Talgo)

The proposal evaluation kick-off meeting was conducted on March 18, 2016. Request for Clarifications were sent to both Proposers on May 2, 2016. The responses, received on May 27, 2016, sufficiently clarified each proposal and allowed the PET to compile an initial evaluation score.

Oral Presentations and interviews with each firm took place from June 23-28, 2016. Immediately after the Oral Presentations, the PET conducted facility site visits to each of the Proposer's overhaul sites from June 10-16, 2016.

The PET held additional Statement of Work discussions with the Proposers because the Proposer's price proposals exceeded Metro's Independent Cost Estimate (ICE), as well as the overall project budget. Discussions were conducted from September 8-16, 2016, to better understand each price proposal, technical elements, and cost drivers. At the conclusion of those discussions, a Best and Final Offer (BAFO) was requested, with revisions to the Technical Specifications and minor revisions to commercial terms. The BAFO request was issued on September 19, 2016, and responses were received on October 12, 2016. Despite the changes made to the Technical Specifications, both price offers received still exceeded the project budget and ICE. At this point alternatives such as further de-scoping, canceling the overhaul, and procuring new LRVs were given serious consideration. In conclusion, staff determined that further scope revisions and a second Best and Final Offer should be issued.

Before issuing the second BAFO request, the procurement and project team visited both Proposers for face-to-face discussions on price. With only minor changes to technical requirements and commercial terms Metro issued the second request for BAFO on November 18, 2016. Responses from both Proposers were received on December 23, 2016. Metro completed its evaluation of the second BAFO on January 5, 2017.

The RFP provided Proposers with the opportunity to augment their proposal scoring by voluntarily participating in two voluntary Evaluation Criteria elements: 1) Enhanced U.S. Content and 2) Locals Employment Program. These voluntary incentives were weighted at 50 points each.

Locals Employment Program

The Local Employment Program is a Pilot Program created by the Department of Transportation (DOT) for a voluntary local hiring preference incentive in the evaluation of proposals. This voluntary program provides an opportunity for proposers that participate in the program to submit a qualifying Local Employment Plan, to earn additional points above and beyond all other evaluation criteria in the RFP. All new jobs and facility investments in a proposal, measured in dollars and created within Los Angeles County, would be eligible for the incentive points. Both firms proposed a level of participation in the Local Employment Plan.

	Proposer Name	Local Employment Commitment
1.	Alstom	\$3,031,184.00
2.	Talgo	\$3,254,217.00

Enhanced U.S. Content

The Enhanced U.S. Content awarded additional 50 incentive points to the highest overall percentage above 60% U.S. domestic content by cost in the LRV Overhaul program. Both Firms proposed U.S. content in excess of 60%. A Buy America Pre-Award Audit was conducted during the week of January 30, 2017 with the highest rated proposer, Alstom. The audit was conducted in accordance with FTA guidance stated in 49 CFR 663. Alstom’s proposed Buy America content was found to far exceed the FTA’s Buy America requirements.

	Proposer Name	Proposed Content
1.	Alstom	73.6%
2.	Talgo	75%

Qualifications Summary of Firms within the Competitive Range:

Alstom Transportation Inc.

Alstom Transportation, Inc. (Alstom) has proposed to perform this overhaul project out of its Mare Island, California facility. This dedicated manufacturing facility is located approximately 400 miles from Los Angeles and has been performing overhauls for the past six years. The firm proposed to perform the railcar stripping, final assembly, and testing at this facility, while engineering work would be generated out of its Naperville, Illinois site. Alstom has extensive experience in U.S. railcar overhaul work, having overhauled or modernized nearly 5,100 railcars for many of the major transit agencies.

Talgo, Inc.

Talgo, Inc. (Talgo) is headquartered in Seattle, Washington and has proposed to perform this overhaul project out of its Milwaukee, Wisconsin facility. Talgo intends to draw from its global engineering resources and relocate them to its Milwaukee facility for this project. Talgo is one of the world’s leading suppliers of rolling stock, with a particular focus on extended lifecycle and service/reliability. While Talgo is primarily known globally as a railcar manufacturer, its experience also encompasses the U.S. market with new railcars, overhauls and maintenance work for Amtrak, Oregon DOT, and Washington State DOT.

	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
1					
2	Alstom Transportation, Inc.				1

3	Past Experience and Past Performance	94.33	350.00	330.17	
4	Price (Base and Options)	89.84	300.00	269.52	
5	Technical Compliance	92.52	250.00	231.30	
6	Project Management Experience	93.83	100.00	93.83	
7	Incentive Enhanced U.S. Content	98.14	50.00	49.07	
8	Incentive Local Employment Plan	93.14	50.00	46.57	
9	Total		1,100.00	1020.46	
10	Talgo, Inc.				2
11	Past Experience and Past Performance	72.19	350	252.67	
12	Price (Base and Options)	100	300	300.00	
13	Technical Compliance	64.69	250	161.72	
14	Project Management Experience	62.00	100	62.00	
15	Incentive Enhanced U.S. Content	100	50	50.00	
16	Incentive Local Employment Plan	100	50	50.00	
17	Total		1,100	876.39	

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition, technical evaluation, price analysis, Independent Cost Estimate, fact finding, and negotiations. Alstom's proposed price of \$140,079,867.00, inclusive of taxes, is (10%) higher than Talgo's proposed price of \$125,848,056.77. The PET determined that Alstom's proposal provides the best value and is most advantageous to Metro when considering all evaluation factors. Alstom's proposal provided clear advantages in past experience on LRV overhauls as well as a more comprehensive understanding of the level of effort involved in an extensive mid-life overhaul program. The LRV overhaul experience presented a clear benefit when evaluating project schedule risk, especially when considering the high level of vehicle float on this project. Alstom proposed a better systems qualification testing program, and Alstom also proposed a more experienced and qualified integration engineer. This gave Alstom a clear advantage in technical compliance. In addition, the recommended price is \$4,932,016.36 (3.4%) lower than Metro Independent Cost Estimate.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
1.	Alstom	\$191,986,779.32	\$145,011,883.36	\$140,079,867.00

2.	Talgo	\$166,973,954.57	\$145,011,883.36	\$125,848,056.77
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D. Background on Recommended Contractor

The recommended firm, Alstom, located in Naperville, Illinois, has been in business for 150 years and is a leader in manufacturing and servicing trains. Over the past 28 years, Alstom has overhauled or modernized nearly 5,100 passenger rail vehicles for customers including New York City Transit, Chicago Transit Authority, Metro-North Commuter Rail Road, New Jersey Transit, Chicago Metra, Southeast Pennsylvania Transit Authority, Massachusetts Bay Transit Authority, City of San Francisco, Northern Virginia Transportation Commission, Maryland Transit Administration, California Department of Transportation, Amtrak, O'Hare Airport Transit System, Rocky Mountaineer (Vancouver, Canada) and the Port Authority Transit Corporation. In 2012, Alstom was awarded a contract with MBTA to overhaul 86 LRVs. In 2013, Alstom was again awarded the midlife overhaul of 53 LRVs covering similar systems as this project. A reference check with MBTA regarding both LRV overhaul projects was satisfactory for Alstom.