



## Board Report

File #: 2025-1084, File Type: Contract

Agenda Number: 24.

### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE FEBRUARY 19, 2026

**SUBJECT: ABOVE GROUND FACILITIES IMPROVEMENTS & REPAIRS**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD an Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. OP133873(2)000 to Craft Construction & Development, Inc., for Above Ground Facilities Improvement & Repairs, in the Not-To-Exceed (NTE) amount of \$116,613,949.83 for the five-year base period and \$16,880,142.79 for the first one-year option, \$16,690,870.59 for the second one-year option, and \$16,874,837.00 for the third one-year option, for a combined NTE amount of \$167,059,800.21, 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**

Metro's Infrastructure Maintenance & Engineering Department is responsible for a wide variety of modernization and reengineering projects for Bus and Rail facilities. Metro has an immediate need to advance various enhancements across its transit system that are essential to meeting life-cycle requirements, system reliability, and improving customer experience. The broad and complex scope of these initiatives represents one-time, non-recurring projects that specialized contractors can perform to support Metro's near-term goals.

Award of this contract will enhance Metro's construction capacity, enable Metro to maintain system continuity and minimize service disruptions, thus ensuring the reliable delivery of transit services to Metro's riders and support the agency's objective of showcasing transit excellence.

#### **BACKGROUND**

Metro's Vertical Transportation (VT) Modernization Program was established in FY2020 to address elevators and escalators that are nearing the end of their useful life and require upgrades to minimize equipment downtime and impacts to Metro's riders. Metro's VT Modernization Program will upgrade the outdated systems and controls of 117 elevators and replace 81 escalators, while improving current service availability. This action is necessary to support the advancement of Metro's Vertical

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Transportation Modernization Capital Improvement Program while supporting and advancing Metro's long-term transit system goals.

## **DISCUSSION**

Metro has several robust rehabilitation initiatives to improve the customer experience and address the state of good repair backlog. Key areas identified as requiring a variety of modernizing, enhancing, altering, reengineering, redesigning, and improvements that include various trades consisting of, but not limited to, electrical, mechanical, plumbing, painting, carpentry, drywall, roofing tasks, and an elevator constructor to support modernization of LA Metro's Vertical Transportation (VT) modernization and monitoring systems throughout the County of Los Angeles for all elevators and escalators. The work includes both Bus and Rail facilities and Maintenance of Way (MOW) systems, including light and heavy rail maintenance yards and stations, and other general enhancements, such as the Rail Operations Center (ROC) expansion projects and tenant improvements associated with new building acquisitions, State of Good Repair structural enhancements at aerial structures, and facility improvements such as Metro wide back-up power systems for all Rail and Bus divisions, including the Gateway Building.

The recommended contract will be structured as an IDIQ contract and administered through individual task orders with firm fixed pricing. The IDIQ contract will establish an NTE amount, which represents the maximum expenditure authority for the contract term.

Task orders will be issued at Metro's discretion and will be limited in scope, duration, and amount specified in each approved task order. There is no obligation for Metro to issue any minimum quantity of work under this contract. The award amount represents the maximum contractual value authorized under the IDIQ contract; actual expenditures will depend on the number of task orders issued and may be less than the authorized amount, including zero. This contract will support Metro's modernization and capital improvement projects, such as its Vertical Transportation Modernization, State of Good Repair (SGR), and Bus and Rail facilities programs. The contractor will provide construction services, including improvements for mechanical, electrical, communications, plumbing, civil, and architectural. This contract contrasts with Metro's Job Order Contracting (JOC) program, where the emphasis is on projects capped at \$1M in support of maintenance repairs.

## **DETERMINATION OF SAFETY IMPACT**

Award of this contract will ensure that all operating facilities comply with Metro's SGR requirements and Transit Asset Management (TAM) Plan, ensuring the delivery of safe, quality, on-time, and reliable services to our customers and the public.

