Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2026-0577, **File Type:** Contract **Agenda Number:** 46.

REVISED
REGULAR BOARD MEETING
SEPTEMBER 24, 2026

SUBJECT: BUS ACQUISITION OF 220 FORTY-FOOT BATTERY ELECTRIC BUSES

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. AWARD Contract No. OP118576(2)000 with ElDorado National (California), Inc. (ENC), for the manufacturing and delivery of 220 Battery Electric Buses (BEBs) in the amount of $337,698,727.58 for the base contract, including taxes and delivery; exclusive of any contract option buses, subject to the resolution of any properly submitted protest(s), if any;

B. INCREASE the Life-Of-Project (LOP) for Capital Project 201078 from $52,000,000, established to purchase up to 40 BEBs under the Washington State contract, by $382,355,185 to purchase up to 220 Battery Electric Buses (BEBs) and provide funding for professional and technical support, internal labor, and contingencies, for a total LOP of $434,355,185; and

C. NEGOTIATE AND EXECUTE future contract modifications to the contract up to $1,000,000.

BASS AMENDMENT: Direct the CEO to:

A. AWARD the base contract of 220 Battery Electric Buses (BEBs) to El Dorado Nation Inc.;

B. REQUIRE that the exercise of any contract option(s) for the purchase of Battery Electric Buses beyond the 220-bus base order (“Option Vehicles”) be subject to Board approval;

C. DIRECT that the exercise of an option to purchase the remaining 1,600 Option Vehicles be structured for purposes of Board authorization in increments not to exceed 300 BEBs. The Board reserves the right to not exercise any option and to rebid the first option and any subsequent options presented;

D. Any request to the Board to approve the purchase of Option Vehicles shall include an

evaluation regarding contractor's performance with respect to the following;

1. Adherence to established vehicle delivery timelines aligned with;

   i. Fleet replacement requirements;
   ii. Depot electrification;
   iii. Infrastructure readiness;
   iv. Retirement schedules for aging compressed natural gas (CNG) buses;

2. Demonstrated operational reliability, range, efficiency, and technical performance of delivered BEBs in revenue service; and

3. Compliance with US Employment Program commitments, including:

   i. Contract specific labor values forms
   ii. Job creation/retention metrics
   iii. Workforce training
   iv. Commitment to hire disadvantage workers
   v. Certified payroll reporting
   vi. Compliance with labor standards and Metro's Manufacturing Careers Policy.

ISSUE

New zero-emission buses are required to help Metro transition to a ZEB fleet and replace Compressed Natural Gas (CNG) buses that have reached the end of their useful life. To support this goal, the contract award will authorize the purchase of 220 BEBs and increase the LOP budget to fund the acquisition of the BEBs.

BACKGROUND

At its July 2017 meeting, the Board approved Motion 50, issued by Directors Bonin, Garcetti, Najarian, Hahn, and Solis (Attachment A), which endorsed a ZEB Strategic Plan to transition Metro's entire bus fleet to zero-emission by 2030. This was contingent on cost and performance being equivalent to CNG buses and on continued advancements in charging infrastructure.

In 2018, the California Air Resources Board (CARB)'s Innovative Clean Transit (ICT) regulation mandated that all transit agencies in the state operate zero-emission fleets by 2040. In addition, ICT ZEB purchase requirements for large transit agencies require 25% of bus purchases to be zero emissions by 2023, 50% by 2026, and 100% by 2029. Metro has met all state-mandated program requirements a decade earlier than the ICT mandate of 2029.

At its January 2023 meeting, the Board authorized staff to issue a federally funded Best Value Request for Proposals (RFP) using competitive negotiations pursuant to PCC § 20217 for the procurement of new BEBs and charging infrastructure. In April 2024, Metro released an RFP for zero-emission buses, with a base order of 260 battery-electric buses (BEBs) and 20 hydrogen fuel cell

electric buses (FCEBs), and options to purchase up to 1,980 ZEBs.

In November 2025, staff canceled the RFP for several reasons, including the proposers not meeting certain safety requirements, deviations sought on Metro's Terms and Conditions and the Manufacturing Careers Policy (MCP), high price of the BEB (7.4% over the Independent Cost Estimate (ICE) per bus), as well as the entry of new battery electric bus manufacturers in the US market after release of the RFP.

