



Board Report

File #: 2022-0415, **File Type:** Contract

Agenda Number: 34.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
AUGUST 18, 2022**

SUBJECT: METRO RED AND PURPLE MAINLINE RAIL FASTENER REPLACEMENT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a 60-month, Firm Fixed price Contract No. OP8666000 to Transdev Rail Inc., the lowest responsive and responsible bidder, for the purchase of Metro Red and Purple Mainline Fastener Replacement for a not-to-exceed amount of \$28,703,169.90, inclusive of sales tax. This recommendation is subject to the resolution of any properly submitted protest(s).

- B. INCREASING the Life of Project (LOP) Budget for the Metro Red and Purple Mainline Fastener Replacement, capital project number 205125, by \$8,850,000 from \$28,130,000 to \$36,980,000.

ISSUE

In May 2021, the Board approved the Metro Red and Purple Mainline Fastener Replacement with a LOP budget of \$28,130,000 as part of the adopted FY22 annual budget. At the time of the project scope development, the LOP budget was based on the best available estimate of the cost of replacing heavy rail fasteners along with the Red and Purple mainlines. Due to the increase in economic costs since the development of the cost estimate, an increase is necessary for the LOP Budget to purchase mainline fasteners for replacement for both the Red and Purple Lines.

Additionally, due to the Red and Purple Lines operating heavy rail service for over 27 years, the mainline Type 1 rail fasteners have reached the end of their useful life, and replacement of these rail fasteners is required.

BACKGROUND

The Type 1 rail fasteners, manufactured by LORD Corp., were installed during the original

construction of the Red Line and have been in use since revenue service started in 1993. The original fasteners were designed with a life expectancy of 25 to 30 years. The continuous rail service in the underground tunnel environment has led to some fasteners to wear and crack. The Track Maintenance Department has been inspecting the fasteners regularly and replacing the failed fasteners when needed. However, this maintenance work has caused rail service to be impacted as trains are required single-tracked for replacement, or train speeds are required to be significantly reduced while repairs are made. The Maintenance and Engineering Department completed an examination of the condition of the mainline fasteners and determined that an entire replacement of Red and Purple mainlines should be performed using dedicated resources within a specific timeframe.

DISCUSSION

The scope of work involves removing approximately 112,000 of the original Type 1 fasteners and installing new and enhanced Type 1 fasteners with an improved life expectancy of 30 to 35 years. The enhanced Type 1 fasteners have greater durability specialized for underground tunnel environment environments. As a State of Good Repair (SGR) project, the fasteners are critical infrastructure assets and must be replaced promptly. The work is scheduled to be completed within five (5) years. Replacement of the fasteners will increase the reliability of the Red and Purple Lines while preventing service disruptions caused by rail fasteners that fail.

Staff has estimated a LOP increase of \$8,850,000 to proceed with the award of Contract No. OP8666000 in support of the Red and Purple Lines project scope. The increase in the LOP is mainly attributed to increased labor costs to replace fasteners to complete this work per the schedule, engineering design and project management support necessary to oversee design submittals and ensure timely project completion of this effort, and contingency related to unforeseen price increases for critical materials along with change orders that may be required during the construction phase of this work. Please refer to Attachment B for the cost breakdown of capital project 205125

This project is part of Metro's commitment to delivering a robust SGR program that invests in modernization, enhancement to renew asset life and reduce asset breakdowns that impact daily service and customer experience.

DETERMINATION OF SAFETY IMPACT

Rail fasteners directly impact the safety of train movements as they keep the rail fixed to the appropriate track gauge and prevent the rails from shifting. A train derailment can occur if fasteners do not hold the rail at the appropriate gauge and cause the rail to shift.

In accordance with Metro's SGR requirements, fasteners that have reached the end of their useful life must be replaced in a timely manner to comply with safety and reliability standards, alongside meeting Federal Transit Administration and California Public Utilities Commission regulations.

FINANCIAL IMPACT

This action will increase the LOP budget by \$8,850,000 for capital project 205125. For FY23, \$5,000,000 in existing and approved funding will be provided from capital project number 205125 - Metro Red and Purple Mainline Fastener Replacement, cost center 3960 - Infrastructure Renewal Program, Account 53102 - Acquisition of Equipment. Since this is a multi-year contract, the Project Manager will ensure that the balance of LOP funds is budgeted in future fiscal years.

Impact to Budget

The source of funds for this action includes the Federal, State Transportation Development Act (TDA), Measure R, and Measure M. Allocation of these funds to this effort maximizes their intended use given approved funding guidelines and provisions. The source of funds will be dependent on the specific capital project funding.

EQUITY PLATFORM

The benefits of this action are to ensure that transit infrastructure assets are maintained in a state of good repair countywide, including assets that provide transit service for disadvantaged communities. Based on the 2019 Customer Survey, the Red and Purple 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 served include Union Station to Downtown LA, Koreatown (Wilshire/Western), Hollywood, Universal City, and North Hollywood, a majority of which serve people living in Equity Focus Communities.

Replacement of the fasteners will ensure that the Red and Purple Lines will operate efficiently and safely. This allows Metro to deliver safe, affordable, and dependable transit services that connect marginalized groups with jobs, housing, education, food services, family, and health care.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goals:

1. Provide high-quality mobility options that enable people to spend less time traveling.
2. Deliver outstanding trip experiences for all users of the transportation system.

Replacement of the mainline fasteners will help maintain rail safety, service, and reliability standards to provide a world-class transportation system that enhances the quality of life for all who live, work, and play within Los Angeles County.

ALTERNATIVES CONSIDERED

Alternatives to the project should not be considered as utilizing existing in-house workforces to replace the mainline rail fasteners is not feasible. The Track Maintenance Department presently does not have enough manpower to dedicate to the timely completion of the project work. Complete replacement of heavy rail fasteners is required to timely maintain safety requirements. Track Maintenance workforces concurrently maintain Metro's day-to-day systems and oversee the integration of expansion rail lines.

NEXT STEPS

Upon approval of the recommendations, staff will increase the authorized Life of Project budget and Vendor/Contract Management will execute Contract No OP8666000.

ATTACHMENTS

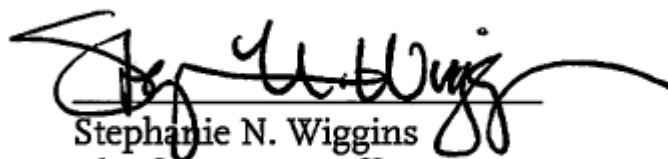
Attachment A - Procurement Summary

Attachment B - Expenditure Plan

Attachment C - DEOD Summary

Prepared by: Wyman Jones, Senior Director, Project Engineering (213) 617-6229
Errol Taylor, Deputy Chief Operations Officer, Infrastructure Maintenance and Engineering, (213) 922-3227
Geyner Paz, Senior Administration Analyst, (213) 922-3744
Debra Avila, Deputy Chief Vendor/Contract Management (213) 418-3051

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



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**METRO RED AND PURPLE LINE MAINLINE RAIL FASTENER
REPLACEMENT/CONTRACT NUMBER OP8666000**

1.	Contract Number: OP8666000	
2.	Recommended Vendor: Transdev Rail, Inc.	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 03.14.22	
	B. Advertised/Publicized: 03.14.22	
	C. Pre-Bid Conference: 03.29.22	
	D. Bids Due: 05.06.22	
	E. Pre-Qualification Completed: 06.13.22	
	F. Conflict of Interest Form Submitted to Ethics: 07.06.22	
	G. Protest Period End Date: 08.19.22	
5.	Solicitations Picked up/Downloaded: 27	Bids Received: 4
6.	Contract Administrator: Nicole Banayan	Telephone Number: 213-922-7438
7.	Project Manager: Wyman Jones	Telephone Number: 213-617-6229

A. Procurement Background

This Board Action is to approve Contract No. OP8666000 issued to procure goods and services to replace Metro Red and Purple Rail Mainline fasteners. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. OP86660 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

Four (4) amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on March 24, 2022, revised Exhibit A: Scope of Services;
- Amendment No. 2, issued on April 4, 2022, extended the bid due date from April 14, 2022 to April 29, 2022;
- Amendment No. 3, issued on April 12, 2022, revised Exhibit A: Scope of Services;
- Amendment No. 4, issued on April 22, 2022, extended the bid due date from April 29, 2022 to May 6, 2022;

A total of four (4) bids were received on May 6, 2022. A pre-bid meeting was held on March 29, 2022. All four (4) bidders and other interested companies attended a site

visit at Union Station on March 29, 2002, right after the pre-bid meeting, to observe the existing trackway and train operations through the crossovers on the B/D (Red/Purple) Line. The Type 1 fasteners to be replaced were shown to all, and answers were provided by Metro to questions during the site visit. Metro issued four (4) clarifications answering a total of 82 questions received from potential bidders.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with LACMTA’s Acquisition Policy for a competitive sealed bid. The four (4) bids received are listed below in alphabetical order:

1. Delta Railroad Construction, Inc.
2. Herzog Contracting Corporation
3. Railworks Track Services, LLC
4. Transdev Rail, Inc.

Herzog Contracting Corporation, Railworks Track Services, LLC and Transdev Rail, Inc. were determined to responsive, responsible and deemed qualified to perform the services based on Exhibit A: Scope of Services.

Delta Railroad Construction, Inc. was determined to not be responsive because they did not meet the Disadvantaged Business Enterprise (DBE) commitment of one percent (1%) of the total contract price.

C. Price Analysis

Metro’s Independent Cost Estimate (ICE) was developed to establish the most likely cost rather than the lowest optimistic cost to perform the services. This was done by assuming average but reasonable labor productivity and actual material pricing from one of Metro’s approved supplier for Type 1 DF Fastener. The ICE also includes 12% Home Office Overhead & Profit, and an escalation of 8% for materials and labor only.

The recommended bid price from Transdev Rail, Inc. has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. Metro confirmed Transdev Rail Inc.’s understanding of the scope and complexities of the work.

Bidder Name	Bid Amount	Metro ICE	Responsive
Transdev Rail, Inc.	\$28,703,169.90	\$50,910,046.00	Yes
Railworks Track Services, LLC	\$34,822,689.00	\$50,910,046.00	Yes
Herzog Contracting Corporation	\$43,587,500.00	\$50,910,046.00	Yes
Delta Railroad Construction, Inc.	\$65,185,005.00	\$50,910,046.00	No

D. Background on Recommended Contractor

The recommended firm, Transdev Rail, Inc., located in San Dimas, Ca has been in business for thirteen (13) years, and is a leader in the railroad construction industry. They are the railroad maintenance division of Transdev North America, and provide railroad maintenance, project oversight, and construction services. Transdev North America is one of the largest private sector operators of multiple modes of transit in North America.

Transdev Rail, Inc. recently completed the Laguna Niguel to San Juan Capistrano Passing siding with OCTA in 2021, Trolley Track Improvements with San Diego Metropolitan Transit System in 2019, and Truck Rehabilitation Services with Southern California Regional Rail Authority in 2021.

Transdev Rail Inc. has worked at Southern California Regional Rail Authority (Metrolink) under a track maintenance contract since 2008, and was formerly known as Veolia Transportation Maintenance and Infrastructure, Inc.

Transdev Rail Inc.'s management team is composed of a project manager, a project engineer, and a project superintendent. In addition, they have an experienced construction crew composed of a foreman, equipment operators and laborers.

The project manager, Vannith Chuoy has over 30 years of experience in engineering, maintenance and construction of railroad projects. He also has over 10 years of business management experience, knowledgeable with Federal Railroad Administration Parts 213 & 214, CPUC codes of regulation, and General Code of Operating Rules for Maintenance of Way employees.

CP 205125 Expenditure Plan

Metro B and D (Red and Purple) Mainline Rail Fastener Replacement

Use of Funds	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
IFB No. OP86660 Metro B and D (Red and Purple) Mainline Rail Fastener Replacement	-	2,998,170	6,500,000	6,500,000	6,500,000	6,205,000	28,703,170
Metro Maintenance of Way (MOW) Labor	-	805,044	833,221	862,383	892,567	923,915	4,317,130
Agency Costs (Design Support During Construction, Project Management, Procurement, Labor Compliance)	45,465	197,728	202,957	208,190	213,972	220,888	1,089,200
Project Contingency 8%							2,870,500

Yearly Cash Flow Forecast: 45,465 4,000,942 7,536,178 7,570,573 7,606,539 7,349,803 36,980,000

DEOD SUMMARY

METRO B AND D (RED and PURPLE MAINLINE RAIL FASTENER REPLACEMENT/OP86660

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 1% Disadvantaged Business Enterprise (DBE) goal for this solicitation due to the specialized nature of the work. Transdev Rail, Inc. made a 1% DBE commitment.

Small Business Goal	DBE 1%	Small Business Commitment	DBE 1%
----------------------------	---------------	----------------------------------	---------------

	DBE Subcontractors	Ethnicity	% Committed
1.	Hafco Services, Inc.	Hispanic American	1%
	Total Commitment		1%

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 requirements are applicable to this project. DEOD will continue to 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).

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.