## **FINANCIAL IMPACT**

The total contract value is \$167,059,800.21, over a five-year base period plus three one-year options. This is an on-call contract, and funding for this contract is included in the Infrastructure Renewal Program (cost center 3960). Funding for task orders issued under this contract will be provided, subject to availability, from Metro's bus and rail facilities, vertical transportation, and MOW capital programs. Funding levels are reviewed and allocated annually based on approved budgets and

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projected work requirements. The projects currently sponsoring this contract are four capital projects: 202814 - Bus Division Improvements V, 204817 - Rail Facility Maintenance & Improvements II, 204805 Elevator Modernization & Escalator Replacement Project, and 290013 Metro Downtown Hub. The combined Life of Project (LOP) budget is \$298,000,000, which is within the project budget.

Currently, the FY26 Annual Budget is \$5,040,180. However, any annual budget shortfalls shall be addressed through the relocation of FY26 monies from existing capital projects that may have underspent their allocated annual budget funds.

Since this is a multi-year contract, the Project Manager will ensure the balance of funds is budgeted in future fiscal years, including any option exercised.

#### Impact to Budget

The current funding sources for this action are local funds, which are eligible for bus and rail operating and capital projects.

### **EQUITY PLATFORM**

Metro is committed to maintaining transit assets and ensuring reliable and equitable transportation service for Metro riders. The equity benefits of this action improve passenger and operational reliability of Metro transit services by ensuring that transit infrastructure assets are maintained in a state of good repair, including assets that provide transit services for disadvantaged communities. This allows Metro to deliver safe, affordable, dependable transit services connecting riders to jobs, housing, education, food services, family, and health care. Public transportation provides an important lifeline for the residents in underserved communities, and the award of this contract ensures Metro maintains that lifeline.

The Diversity and Economic Opportunity Department (DEOD) established a 8% Disadvantaged Business Enterprise (DBE) goal. Although Craft Construction made a DBE commitment, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the Disadvantaged Business Enterprise (DBE) program, including suspension of goals and enforcement, effective October 3, 2025. While the DBE commitment is not a factor in the staff recommendation, there are three (3) certified small businesses participating in this contract, including the prime contractor, Craft Construction.

### **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'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.

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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 capital improvements of Metro operations and facilities that will improve 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 this recommendation supports the following Metro Strategic Plan Goals:

Goal # 1 Provide high-quality mobility options that enable people to spend less time traveling.

Goal # 2 Deliver outstanding trip experiences for all users of the transportation system.

Goal # 3 Enhance communities and lives through mobility and access to opportunity.

This project helps maintain system service, reliability, and safety 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**

The alternative would be to solicit each project construction work through a full competitive bidding process. However, this approach is not recommended because it would require significantly more time and resources to award schedule critical work under a standard procurement process. This approach would include multiple procurement cycles increasing award times and failure to meeting 2028 system modernization goals. In addition, procuring services on a per-assignment basis would require more resources for Vendor/Contract Management (V/CM), as staff are already fully committed to supporting ongoing full-cycle procurements, further impacting delivery of schedule-critical work.

## **NEXT STEPS**

Upon approval by the Board, staff will execute Contract No. OP133873(2)000 to provide maintenance and repair services on a task order basis for various transit facility projects, for a five-year base period plus three one-year options.

## **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

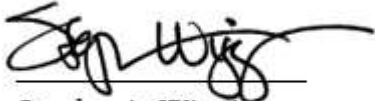
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Errol Taylor, Deputy Chief Operations Officer, Infrastructure Maintenance and Engineering, (213) 922-3227

Debra Avila, Deputy Chief Vendor/Contract Management (213) 418-3051

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



Stephanie Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

## ABOVE GROUND FACILITIES IMPROVEMENTS &amp; REPAIRS/OP133873(2)000

1.	<b>Contract Number:</b> OP133873(2)000	
2.	<b>Recommended Vendor:</b> Craft Construction & Development Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 9/30/2025	
	<b>B. Advertised/Publicized:</b> 9/30/2025	
	<b>C. Pre-Proposal Conference:</b> 10/6/2025	
	<b>D. Proposals Due:</b> 10/30/2025	
	<b>E. Pre-Qualification Completed:</b> 11/24/2025	
	<b>F. Ethics Declaration Forms submitted to Ethics:</b> 10/31/2025	
	<b>G. Protest Period End Date:</b> 2/24/2026	
5.	<b>Solicitations Downloaded:</b> 23	<b>Bids/Proposals Received:</b> 2
6.	<b>Contract Administrator:</b> Antranik Banalian	<b>Telephone Number:</b> (213) 922 - 5223
7.	<b>Project Manager:</b> Rudy Loera	<b>Telephone Number:</b> (213) 617- 6225

**A. Procurement Background**

This Board Action is to approve Contract No. OP133873(2)000 issued to support Los Angeles Metro's Infrastructure Maintenance & Engineering (IM&E) Department in advancing improvements to primarily above-ground bus and rail facilities. Board approval of contract award is subject to the resolution of any properly submitted protest(s), if any.

Request for Proposals (RFP) No. OP133873(2) was issued in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Quantity/Indefinite Delivery (IDIQ). The Diversity and Economic Opportunity Department (DEOD) established an 8% Disadvantaged Business Enterprise (DBE) goal for this solicitation, however, the U.S. Department of Transportation (USDOT) issued an Interim Final Rule (IFR) that made changes to the DBE Program, including suspension of goals and enforcement, effective October 3, 2025. DBE participation was therefore not a factor in the award, however the recommended Prime contractor is a certified Small Business Enterprise (SBE).

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on October 10, 2025 amended the DBE requirements.

A virtual pre-proposal conference was held on October 6, 2025, and was attended

by 7 participants representing 6 firms. There were 3 questions received for this RFP, and responses were provided prior to the proposal due date.

A total of two proposals were received on the due date of October 30, 2025, from the following firms listed below in alphabetical order:

1. Craft Construction & Development Inc.
2. Metro Builders & Engineers Group, Ltd.

Staff conducted a market survey to request information from prospective proposers to determine why no additional proposals were submitted. Of the 23 firms that downloaded the solicitation, 5 firms responded stating that their company did not meet the contractor licensing requirements or that the type of work was outside the firm's area of expertise. The results of the market survey indicated that factors beyond Metro's control caused the potential sources not to submit bids and that there were no restrictive elements in the solicitation documents that prevented competition.

## **B. Evaluation of Proposals**

A diverse Proposal Evaluation Team (PET) consisting of staff from Facilities Maintenance and Operations Engineering was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |                                    |     |
|------------------------------------|-----|
| ▪ Summary of Current/Past Work     | 15% |
| ▪ Key Staff Resume                 | 15% |
| ▪ Detailed Schedule                | 15% |
| ▪ Relevant Transit Work Experience | 15% |
| ▪ Task Order Narrative             | 15% |
| ▪ Cost Proposal                    | 25% |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar maintenance and repair type procurements. Several factors were considered when developing these weights, giving the greatest importance to the contractor's skillset.

During the evaluation period, the evaluation committee conducted an evaluation of the proposals submitted by Craft Construction & Development Inc. and Metro Builders & Engineers Group, Ltd. The PET reviewed the proposer's qualifications, capabilities, key personnel resume, understanding of the scope of services, and proposed approach.

Upon conclusion of the evaluation, it was determined that only one proposer, Craft Construction & Development Inc., was within the competitive range. The remaining firm, Metro Builders & Engineers Group, Ltd. was determined to be outside the competitive range and were not included for further consideration.

**Qualifications Summary of Firms within the Competitive Range:**

**Craft Construction & Development Inc.**

Craft Construction is a California-based general contractor specializing in public works, commercial, and institutional projects. The firm has over 7 years of experience delivering construction services, including renovations, tenant improvements, and infrastructure upgrades, with an emphasis on safety and timely completion. Craft Construction is led by Owner and Project Manager Ken Fujii and Raymond Clantz, each having over 20 years of experience in construction management and construction estimating.

