



Board Report

File #: 2025-0617, **File Type:** Contract

Agenda Number: 33.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 18, 2025

SUBJECT: HVAC ASSEMBLIES FOR P3010 LIGHT RAIL VEHICLES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a one-year firm fixed price contract, Contract No. OP126710000, to Merak North America for the purchase of 18 P3010 Light Rail Vehicle (LRV), Heating Ventilation Air Conditioning (HVAC) Assemblies in the amount of \$1,408,500, effective date September 29, 2025, subject to the resolution of any properly submitted protest(s), if any.

ISSUE

This procurement is for the acquisition of 18 HVAC units for float spares in support of revenue service and the upcoming component overhaul program consisting of 10 HVAC units overhauled monthly over a five-year period.

Execution of the component overhaul project includes an HVAC exchange program by staff removing the presently installed HVACs and replacing them with overhauled HVAC equipment to meet the production schedule, consisting of 10 overhauls per month over five years. The HVAC equipment provides a comfortable (heat or cool) air supply to Metro's passengers. In-service failure of the HVAC equipment is considered an operational safety hazard to both passengers and train operators, resulting in the vehicle being removed from service until repaired.

BACKGROUND

The P3010 LRV fleet consists of 235 rail cars manufactured by Kinkisharyo International, LLC. The fleet was placed in revenue service between 2016-2023, operating on all of Metro's light rail lines A, C, E, K, and L lines. The fleet is Metro's newest and most reliable light rail LRV fleet with consistent performance, reliability, and safety, amassing over 102,815,659 fleet miles.

The HVAC equipment is mounted onto the LRV rooftop and is rarely turned off, providing either cooling or heating for the LRV operator and passenger compartments. The design life of the HVAC equipment is 30 years of routine maintenance, and component-level overhauls are performed at the 600,000-mile target interval.

DISCUSSION

There are two HVAC units mounted onto the vehicle's rooftop that are subject to harsh outdoor environments (e.g., heat, cold, dust, and debris) with the high probability of declining reliability and service delays.

The HVAC Original Equipment Manufacturer (OEM) identified a preventive maintenance overhaul at the 600,000-mile interval when specific components within the HVAC equipment are overhauled or replaced to ensure sustained reliability and safety. Purchase of 18 new HVAC units served two purposes 1) available for the Divisions (shops) to install in the event of in-service equipment failures 2) float spares for the component overhaul project spanning over 5-year production schedule.

Approval of this Board action will ensure sufficient spare float stock is available to support the forthcoming overhaul production schedule, while assuring vehicle availability during the overhaul. It will also maintain passenger and operator comfort in a climate-controlled environment while riding the P3010 LRV fleet.

DETERMINATION OF SAFETY IMPACT

Operator and passenger comfort and safety are of the utmost importance for Metro. Passengers expect clean, safe, and reliable vehicles in a comfort-controlled environment. The HVAC equipment provides heating or cooling to the compartments. Should the HVAC equipment become inoperable, the LRV is removed from service as Metro's operating procedures deem the unsafe for continued operations.

FINANCIAL IMPACT

Funding of \$500,000 for the Contract is included in the FY26 Budget in Rail Feet Services Cost Centers for P3010 light rail fleet, Project 214009, and Account 50441.

Impact to Budget

Funding for this effort includes operating eligible sources, such as Prop A35, Measure M, and STA. Using these funding sources maximizes the project funding allocations allowed by approved provisions and guidelines.

EQUITY PLATFORM

The P3010 fleet is Metro's largest fleet and operates on all A, C, E, K, and L lines. Purchasing 18 HVAC units will prevent service disruptions from vehicle unavailability due to decreased fleet availability from spare parts during the forthcoming overhaul program. All Metro's passengers riding the P3010 LRVs have access to climate-controlled vehicles throughout all weather seasons, particularly during the winter and summer months. This investment ensures a comfortable ride for those riding on Metro Rail, including many low-income, transit-dependent, and historically marginalized communities who rely on Metro Rail as their primary means of transportation.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Disadvantaged

Business Enterprise (DBE) goal for this procurement.

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 declining 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 statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This item supports Metro's systemwide strategy to reduce VMT through operational equipment purchase activities that will maintain 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

Approval of the P3010 fleet purchase of 18 HVAC units proactively supports Strategic Goal 1: Provide high quality mobility options that enable people to spend less time traveling as the forthcoming HVAC overhaul project ensures sustained fleet reliability, including safe, accessible, and affordable transportation for all riders of Metro's light rail system. The recommendation supports Metro's Strategic Plan Goal 5): Provide Responsive, Accountable, and Trustworthy governance within the Metro organization.

Contract Modification Authority and Contract extension safeguard overhaul production continuance while meeting passenger safety and fleet reliability.

ALTERNATIVES CONSIDERED

An alternative considered is to defer the procurement for the 18 spare HVAC units, but this will negatively impact on the upcoming fleet overhaul project due to insufficient spare units to sustain the production schedule of five LRVs or 10 kits per month. This alternative is not recommended as HVAC equipment is vital to sustain a positive operator and customer experience. If the HVAC were to fail, the LRV is pulled from revenue service for repairs, as Metro Operations will not allow the vehicle to remain in service without central heat and air conditioning.

NEXT STEPS

Upon Board Approval, the upcoming component overhaul project will have the necessary spares to move forward and meet the production schedule deadlines of five kits or 10 overhauls per month over a 5-year project.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Digitally approved by *Stephanie Wiggins*, Chief Executive Officer

PROCUREMENT SUMMARY

HVAC ASSEMBLIES FOR P3010 LIGHT RAIL VEHICLES/ OP126710000

1.	Contract Number: OP126710000	
2.	Recommended Vendor: Merak North America	
3.	Type of Procurement (check one): ☒ IFB ☐ RFP ☐ RFP-A&E ☐ Non-Competitive ☐ Modification ☐ Task Order	
4.	Procurement Dates:	
	A. Issued: March 28, 2025	
	B. Advertised/Publicized: March 28, 2025	
	C. Pre-Bid Conference: N/A	
	D. Bids Due: May 12, 2025	
	E. Pre-Qualification Completed: May 22, 2025	
	F. Ethics Declaration Forms Submitted to Ethics: May 12, 2025	
	G. Protest Period End Date: September 25, 2025	
5.	Solicitations Downloaded: 19	Bids Received: 1
6.	Contract Administrator: Uriel Villa	Telephone Number: (213) 922-1025
7.	Project Manager: Richard Lozano	Telephone Number: (213) 792-8047

A. Procurement Background

This Board Action is to approve the award of Contract No. OP126710000 to Merak North America for the purchase of 18, P3010 Light Rail Vehicle, Heating Ventilation Air Conditioning (HVAC) Assemblies. Board approval of contract award is subject to the resolution of any properly submitted protest(s), if any.

Invitation for Bids (IFB) No. OP126710000 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price. The Diversity & Economic Opportunity Department did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement due to the lack of subcontracting opportunities.

Two (2) amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on April 18, 2025 amended several Contract terms and conditions and extended the bid due date;
- Amendment No. 2, issued on May 1, 2025 extended the bid due date;

A total of 19 firms downloaded the IFB and were included in the planholders' list. A pre-bid conference was not held for this procurement. There were three (3) questions received for this IFB and responses were provided prior to the bid due date.

A single bid was received on May 12, 2025 from Merak North America. Staff conducted a market survey of planholders to determine why no additional bids were

received. Three responses were received. Reasons given for not submitting bids included limited resources to support the contract, inability to provide the requested unit, and a firm mistakenly downloading the solicitation. The results of the market survey indicated that the decisions of the firms not to propose were based on individual business considerations and as such, the solicitation could proceed to be awarded as a competitive award.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with LACMTA's Acquisition Policy for a competitive sealed bid. The single bid received is listed below:

1. Merak North America (Merak)

Merak's bid was determined to be responsive and responsible to the minimum qualification requirements of the IFB.

C. Price Analysis

The procurement was released as a competitive Invitation for Bid (IFB) solicitation that was advertised and open to all bidders, so a Price Analysis is required. The Price Analysis revealed a 2.96% variance between the Independent Cost Estimate (ICE) and the bid price. Therefore, based on the Price Analysis, ICE, a Technical Analysis Memo, and expectation of adequate price competition, the recommended bid has been determined fair and reasonable.