In December 2025, Metro issued two solicitations: OP118576(2), for a base order of 220 battery-electric buses (BEBs) with options for up to 1,600 additional BEBs, representing a potential total of 1,820 vehicles, as well as OP139029, for 20 BEBs. The technical specifications in these solicitations were refined by eliminating prescriptive requirements for less critical features while ensuring a continued focus on safety for both operators and riders.

The first solicitation, OP118576(2), included a delivery schedule designed to align bus deliveries with the retirement of CNG buses and depot electrification projects at Divisions 9 and 18. The second solicitation, OP139029, was issued to encourage participation by newer manufacturers and support continued growth within the U.S. bus manufacturing industry.

DISCUSSION

The decision to cancel and re-release solicitations has led to an increase in the number of proposers, the submission of proposals with lower costs than the Independent Cost Estimate (ICE), reduced lead times for bus deliveries, and the incorporation of critical safety requirements into the bus design by proposers.

The staff recommendation presents the contractor who is most advantageous to Metro for the purchase of a base order of 220 battery-electric buses, while providing meaningful employment opportunities and competitive wages to the workforce that will build them. ENC's offer represents the highest-rated offer to Metro for BEBs when all technical and pricing factors are considered in accordance with the RFP evaluation criteria, including U.S. content and the U.S. Employment Plan. The Procurement Summary (Attachment B) provides detailed evaluation results and rankings for all proposers, including the weighted scores for each evaluation factor.

ENC was originally founded in 1975 as National Coach Corporation and went through many changes throughout the years, with facilities in Gardena, CA, Chino, CA, Carson, CA and other manufacturing facilities in Kansas. In 2003, ElDorado National, California opened their Riverside, CA manufacturing facility where they still operate today. As part of their parent company REV Group, formerly Allied Specialty Vehicles, ENC was awarded a 40' CNG bus contract by LA Metro in October of 2017. The total quantity of ENC buses purchased by LA Metro through base and option contracts is 554. These buses continue to operate in revenue service and serve many areas throughout the Metro service area.

In January 2024, REV Group declared its intention to cease operations at ENC due to supplier challenges and a highly competitive transit bus market. Although ENC was initially scheduled to close in October, Rivaz Inc. announced on October 18, 2024, that it had acquired ENC from REV Group.

Rivaz Inc. is a clean-tech company based in Pasadena involved in extracting critical battery materials and manufacturing zero-emission commercial vehicles.

A few notable agencies that also operate ENC buses are PACE Suburban Bus, City of Gardena, and Victor Valley Transit.

The new BEBs will include new technology and safety enhancements, such as an integrated operator compartment, an advanced driver assistance system (collision avoidance), an acoustic vehicle alerting system, and an optional mirrorless driver assistance camera system. The BEB range is estimated at 174-250 miles on a single charge.

The base order of 220 BEBs will be assigned primarily to Divisions 9 (El Monte) and 18 (Carson) to support the electrification of North Hollywood to Pasadena BRT and other local routes. Bus deliveries will begin in Spring 2028. The Contract also includes options for up to an additional 1,600 BEBs. The contract will include an assignment clause that allows Metro to assign any unused bus options to any municipal operator that would like to purchase buses under Metro's contract.

Metro's Manufacturing Careers Policy (MCP) was applied to this procurement, and all proposals were thoroughly evaluated to ensure that the information provided was sufficiently supported and aligned with the requirements of the USEP program. A critical component of this evaluation is the Labor Value Form, which is essential to vetting USEP proposals because it provides details about the basis for the estimate on retained and newly created jobs, the classification of jobs to be retained or created, and the wages and benefits associated with those jobs for this contract. By applying MCP, ENC must attract and retain skilled workers, support workforce development, and ensure compliance with labor standards.

DETERMINATION OF SAFETY IMPACT

The new BEB buses incorporate several features that will improve operator, passenger, and pedestrian safety. Some of the safety enhancements that may be on new buses include self-leveling ADA boarding ramps, improved vehicle monitoring, pedestrian warning systems, video monitors, real-time video security system accessibility, and improved passenger door sensors. Operator compartments will also be integrated into the bus design to improve operator safety and security. In addition, the buses will offer increased space for strollers, reducing the need to fold them. This enhancement will facilitate easier entry and bolster safety for young children and their caregivers.