The following is a summary of the evaluation scores.

1	Firm	Subtotal Score	Factor Weight	Weighted Average Score	Rank
2	<b>Craft Construction &amp; Development Inc.</b>				
3	Summary of Current/Past Work	93.33	15.00%	14.00	
4	Key Staff Resume	100.00	15.00%	15.00	
5	Detailed Schedule	80.00	15.00%	12.00	
6	Relevant Transit Work Experience	93.33	15.00%	14.00	
7	Task Order Narrative	86.67	15.00%	13.00	
8	Price Proposal	100.00	25.00%	25.00	
9	<b>Total</b>		<b>100.00%</b>	<b>93.00</b>	<b>1</b>

**C. Cost/Price Analysis**

The difference between Metro’s Independent Cost Estimate (ICE) and the proposal is due to methods of calculation. The ICE was developed as the Not-To-Exceed (NTE) amount based on the projected maintenance and repair needs of the Agency over the life of the contract. The RFP requested the proposers to submit fully burdened hourly rates for the classifications of Supervisor, Journeyman, Apprentice, and Laborer across twenty-one (21) trades for a five-year base period and three (3) one-year option periods. This was done in order to permit the evaluation of proposals, however, the proposal amount is not indicative of the work that will be conducted, as all work will be issued through individual task orders, as needs arise.

The difference between the originally proposed amount and the recommended NTE amount is due to the addition of estimated supervision to more accurately reflect costs for non-self-performed tasks for the Prime as well as the addition of Project Labor Agreement (PLA) requirements.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>NTE Amount</b>
1.	Craft Construction & Development Inc.	\$158,923,166.31	\$176,000,000.00	\$167,059,800.21

**D. Background on Recommended Contractor**

Craft Construction & Development Inc. is a California-based general contractor specializing in public works, commercial, and institutional projects. The firm has over 7 years of experience delivering construction services, including renovations, tenant improvements, and infrastructure upgrades, with an emphasis on safety and timely completion. Craft Construction is led by Owner and Project Manager Ken Fujii and Raymond Clantz, each having over 20 years of experience in construction management and construction estimating.

Craft Construction & Development Inc. maintains a long-standing working relationship with LA Metro, having completed a wide range of projects as both a prime contractor and subcontractor. These efforts have included facility improvements, pavement replacement, renovations, and expansions in support of both the Bus and Rail Divisions.

**DEOD SUMMARY**

**ABOVE GROUND FACILITIES IMPROVEMENTS & REPAIRS/OP133873(2)000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established an overall 8% Disadvantaged Business Enterprise (DBE) goal for this Indefinite Quantity/ Indefinite Delivery (IDIQ) solicitation. While Craft Construction made a DBE commitment, 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 Interim Final Rule (IFR) to identify necessary program and procedural changes to ensure full compliance. Although the DBE commitment is not a factor in the staff recommendation, there are three (3) certified small businesses participating in this contract, including the prime contractor, Craft Construction.

**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**

This contract is subject to the PLA/CCP requirements. Contractors must commit to meeting the following targeted hiring goals for select construction contracts with task orders exceeding \$2.5 million.