Bidder Name	Metro ICE	Bid Amount
Merak North America	\$1,368,000.00	\$1,408,500.00

D. Background on Recommended Contractor

The recommended firm, Merak, located in Westminster, Maryland, has been in business for 25 years, and is a leader in the field of Heating, Ventilation and Air Conditioning (HVAC) for Railway Vehicles. Merak specializes in the manufacturing of HVAC systems for Railway Vehicles. Merak's client lists include Washington Metropolitan Area Transit Authority, Long Island Rail Road, and Metro North.

Merak HVAC systems are currently in use on Metro's P3010 Light Rail Vehicles and performance has been satisfactory.

DEOD SUMMARY

**HVAC ASSEMBLIES FOR P3010 LIGHT RAIL VEHICLES/
OP126710000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) participation goal for this procurement due to lack of subcontracting opportunities. It is expected that Merak North America will perform the services of this contract with their own workforce.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

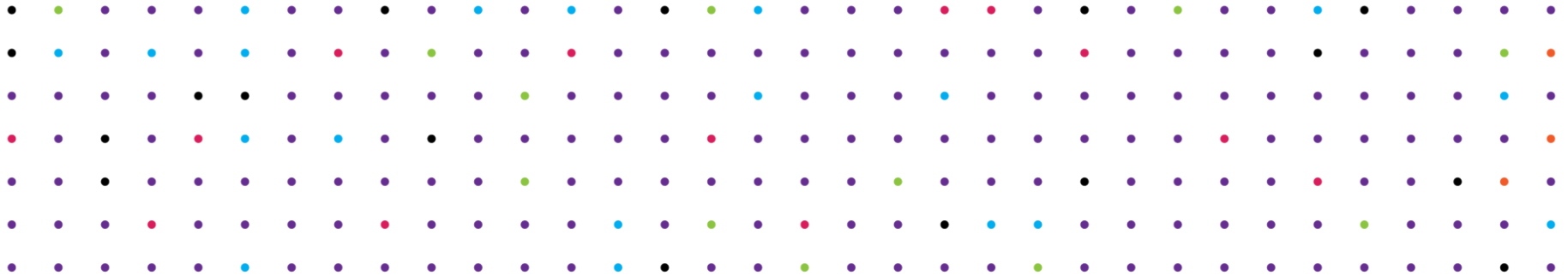
C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

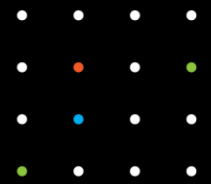
D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

HVAC ASSEMBLIES FOR P3010 LIGHT RAIL VEHICLES

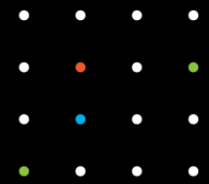


RECOMMENDATION



AUTHORIZE the Chief Executive Officer to award a one-year firm fixed price contract, Contract No. OP126710000, to Merak North America for the purchase of 18 P3010 Light Rail Vehicle (LRV), Heating Ventilation Air Conditioning (HVAC) Assemblies in the amount of \$1,408,500.00, effective date September 29, 2025, subject to the resolution of any properly submitted protest(s), if any.

ISSUE & DISCUSSION



AWARDEE

Merak North America

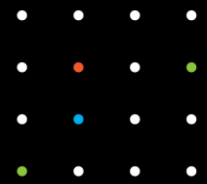
NUMBER OF BIDS/PROPOSALS

Bidders	Bid Amount
Merak North America	\$1,408,500.00

DEOD COMMITMENT

The Diversity and Economic Opportunity Department (DEOD) does not recommend a Small/Disabled Veteran Business Enterprise (SBE/DVBE) participation goal for this procurement.

Discussion



ISSUE

This procurement is for the purchase of eighteen (18) new Heating Ventilation Air Conditioning (HVAC) units to be utilized as “float” spares in support of both revenue service fleet availability and the forthcoming component overhaul program.

DISCUSSION

The HVAC equipment provides comfortable (heat or cool) air supply to Metro’s passengers and train operator. Of note, in service failure of the HVAC equipment is considered an operational safety hazard resulting in the vehicle removal from service until repaired. There are two HVAC units per LRV subject to harsh outdoor environments e.g., (heat, cold, dust and debris) with high probability of declining reliability and service delays upon equipment failure.



Metro