



Board Report

File #: 2023-0495, File Type: Contract

Agenda Number: 22.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE FEBRUARY 15, 2024

SUBJECT: A650 HEAVY RAIL VEHICLE (HRV) REFURBISHMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a fixed price contract, Contract No. A650-2022 to Woojin IS America for the refurbishment of 74 heavy rail vehicles (HRVs), in the amount of \$213,587,543 for 70 base HRVs (\$201,221,103), and exercise one contract option for an additional 4 HRVs (\$12,366,440), totaling 74 HRVs; subject to the resolution of any properly submitted protest(s); and
- B. APPROVING the Life of Project (LOP) budget of \$264,662,611.20.

ISSUE

Metro's Rail Fleet Management Plan FY2023-FY2042 anticipates a need to refurbish the A650 Option vehicles to ensure the fleet is maintained in a State of Good Repair.

BACKGROUND

The A650 Option Buy fleet consists of 74 HRVs originally manufactured by Breda Costruzioni Ferroviarie. It has an average age of nearly 25 years with many obsolete components, requiring refurbishment to maintain State of Good Repair through the 2028 Olympics and beyond.

In September 2016, the Board authorized a contract for the midlife overhaul of 74 A650 Option Buy HRVs. In the Spring 2022 this contract was terminated for non-performance after work was initiated on 14 HRVs.

To comply with Metro's Rail Fleet Management Plan and to meet future service needs it is necessary to proceed with a new refurbishment program for the A650 Option Buy Fleet. However, of the 14 partially refurbished HRVs, 4 HRVs are in a significantly disassembled state, requiring additional inspection and inventory work and the risk of missing components, which may require additional lead time to order. Therefore, these 4 HRVs are included as a separate proposal option in order to allow

for different pricing to account for the different scope of work required to complete refurbishment of these vehicles. Staff is recommending proceeding with a base order of 70 HRVs; with these remaining 4 disassembled HRVs included as an Option order to be executed immediately in order to ensure these vehicles are refurbished on schedule.

DISCUSSION

Unless refurbished the A650 Option Buy fleet will reach the end of its planned useful life by 2027. The fleet is already experiencing multiple system obsolescence issues, reducing its service reliability and availability. By refurbishing these HRVs, the A650 Option fleet can be kept in service through the Olympics at which time sufficient HR5000 vehicles will be delivered to replace the A650 fleet. Staff's recommendation presents the firm that is most advantageous to Metro. During the RFP process, staff issued the RFP and held a pre-proposal conference with rail car manufacturers and system suppliers throughout the industry. In addition, a letter requesting feedback on potential changes to the RFP was issued to 12 registered TVMs (Transit Vehicle Manufacturers registered with the Federal Transit Authority), including those who did not participate in the pre-proposal conference, to generate additional interest and participation. As a result of the RFP process, Woojin IS America was the only firm to submit a proposal to perform the refurbishment of the 74 A650 Option HRVs.

Metro's Source Selection Committee (SSC) reviewed the proposal by Woojin IS America and evaluated five (5) key factors: 1) Experience and Past Performance, 2) Price, 3) Technical Compliance, 4) Project Management, and 5) U.S. Employment Plan. Through this evaluation, the SSC found the proposal to be in compliance with the RFP requirements. An Independent Cost Estimate was also developed and found the proposal to be within the Competitive Range. This Procurement complies with Buy America and Metro's Manufacturing Careers Policy.

The delivery of all 70 HRVs is required to be completed by no later than fifty-six (56) months from Notice to Proceed (NTP), ensuring the majority of the 70 HRVs are in service by the 2028 Olympics and Paralympics in July 2028. The contract includes provisions to impose liquidated damages for late deliveries.

To review the vehicle design and to ensure timely delivery of the vehicles, staff recommends engaging the services of professional service consultants. The estimated cost for the professional services is included in Attachment C - Funding & Expenditure Plan.

DETERMINATION OF SAFETY IMPACT

The approval of this Contract award will have a direct and positive impact to system safety, service quality, system reliability, maintainability and overall customer satisfaction. The A650 Refurbishment Program will permit Metro to maintain the "State of Good Repair" of the A650 Option Buy fleet.

