



Board Report

File #: 2026-0162, **File Type:** Contract

Agenda Number: 32.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE APRIL 16, 2026

SUBJECT: TUNNEL GROUTING SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD an Indefinite Delivery/Indefinite Quantity (IDIQ) task order contract, Contract No. OP129922(2)000 to Keller North America, Inc., for Tunnel Grouting Services, in the Not-To-Exceed (NTE) amount of \$9,464,800 for the five-year base period and \$607,444 for the first one-year option, \$631,854 for the second one-year option, and \$657,628 for the third one-year option, for a combined NTE amount of \$11,361,726, subject to the resolution of any properly submitted protest(s), if any; and
- B. EXECUTE individual contract modifications within the Board-approved contract modification authority.

ISSUE

The Metro rail network consists of facilities interconnected by concrete guideways and subway tunnels. These structures require periodic restoration, patching, and sealing to preserve structural integrity and prevent water intrusion through contact grouting. Approval of this contract is necessary to provide grouting services on the A, B, D, E and K Lines, that extend the service life of these concrete assets, enhance durability, and prevent system deterioration.

BACKGROUND

Over time, Metro rail concrete guideways and subway tunnels are impacted by environmental conditions that can cause cracking, spalling, and water seepage. In underground tunnel environments, certain sections are particularly susceptible to groundwater intrusion due to fluctuating water tables resulting from rainfall or storm events. These conditions require sealing to prevent water inflow into tunnels and protect rail system components. Grouting services involve injecting cementitious or chemical materials into cracks, voids, or other defects within tunnels and guideways to restore concrete substrates and stop water infiltration. These repairs help maintain structural reliability, ensure system safety, and preserve the functionality of Metro's rail infrastructure assets,

which includes tunnel trackway for the existing A Line, B and D Lines, E Line and K Line, as well as the new D Line extensions.

Inspections of railway concrete structures are conducted regularly under Metro's State of Good Repair (SGR) and Transit Asset Management (TAM) Programs. Tunnel grouting services are implemented as part of this broader SGR and TAM strategy to extend asset life and prevent service disruptions.

Grouting services are currently being provided by the existing Contract No. C1146-2000, which expired on 12/31/2025. Prior to expiration, staff issued the final Task Order 8, with a Period of Performance that ends 6/30/27. Accordingly, the award of a new contract is necessary to allow for additional Task Orders to be executed to ensure continuity of grouting services.

DISCUSSION

The scope of services under the Tunnel Grouting Services contract includes repairing identified cracks, spalling, and voids by injecting specialized grout materials into railway tunnels and concrete structures to prevent and stop water leaks. The work may also include patching damaged concrete, replacing damaged reinforcing steel, and removing and reinstalling electrical, mechanical, or plumbing equipment as needed to complete the repairs. All work will be performed on a task order basis as grouting needs are identified. Additional details regarding the solicitation of IFB No. OP129922(2) are provided in Attachment A, Procurement Summary.

Tunnel Grouting Services is an SGR initiative focused on renewing and maintaining critical transit infrastructure assets, including the A, B, D, E and K Lines, to ensure continued rail service reliability, safety, and accessibility.

DETERMINATION OF SAFETY IMPACT

Award of the Tunnel Grouting Services contract will contribute to maintaining transit infrastructure assets in an SGR, as recommended by Metro's TAM Plan, which is essential to providing safe, reliable, and well-maintained facilities for both Metro riders and employees who utilize Metro rail transit infrastructure daily.

FINANCIAL IMPACT

This task order based contract award action authorizes an NTE spending limit of \$9,464,800. As task orders become necessary, funding will be provided from the appropriate project. The funding source differs depending on the individual project. As such, task orders will only be issued when there is sufficient funding within the approved budget for each respective project.

Since this is a multi-year contract, the Project Manager will be responsible and accountable for budgeting any planned annual work program for the current and future fiscal years in Cost Center 3924 Rail Transit Facilities Maintenance under projects 300022 Rail Operations A Line, 300044 Rail Operations B Line, 300066 Rail Operations E Line and 300077 Rail Operations K Line for the term of the contract, including any option(s) exercised.

Impact to Budget

The current source of funds for this action includes operating eligible funds, including Passenger Fares, Propositions A and C, Measures R and M sales tax revenues, State Transit Assistance (STA), and the Transportation Development Act.

EQUITY PLATFORM

This action will continue to advance equity by supporting ongoing SGR maintenance of concrete guideways and subway tunnels, ensuring safe and reliable service throughout the Metro rail network. Metro is committed to maintaining its rail transit assets to provide accessible and dependable transportation to everyone, including low-income households, zero-vehicle households, and Black, Indigenous, and People of Color (BIPOC) communities. In addition, several accessible rail stations function as key transfer points, connecting riders to other Metro rail lines and multiple bus lines. These connections are critical for workers, students, and residents from Equity Focus Communities (EFCs) who rely on the transit system for daily mobility.

The Disadvantaged Business Enterprise (DBE) contract goal for this procurement is zero percent (0%) of the Total Contract Price. The U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program, including suspension of goals and enforcement, effective October 3, 2025. Metro is currently reviewing the IFR to identify necessary program and procedural changes to ensure full compliance. While the DBE commitment is not a factor in the staff recommendation, there is one certified small business participating in this contract.

VEHICLE MILES TRAVELED (VMT) OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the Southern California Association of Governments (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'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 SGR maintenance of bus and rail transit infrastructure assets. These investments 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 recommendation aligns with Metro's Strategic Plan by advancing Goal No.2, which is to deliver outstanding trip experiences for all transportation system users, and Goal No. 3, which is to

enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The alternative would be to solicit individually separate contract awards each time grouting services are needed. However, this approach is not recommended because it would require significantly more staff and time to process each solicitation, leading to delays due to the extended lead time of each procurement cycle.

In addition, grouting services should not be delayed when a need arises, as concrete spalling, cracking, and water intrusion are not static conditions. These issues can worsen rapidly, leading to accelerated structural deterioration and potential rail operational disruptions.

NEXT STEPS

Upon approval by the Board, staff will execute Contract No. OP129922(2)000 to Keller North America, Inc. for tunnel grouting services on a task order basis for guideways and tunnels for a five-year base period plus three one-year options.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Geyner Paz, Chief Administrative Analyst, (213) 922-3744
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Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051

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



Stephanie Wiggins
Chief Executive Officer

**PROCUREMENT SUMMARY
TUNNEL GROUTING SERVICES/ OP129922(2)000**

1.	Contract Number: OP129922(2)000	
2.	Recommended Vendor: Keller North America, Inc.	
3.	Type of Procurement (check one): ☒ IFB ☐ RFP ☐ RFP-A&E ☐ Non-Competitive ☐ Modification ☐ Task Order	
4.	Procurement Dates:	
	A. Issued: 11/5/2025	
	B. Advertised/Publicized: 11/5/2025	
	C. Pre-Bid Conference: 11/14/2025	
	D. Bids Due: 1/12/2026	
	E. Pre-Qualification Completed: 2/9/2026	
	F. Ethics Declaration Forms Submitted to Ethics: 1/13/2026	
	G. Protest Period End Date: 4/21/2026	
5.	Solicitations Downloaded: 39	Bids Received: 3
6.	Contract Administrator: Johsua Sierra	Telephone Number: 213-922-4539
7.	Project Manager: Rudy Loera	Telephone Number: 213-617-6225

A. Procurement Background

This Board Action is to approve Contract No. OP129922(2)000 issued to support concrete restoration and groundwater intrusion mitigation across Metro's rail system, including guideways, bridges, tunnels, and related facilities, requiring periodic concrete repair, grouting, patching, reinforcement, and associated electrical, mechanical, or plumbing work. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

Invitation for Bids (IFB) No. OP129922(2) was issued in accordance with Metro's Acquisition Policy and the contract type is Indefinite Delivery/Indefinite Quantity (IDIQ). The Diversity & Economic Opportunity Department did not recommend a Disadvantaged Business Enterprise (DBE) goal.

5 amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on November 18, 2025 revised the Public Works Verification Form Exhibit;
- Amendment No. 2, issued on November 26, 2025 extended critical dates;
- Amendment No. 3, issued on December 2, 2025 revised language in LOI-01: Notice of Invitation;
- Amendment No. 4, issued on December 12, 2025 revised language in SP-13: Liquidated Damages; replaced Exhibit C in its entirety
- Amendment No. 5, issued on December 15, 2025 replaced Exhibit 2 – Schedule of Quantities and Prices in its entirety.

A total of 39 firms downloaded the IFB and were included in the planholders' list. A virtual pre-bid conference was held on November 14, 2025, and was attended by 13 participants representing eight firms. There were eight questions received for this IFB and responses were provided prior to the bid due date.

A total of three bids were received on January 12, 2026.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with Metro's Acquisition Policy for a competitive sealed bid. The three bids received are listed below in alphabetical order:

1. Frontier-Kemper Constructors, Inc.
2. Keller North America, Inc.
3. Renesco

Keller North America, Inc., was found to be the lowest responsive, responsible bidder.