FINANCIAL IMPACT

The total requested LOP increase is a combination of the contract amount for the 220 BEB base order of $337,698,727.58, 10% contract modification authority, and internal labor, professional, and technical support, for a total of $382,355,185.34. Available project funds will be budgeted under project 201078 in cost center 3320 Zero Emission Acquisition and Implementation. The initial LOP for $52,000,000 was approved in November 2025 for the purchase of up to 40 BEBs on the Washington State Department of Enterprise Services contract. This is a multi-year contract, and the cost center manager, project manager(s), and Sr. Executive Officer of Vehicle Engineering and Acquisition will be responsible for budgeting the costs in future years.

Impact to Budget

Funding for base order buses will come from a combination of state, federal, and local funds. $42.5M local funds are eligible for bus and rail operating and capital projects. Funding and expenditures for the project are detailed in Attachment D.

EQUITY PLATFORM

The acquisition of 220 BEBs will operate on routes restructured under the NextGen transit service plan, with service provided by Division 9 in El Monte and Division 18 in Carson. The service areas of the corridors are 147 square miles, encompassing 2.2 million people in 650,000 households and 750,000 employees. Therefore, the corridors contain approximately 21% of the County's population and approximately 20% of the County's employment.

Priority populations are defined as disadvantaged or low-income communities under Senate Bill 535 (SB 535) and Assembly Bill 1550 (AB 1550). There is great overlap between these areas and areas that Metro defines as Equity Focus Communities (EFC). The zero-emission bus program projects are targeted at benefiting communities with some of the greatest mobility needs in Los Angeles County. The projects' service corridors are composed of 88% in Low-Income Communities as identified by AB 1550, 73% in Disadvantaged Communities as identified by SB 535, and 61% in Equity Focus Communities as defined by Metro's EFC definition. EFCs benefiting from the zero-emission bus transit acquired as part of this project or located in, but are not limited to, El Monte, Rosemead, Paramount, Willowbrook, Bellflower, and Hawthorne.

ElDorado National (California), Inc. (ENC), a Transit Vehicle Manufacturer (TVM), is on the Federal Transit Administration's (FTA) list of eligible TVMs. However, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program and pauses the reporting and submission requirements for DBE goals. Until further notice, TVMs are not required to submit DBE goals. However, as referenced above, Metro's MCP will apply to this contract.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these improving VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through capital investments and operational purchase activities that will improve and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support Goal #3, Enhance communities and lives through mobility and access to opportunity, and Goal #4 Transform LA County through regional collaboration and national leadership.

ALTERNATIVES CONSIDERED

The Board may choose not to purchase BEB buses and continue using CNG buses, which is not recommended because the current bus fleets have reached or are expected to exceed their useful life. Operating CNG buses past their useful life requires additional investment to replace costly components on aged chassis. Extending vehicle life also adversely impacts fleet reliability and diminishes the quality of service provided to Metro's passengers. Lastly, extending CNG bus operations conflicts with Metro's Zero-Emissions Goal.

One of the proposers filed a protest on July 22, 2026, on the contract award to ElDorado National California, Inc. Metro reviewed the claims cited by the proposer in their letter and denied the protest on August 28, 2026. Subsequently, the proposer filed an appeal to the protest decision on August 21, 2026. After careful review, consideration, and investigation of the claims set forth in the appeal, Metro determined the appeal did not have merit and was denied on September 10, 2026. The protest period for this procurement has expired.

NEXT STEPS

Upon Board approval, staff will execute the contract award with ENC and issue a Notice to Proceed.

ATTACHMENTS

Attachment A - Board Motion 50
Attachment B - Procurement Summary
Attachment C - DEOD Summary
Attachment D - Expenditure and Funding Plan

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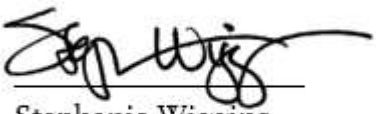

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