FINANCIAL IMPACT

Upon Board approval, this action will establish a LOP Budget of \$264,662,611.20 for Refurbishment of 74 HRV's. The Project LOP not only includes resources for the Base Order Refurbishment of 70 HRVs (\$201,221,102.63), there are also resources necessary for Professional Services (\$19,621,538.46), Metro administration (\$7,666,020.00), and Project Contingency which includes a

10% Contract Modification Authority (CMA) (\$23,787,510.11), and the Option Order for the Refurbishment of 4 additional HRVs (\$12,366,440.00). These resources will be programmed during the annual budget process.

The FY24 planned expenditure of \$12,000,000 is included in the combined annual budgets for this A650-2022 project under CP 206038 which will be moved to a new CP once the Board approves the requested LOP. Both CPs are under Cost Center 3043, Rail Vehicle Acquisition. Additional funds for this project will be transferred from other capital projects.

Since this is a multi-year contract, the cost center manager will be responsible for ensuring that Project costs are budgeted in future fiscal years.

Impact to Budget

The current source of funds for this action is Local Prop A Rail Set Aside 35%. This funding is eligible for Rail Capital and Operating Projects. Staff is also pursuing additional Federal, State, and Local funding sources such as Cap and Trade and similar sources as they become available to meet the funding needs for the project.

EQUITY PLATFORM

The A650 Option vehicles will be used on the B Line, D Line, and upcoming D (Purple) Line Extension. Approving the decisions in this board report will improve the service reliability and ride comfort on these lines that serve a majority of Equity Focus Communities who rely on public transportation for their daily trips. Based on the 2019 Customer Survey, the B and D heavy rail lines serve the following ridership:

- 27.7% below the poverty line
- 56.4% had no car available

Rider Ethnicity:

- Latino 38.9%;
- Black 13.1%;
- White 25.8%;
- Asian/Pacific Islander 15.2%;
- Other 6.5%

In addition, Areas included Union Station to Downtown LA, Koreatown (Wilshire/Western), Hollywood, Universal City, and North Hollywood. Attachment D depicts Metro's current rail line map showing the areas of Metro's Equity Focus Communities (EFCs) that will benefit from this board decision.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement as it is not applicable (please refer to Attachment B). This procurement falls under the Federal Transit Administration's (FTA) Transit Vehicle Manufacturer (TVM) goal in accordance with 49 Code of Federal Regulations (CFR) Part

26.49. However, Woojin IS America has an established DBE goal of 3.47% with the FTA.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support Metro Strategic Plan Goal No. 5) to “provide responsive, accountable, and trustworthy governance within the Metro organization”. This goal strives to position Metro to deliver the best possible mobility outcomes and improve business practices so that Metro can perform more effectively and adapt more nimbly to the changing needs of our customers.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to authorize the contract award for this project; however, this alternative is not recommended as this project is critical to support the D Line Extensions, committed level of service to the Federal Transit Administration (FTA), and upcoming Olympic and Paralympic service needs.

NEXT STEPS

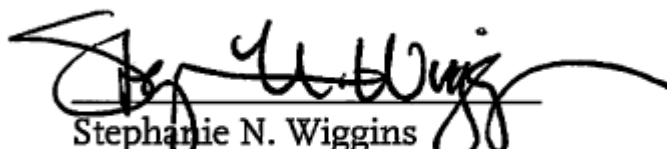
Upon Board award approval, a Contract will be executed and a Notice-to-Proceed will be issued to Woojin IS America once all insurance and bonding requirements are met. Metro and Woojin IS America will then mobilize the required resources to ensure the timely completion of deliverables by the Vehicle Contractor.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Funding & Expenditure Plan
- Attachment D - Metro 2022 EFC Map

Prepared by: Annie Yang, Deputy Executive Officer, Rail Vehicle Acquisition (213) 925-1044
Jesus Montes, Sr. Executive Officer, Vehicle Engineering & Acquisition, (213) 418-3277
Matthew Dake, Deputy Chief Operations Officer, 213-922-4061
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer