



Board Report

File #: 2024-1058, File Type: Contract

Agenda Number: 28.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JANUARY 16, 2025

SUBJECT: NEW P3030 LIGHT RAIL VEHICLES (LRV) PROCUREMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to solicit competitive negotiations Request for Proposals (RFPs), pursuant to Public Contract Code (PCC) §20217 and Metro's procurement policies and procedures for the procurement of new P3030 Light Rail Vehicles (LRVs).

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

Staff has determined that the new LRV solicitation constitutes a specialized rail transit equipment purchase. This determination renders it appropriate that the new P3030 LRVs be procured by a competitively negotiated process in accordance with PCC § 20217. PCC § 20217 states that the Board, upon a finding of a two-thirds vote of all members, may find that the competitive low-bid procurement method is not adequate for the agency's needs and direct that the procurement be conducted through competitive negotiation. This competitive negotiation process is the same procurement model Metro used for previous new and midlife modernization rail vehicle procurement projects, including the HR5000 New Heavy Rail Vehicle (HRV), A650 HRV Refurbishment, P3010 New LRV Procurement, HR4000 New HRV Procurement, P2000 LRV Midlife Modernization, and P2550 LRV Midlife Modernization projects.

Thirty-three Base LRVs and Six Options for an additional 142 LRVs with a total of 175 new P3030 LRVs are required to support projected revenue service requirements, including enhanced service capacity for the new East San Fernando Valley (ESFV) Line, Southeast Gateway Line, future rail line extensions and the replacement of 52 legacy P2000 Siemens LRV fleet.

BACKGROUND

As part of Metro's short and long-term planning goals, numerous new Light Rail Transit Lines will be constructed within the next 15 years. The ESFV project is one of the light rail systems currently under development that will extend north from the Van Nuys Metro G-Line station to the Sylmar/San

Fernando Metrolink Station for a total of 9.2 miles with 14 at-grade stations. Service is anticipated to begin approximately in 2031. Thirty-three new P3030 LRVs will need to be procured to support service, with forecast delivery starting in Spring 2030.

The existing P2000 Siemens LRVs consist of fifty-two LRVs, which Metro accepted between 2000 and 2001. Based on a 30-year useful life, these LRVs are forecasted for retirement between 2030 and 2031. In accordance with the Rail Fleet Management Plan (RFMP) FY2020-FY2040, the rail fleet will be expanded to accommodate anticipated growth in ridership, support future line extensions and service expansions, and replace rail vehicles reaching the end of their useful revenue service life.

An additional ninety LRVs will be included as options to be exercised when construction schedules are further developed for the Southeast Gateway Line and other LRV projects.

DISCUSSION

It is in the public's interest to utilize competitive negotiation rather than a sealed bid process to consider factors other than price in the award of contracts for rail vehicles as allowed under PCC § 20217. The competitive negotiation process allows for the consideration of factors other than price that could not be adequately quantified or considered in a strictly low-bid procurement.

Staff recommends the use of a competitive negotiation process for the acquisition of the P3030 LRVs to allow for the consideration of technical and commercial factors, such as past performance related to schedule adherence, quality, reliability, after-market support, and vehicle performance, as well as price in the contract award selection process. By establishing explicit factors that identify Metro's priorities, the solicitation can use evaluation criteria critical to Metro to augment price considerations.

In addition to the ability to evaluate key technical and schedule factors, the competitive negotiation process permits direct discussions and negotiations with Proposers to clarify requirements and costs prior to an award recommendation. This process minimizes the risks associated with a complex specification and scope of work by allowing the parties to clarify ambiguities and correct deficiencies.

The solicitation will include provisions to meet the Buy America and Metro Manufacturing Career Policy (MCP) requirements.

DETERMINATION OF SAFETY IMPACT

The approval of this recommendation will have a direct and positive impact on safety, service quality, system reliability, performance, and overall customer satisfaction as new LRVs will be needed to support the new ESFV Line, Southeast Gateway Line, future rail line extensions, and the

P2000 fleet replacement.

FINANCIAL IMPACT

Once the proposals are evaluated and a qualified contractor is selected, a fully funded requisition shall be initiated to start the solicitation processes as per Metro policies. Upon the completion of the evaluation process, staff will return to the Board with the contract award recommendation and request a Life of Project (LOP) budget. Funding for this action will be programmed based on future fund balances that can be applied to the project.

Since this project will occur over a multi-year period, the Cost Center Manager, Project Manager, and Chief of Operations will be responsible for future fiscal year budgeting.

Impact to Budget

Upon approval, the recommendation may be funded with a combination of Federal, State, and Local funds. Staff will seek and apply for future grant funding as opportunities become available. Staff recommends that the new LRV procurement remain eligible for federal funding, including following all federal procurement guidelines.

EQUITY PLATFORM

The new P3030 LRVs will provide revenue service along Metro's existing Light Rail Systems, including the new ESFV and the Southeast Gateway Lines which serve a majority of Equity Focus Communities (EFC) who rely on public transportation. See Attachment A. Approving the decisions in this board report will encourage a fair, competitive LRV procurement bidding process.

The area serviced by the ESFV Line is comprised heavily of communities of color (71.7% Latino), experiences poverty twice as much as the LA County average of 14.9%. Roughly 12.5% of households in the area do not own a car and depend on public transportation.

The area serviced by the Southeast Gateway Line is comprised of Black, Indigenous, and other People of Color (BIPOC) at (65%) of the total study area population, and Hispanic/Latino groups alone account for 51 percent of the study area population. In addition, 44 percent of study area residents live below the poverty level, compared with the county average of 33 percent.

The LRV delivery will enable Metro's LRT Lines to be built and operated on schedule and provide residents with critical transit service to access greater employment, health, and educational opportunities that would otherwise be difficult to reach.

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 to procure LRVs using a low bid process, but this methodology is not recommended. The sealed bid process does not adequately account for any technical superiority of performance, reliability, or system life cycle costs that one firm's equipment or solution may have over another since the process must be awarded to the lowest responsive and responsible bidder. For these reasons, Metro staff does not recommend this alternative. The competitively negotiated procurement process will provide for the evaluation of critical non-price related factors in the source selection process.

NEXT STEPS

Staff will proceed with a competitively negotiated solicitation for the procurement of the new P3030 LRVs.

ATTACHMENTS

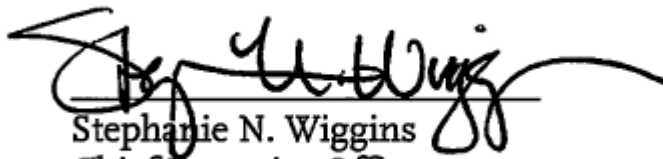
Attachment A - Metro EFC Map - 2024

Prepared by:

Jason Yaw, Senior Director, Rail Vehicle Acquisition, (213) 922-3325
Annie Yang, Deputy Executive Officer, Rail Vehicle Acquisition, (213) 922-3254
Wayne Okubo, Director, Vendor/Contract Management, (213) 922-7466
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051

Reviewed by:

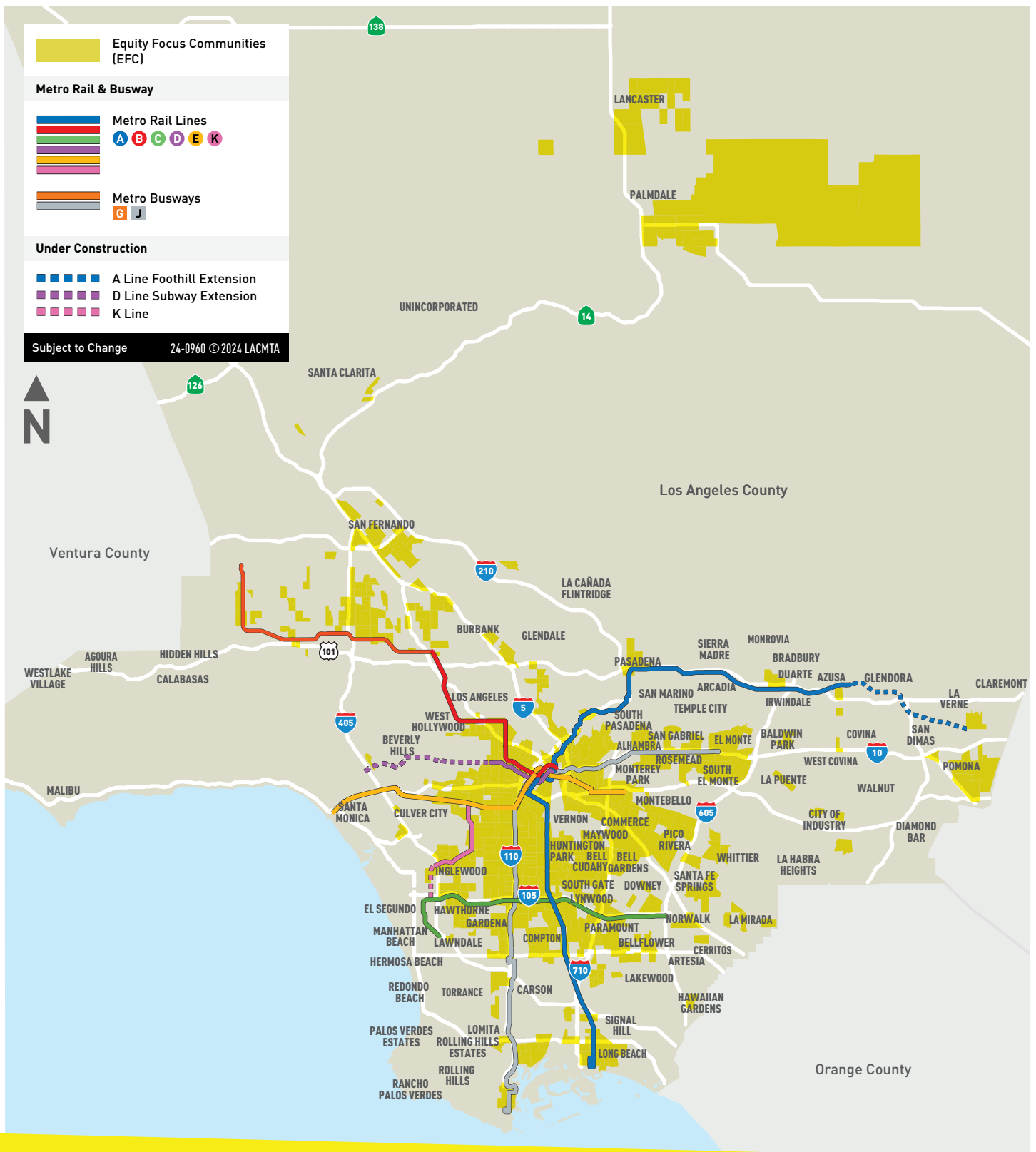
Conan Cheung, Chief Operations Officer, (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

Attachment A

METRO-DESIGNATED EQUITY FOCUS COMMUNITIES



CONTACT US

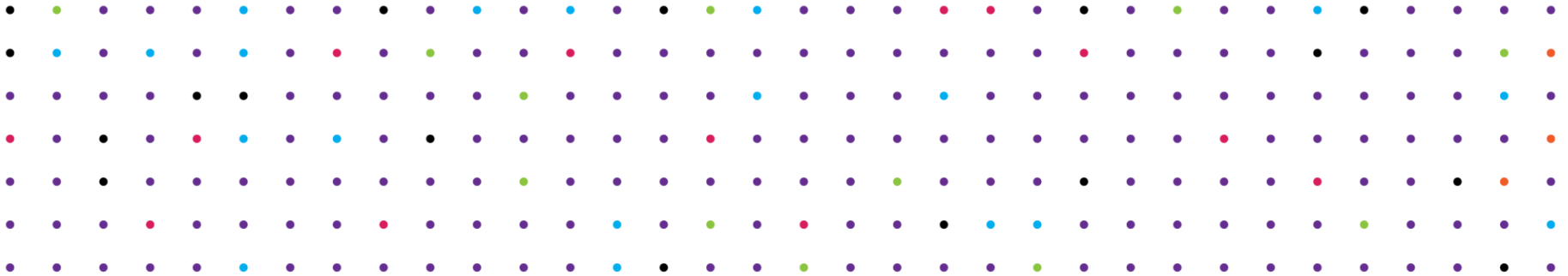
✉ Office of Equity and Race
One Gateway Plaza, MS 25-1
Los Angeles, CA 90012

✉ equityandrace@metro.net

🌐 metro.net/equity-race

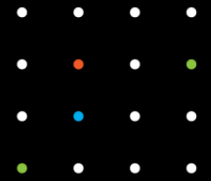
Vehicle Maintenance, Acquisition, and Engineering

New P3030 Light Rail Vehicle (LRV) Procurement



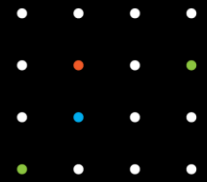
Operations, Safety, & Customer Experience Committee Meeting
January 16, 2025

RECOMMENDATION



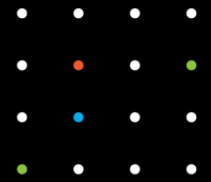
AUTHORIZE the Chief Executive Officer (CEO) to solicit competitive negotiations Request for Proposals (RFPs), pursuant to Public Contract Code (PCC) §20217 and Metro's procurement policies and procedures for the PROCUREMENT of new P3030 Light Rail Vehicles (LRVs).

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)



- Due to a specialized rail transit equipment, it proposed that the new P3030 Light Rail Vehicles (LRVs) be procured by a competitively negotiated process in accordance with PCC § 20217.
- Public Contract Code (PCC) § 20217 states that the Board, upon a finding by two-thirds vote of all members, may find that the competitive low bid procurement method inadequate for the agency's needs, and direct that the procurement be conducted through competitive negotiation similar to those used for previous new rail vehicle procurement and midlife modernization projects.
- Thirty-three Base LRVs and six Options for an additional 142 Option LRVs with a total of 175 new LRVs are required to support projected revenue service requirements, including enhanced service capacity for the new East San Fernando Valley (ESFV) Line, Southeast Gateway Line, future rail line extensions and the replacement of 52 legacy P2000 Siemens LRV fleet.

DISCUSSION



Upon a finding by two-thirds vote of all members, Competitive negotiation facilitates:

- Consideration of factors that could not be adequately quantified or considered in a strictly low bid procurement. (e.g. quality, reliability, after-market support).
- Consideration of technical and commercial factors. (e.g. past project performances, schedule adherence, vehicle performance, and price in the contract award selection process).
- Direct discussions and negotiations with Proposers to clarify requirements and cost before award recommendation to minimize the risks associated with a complex specification and work scope.