



Metro


Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

August 10, 2012

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY
CHIEF EXECUTIVE OFFICER 

FROM: FRANK ALEJANDRO
CHIEF OPERATIONS OFFICER

SUBJECT: UPDATED TIMELINE FOR LIGHT RAIL VEHICLE (LRV)
PROCUREMENT

ISSUE

A recent protest to the FTA by CAF USA, Inc. regarding Buy America and open competition requirements has caused delays in the base order procurement of 78 light rail vehicles. The FTA's denial of this protest now enables Metro to proceed with procurement activities with a revised procurement schedule.

DISCUSSION

In early August 2012, the FTA Chief Counsel denied the light rail vehicle protest filed by CAF USA, Inc. that alleged that Metro violated two requirements applicable to federally funded procurements; specifically, Buy America provisions and full and open competition. This action enabled Metro to proceed with the LRV procurement consisting of the base order of 78 LRVs with four options. The complete order is for 235 LRVs.

Due to the delay caused by this protest, staff has revised the procurement major milestones timeline as follows:

- Contract execution – August 6, 2012 (Complete)
- Kinkisharyo to provide Metro with Insurance certifications, 100% Performance Bond, and Letter of Credit for Warranty within ten days of contract execution – August 2012
- Notice to Proceed (NTP) with LRV procurement contract – August 2012
- Project Baseline Schedule – August 2012
- Specification review – September 2012
- Shipment of first two pilot cars – October 2014
- Delivery of first four production cars – May 2015
- Delivery of last base order production car (78th car) – January 2017

The contractual delivery rate from Kinkisharyo is four cars per month. Metro will work with Kinkisharyo to investigate ways to increase the monthly delivery following initial car production, and once manufacturing efficiencies are identified and implemented.

NEXT STEPS

Staff will continue with LRV contract and procurement activities.

Prepared by: Richard Hunt – General Manager, Transit Capital Programs