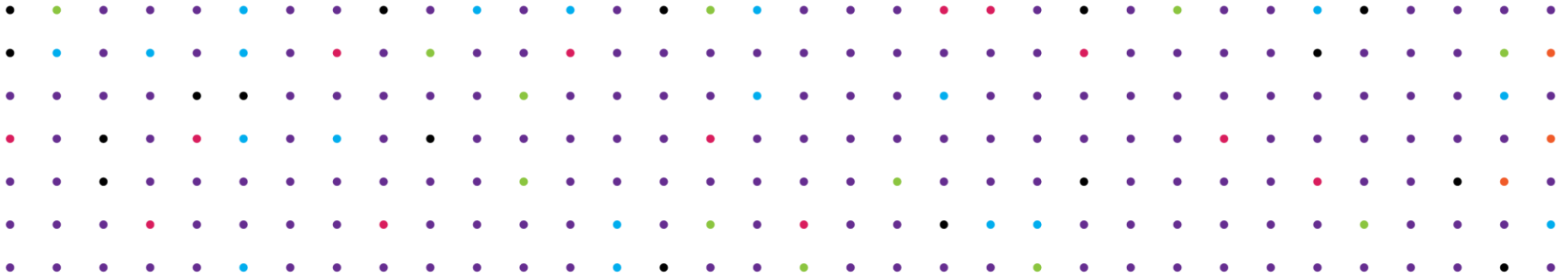
Federally Funded Projects		
Community / Local Area Worker Goal	Apprentice Worker Goal	Disadvantaged Worker Goal
40%	20%	10%

**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.

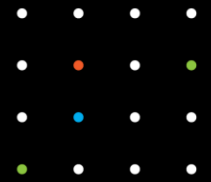
MAINTENANCE & ENGINEERING

# ABOVE GROUND FACILITIES IMPROVEMENTS & REPAIRS



Operations, Safety, & Customer Experience Committee Meeting  
February 19, 2026

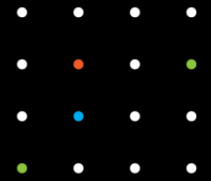
# RECOMMENDATION



AUTHORIZE the Chief Executive Officer to:

- A. AWARD an Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. OP133873(2)000 to Craft Construction & Development, Inc., for Above Ground Facilities Improvement & Repairs, in the Not-To-Exceed (NTE) amount of \$116,613,949.83 for the five-year base period and \$16,880,142.79 for the first one-year option, \$16,690,870.59 for the second one-year option, and \$16,874,837.00 for the third one-year option, for a combined NTE amount of \$167,059,800.21, subject to the resolution of any properly submitted protest(s), if any.
- B. EXECUTE individual contract modifications within the Board-approved contract modification authority.

# ISSUE & DISCUSSION



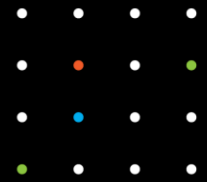
## AWARDEE

Craft Construction & Development, Inc.,

## NUMBER OF BIDS/PROPOSALS

Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
Craft Construction & Development, Inc.,	\$158,923,166.31	\$176,000,000	\$167,059,800.21

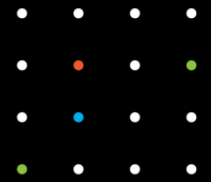
# ISSUE & DISCUSSION



## DEOD COMMITMENT

The Diversity and Economic Opportunity Department (DEOD) established a 8% Disadvantaged Business Enterprise (DBE) goal. Although Craft Construction made a DBE commitment, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the Disadvantaged Business Enterprise (DBE) program, including suspension of goals and enforcement, effective October 3, 2025. While the DBE commitment is not a factor in the staff recommendation, there are three (3) certified small businesses participating in this contract, including the prime contractor, Craft Construction.

# ISSUE & DISCUSSION



## ISSUE

Metro has an immediate need to advance various Bus and Rail facilities modernization and reengineering enhancements across its transit system that are essential to meeting life-cycle requirements, system reliability, and improving customer experience in advance of and following the 2028 Olympic and Paralympic Games. The broad and complex scope of these initiatives represents one-time, non-recurring projects that specialized contractors can perform to support Metro's near-term goals.

## DISCUSSION

Contract will be structured as an Indefinite Delivery/Indefinite Quantity (IDIQ) contract and administered through individual task orders with firm fixed pricing, supporting Metro's modernization and capital improvement projects, such as its Vertical Transportation Modernization, State of Good Repair (SGR), and Bus and Rail facilities programs.