C. Price Analysis

The recommended bid Not-To-Exceed (NTE) price from Keller North America has been determined to be fair and reasonable based upon price analysis, technical analysis, adequate price competition, Independent Cost Estimate (ICE) and selection of the lowest responsive and responsible bidder.

The ICE is approximately 29% higher than the recommended bid due to differences in the method of calculation of the ICE and the bid itemization. While Metro's ICE was calculated based on Metro's projected needs for tunnel maintenance services, and included some internal costs, the bid documents requested bidders to itemize specific items and their unit rates as well as labor rates for estimated quantities, however, all work will have a discreet scope of work and will only be authorized through a fully executed task order up to the NTE amount.

Bidder Name	Metro ICE	Bid Amount (NTE)
Keller North America, Inc.	\$16,000,000.00	\$11,361,726.00
Renesco	\$16,000,000.00	\$32,553,179.21
Frontier-Kemper Constructors, Inc.	\$16,000,000.00	\$45,279,332.00

D. Background on Recommended Contractor

The recommended firm, Keller North America, Inc., is headquartered in Hanover, Maryland, and maintains multiple offices throughout California. It has been in business for over 100 years and is a leader in the field of specialty geotechnical construction. Keller North America, Inc. is also the incumbent for the current concrete repair, grouting, patching, reinforcement, and associated electrical, mechanical, and plumbing work contract and has performed satisfactorily.

**DEOD SUMMARY
TUNNEL GROUTING SERVICES/ OP129922(2)000**

A. Small Business Participation

The Disadvantaged Business Enterprise (DBE) contract goal for this procurement is zero percent (0%) of the Total Contract Price. The U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program, including suspension of goals and enforcement, effective October 3, 2025. Metro is currently reviewing the IFR to identify necessary program and procedural changes to ensure full compliance. While the DBE commitment is not a factor in the staff recommendation, there is one certified small business participating in this contract.

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

E. Project Labor Agreement/Construction Careers Policy

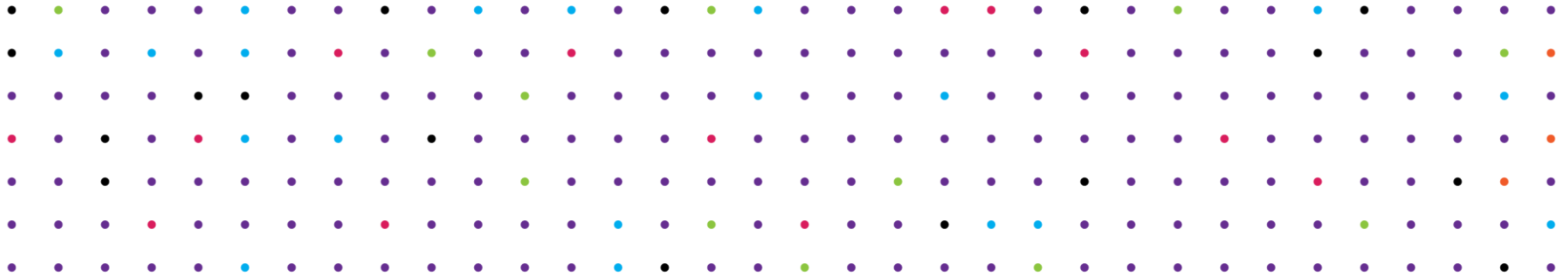
Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

F. Manufacturing Careers Policy

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least \$50 million.

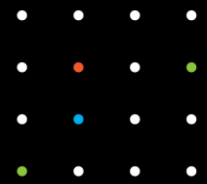
MAINTENANCE & ENGINEERING

TUNNEL GROUTING SERVICES



Operations, Safety, & Customer Experience Committee Meeting
April 16, 2026

RECOMMENDATION

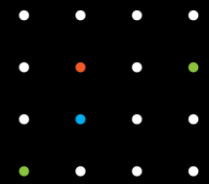


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ISSUE & DISCUSSION



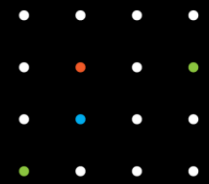
AWARDEE

Keller North America, Inc.

NUMBER OF BIDS/PROPOSALS

Proposer Name	Bid Amount	Metro ICE	Negotiated Amount
Keller North America, Inc.,	\$11,361,726.00	\$16,000,000.00	\$11,361,726.00
Renesco	\$32,553,179.21	\$16,000,000.00	
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ISSUE & DISCUSSION



DEOD COMMITMENT

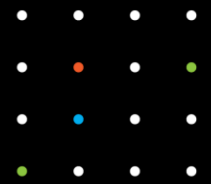
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ISSUE & DISCUSSION



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