

RESOLUTION NO. 2023-88

AUTHORIZING THE EXERCISE OF AN OPTION UNDER CONTRACT NO. 2021-125 WITH SIEMENS MOBILITY, INC. FOR THE PURCHASE AND DELIVERY OF UP TO SIX (6) HIGH FLOOR LIGHT RAIL VEHICLES AT A UNIT PRICE OF \$5,166,336.00, FOR AN AMOUNT NOT TO EXCEED \$30,998,016.00 (RTA DEVELOPMENT FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority ("Authority") currently operates a fleet of forty (40) heavy rail vehicles on the Red Line and twenty-nine (29) light rail vehicles along the Blue, Green and Waterfront Lines; and

WHEREAS, the Authority has identified the need to replace both the heavy and light rail fleet of railcars which have exceeded their useful life; and

WHEREAS, Resolution No. 2023-26 authorized Contract No. 2021-125 ("Contract") with Siemens Mobility, Inc., for the manufacture and delivery of up to twenty-four (24), High Floor Light Rail Vehicles, spare parts, tooling and training in an amount not to exceed \$163,920,115.00 with options to procure up to thirty-six (36) additional vehicles, spare parts, tooling and training to be delivered over the seven (7) year contract term; and

WHEREAS, pursuant to the original options under the Contract, Siemens Mobility, Inc., located at 7464 French Road, Sacramento, CA 95828, has offered to manufacture and delivery up to six (6) High Floor Light Rail Vehicles, at the original contract unit price of \$5,166,336.00, for a total negotiated amount not to exceed \$30,998,016.00, resulting in a new total contract amount not to exceed \$194,918,131.00; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer of Siemens Mobility, Inc., as negotiated, to be advantageous to the Authority, cost and other factors considered, and recommends acceptance thereof by the Board of Trustees; and

WHEREAS, there will be thirty (30) vehicle options remaining under the Contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Siemens Mobility, Inc. to provide up to six (6) High Floor Light Rail Vehicles ("LRVs"), be and the same is accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to exercise an option to Contract No. 2021-125 with Siemens Mobility, Inc. for the purchase of up to six (6) LRVs at a unit price of \$5,166,336.00, for a total negotiated amount not to exceed \$30,998,016.00.

Section 3. This contract option shall be funded through the RTA Development Fund, Fleet Management Department budget, including but not limited to Rolling Stock Reserve Funds as local match and Capital Grants from the Federal Transit Administration ("FTA") FFY 2024-FFY 2028 and Rail Vehicle Replacement program in an amount not to exceed \$12,998,016.00, pending commitments from Northeast Ohio Agency Areawide Coordinating Agency ("NOACA") in an amount not to exceed \$18,000,000.00, for a total amount not to exceed \$30,998,016.00. This resolution is contingent upon FTA approval of pending Rail Vehicle Replacement grant awards (Infrastructure Investment & jobs Act ("IIJA") Rail Car grant) and pending discretionary grants.

Section 4. That said contract option shall be binding upon and an obligation of the Authority contingent upon future funding, compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That all terms and conditions of the original contract remain unchanged.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: November 28, 2023



President

Attest:



Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: AUTHORIZING THE EXERCISE OF AN OPTION TO PURCHASE UP TO SIX (6) HIGH FLOOR LIGHT RAIL VEHICLES VENDOR: SIEMENS MOBILITY, INC. AMOUNT: NOT TO EXCEED \$30,998,016.00	Resolution No.: 2023-88
	Date: November 22, 2023
	Initiator: Fleet Management Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will authorize the Greater Cleveland Regional Transit Authority ("Authority") to exercise an option for the procurement and delivery of up to six (6) of the thirty-six (36) high floor light rail vehicle ("LRV") options that were available under Contract No. 2021-125, which was approved by the Board of Trustees in Resolution No. 2023-26 adopted April 18, 2023.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority currently operates a fleet of 40 heavy rail vehicles that service the Red Line and 29 light rail vehicles that service the Blue, Green and Waterfront Lines. The FTA identifies the default useful life benchmark for both heavy and light rail vehicles to be 31 years. The existing heavy rail vehicle fleet began service in 1984 (39 years ago). The existing light rail vehicle fleet began service in 1981 (42 years ago). Both fleets have exceeded their useful life for railcars. To continue to provide safe, reliable and cost-effective service, the Authority determined it to be in its best interest to replace its entire fleet of rail vehicles.

- 3.0 **PROCUREMENT BACKGROUND:** On April 18, 2023, the Authority awarded Contract No. 2021-125 to Siemens Mobility, Inc. for the manufacture and delivery of up to twenty-four (24), High Floor Light Rail vehicles, spare parts, tooling and training in an amount not to exceed \$163,920,115.00 with options to procure up to thirty-six (36) additional vehicles, spare parts, tooling and training to be delivered over the seven (7) year contract term. The contract included a provision for the one-time purchase of up to six (6) vehicles, within six (6) months of Notice to Proceed, at the original contract unit price of \$5,166.336.00, with no escalation. Funding has been identified to fund this contract option in an amount not to exceed \$30,998,016.00 for the six (6) vehicles, resulting in a new total contract amount not to exceed \$194,918,131.00. This procurement will result in thirty (30) LRVs remaining under the contract option.

 A cost analysis was performed by the Procurement Department, and it has been determined that the price is fair and reasonable to the Authority. Contract option award is contingent upon the successful review of all costs associated with this procurement, compliance with the Pre-Award/Buy America Audit requirements and FTA approval of applicable grants.

- 4.0 **AFFIRMATIVE ACTION/ DBE BACKGROUND:** Per federal regulations, the Office of Business Development does not conduct Affirmative Action reviews or establish goals on procurements involving the purchase of Transit Motor Vehicles ("TMVs").

- 5.0 **POLICY IMPACT:** Does not apply.

- 6.0 ECONOMIC IMPACT: This contract option shall be funded through the RTA Development Fund, Fleet Management Department budget, including but not limited to Rolling Stock Reserve Funds as local match and Capital Grants from the Federal Transit Administration ("FTA") FFY 2024-FFY 2028 and Rail Vehicle Replacement program in an amount not to exceed \$12,998,016.00, pending commitments from Northeast Ohio Agency Areawide Coordinating Agency ("NOACA") in an amount not to exceed \$18,000,000.00, for a total amount not to exceed \$30,998,016.00. This resolution is contingent upon FTA approval of pending Rail Vehicle Replacement grant awards (Infrastructure Investment & Jobs Act ("IIJA") Rail Car grant) and pending discretionary grants.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would delay the ability of the Authority to purchase replacement rail vehicles.
- 8.0 RECOMMENDATION: This contract option was discussed by the Board of Trustees at the November 14, 2023 Committee of the Whole meeting. It is recommended that the negotiated offer of Siemens Mobility, Inc. be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to modify the contract.
- 9.0 ATTACHMENTS: None

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.


General Manager, Chief Executive Officer