

RESOLUTION NO. 2023-26

AUTHORIZING CONTRACT NO. 2021-125 WITH SIEMENS MOBILITY, INC. FOR THE DESIGN, 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 HIGH FLOOR LIGHT RAIL VEHICLES, SPARE PARTS, TOOLING, AND TRAINING, TO BE EXERCISED OVER THE SEVEN (7) YEAR TERM OF THE CONTRACT (RTA DEVELOPMENT FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority ("Authority") currently operates a fleet of 40 heavy rail vehicles on the Red Line and 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 rail cars which have exceeded their useful life; and

WHEREAS, on March 2, 2020, the Authority engaged a consultant, LTK Engineering Services to study the heavy and light rail markets, assist in preparing a rail car procurement solicitation and provide consulting services throughout the term of the rail car purchase contract; and

WHEREAS, the Authority issued its first Request for Proposals on February 22, 2021, but received no responsive proposals; and

WHEREAS, the Authority engaged car builders and rail owners to identify changes to the specifications which could lead to a responsive proposal for a combined rail fleet; and

WHEREAS, the Authority issued a new Request for Proposals on October 11, 2021 and received one (1) responsive proposal from Siemens Mobility, Inc.; and

WHEREAS, the offer of Siemens Mobility, Inc., located at 7464 French Road, Sacramento, CA 95828, to design, manufacture and deliver up to twenty-four (24) high floor light rail vehicles, spare parts, tooling, and training, with options to procure up to an additional thirty-six (36) high floor light rail vehicles, spare parts, tooling, and training to be delivered over the seven (7) year term of the contract was received on March 9, 2022; and

WHEREAS, a team of Authority employees across multiple departments, including Fleet Management, Fleet Engineering, Rail, Power & Way, Operations, Engineering, Office of Management and Budget, Internal Audit, Procurement, and Legal, participated in nearly one year of negotiations with Siemens Mobility, Inc. in order to achieve technical specifications and a price that is advantageous to the Authority; and

WHEREAS, Siemens Mobility, Inc. has offered to provide up to twenty-four (24) high floor light rail vehicles, spare parts, tooling, and training, for a total negotiated contract amount not to exceed \$163,920,115.00 and has also agreed to provide options for up to thirty-six (36) additional high floor light rail vehicles, spare parts, tooling, and training at the same negotiated price per car adjusted for inflation and re-tooling costs at the time the options are exercised; and

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

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 design, manufacture and deliver up to twenty-four (24) high floor light rail vehicles, spare parts, tooling, and training, with options to procure up to an additional thirty-six (36) high floor light rail vehicles, spare parts, tooling, and training to be delivered over the seven (7) year term of the contract, be and the same is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer be and she is hereby authorized to enter into a contract with Siemens Mobility, Inc. to design, manufacture and deliver up to twenty-four (24) high floor light rail vehicles, spare parts, tooling, and training, with options to procure up to an additional thirty-six (36) high floor light rail vehicles, spare parts, tooling, and training to be delivered over the seven (7) year term of the contract.

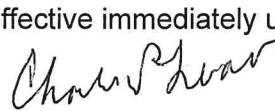
Section 3. That the General Manager, Chief Executive Officer be and she is hereby authorized to purchase up to twenty-four (24) high floor light rail vehicles coaches, spare parts, tooling, and training, contingent upon Federal Transit Administration approval of eligible grants.

Section 4. That the General Manager, Chief Executive Officer may exercise options, subject to available funding and formal Board of Trustee approval, for up to thirty-six (36) additional LRVs and related spare parts, tooling and training, based on the negotiated purchase price of the year the options are exercised.

Section 5. That this contract shall be payable from RTA Development Fund, Fleet Management Department budget, including but not limited to Rolling Stock Reserve Funds as local match and the following: Capital Grants from the Federal Transit Administration ("FTA") FFY 2020-FFY 2023 and pending Rail Vehicle Replacement program grant awards in an amount not to exceed \$90,045,115.00; Northeast Ohio Areawide Coordinating Agency (NOACA) - Surface Transportation Block Grant (STBG) awards in an amount not to exceed \$12,000,000.00; Ohio Department of Transportation - Ohio Transit Partnership Program (OTP2) grants in an amount not to exceed \$25,625,000.00; U.S. Department of Transportation (USDOT) - Better Utilizing Investments to Leverage Development (FFY 2020) grant in an amount not to exceed \$18,750,000.00; USDOT – Congressionally Directed Spending award in an amount not to exceed \$6,250,000.00; USDOT - Community Project Funding grant in an amount not to exceed \$6,250,000.00; and 100% local funds in an amount not to exceed \$5,000,000.00 for a total contract amount not to exceed \$163,920,115.00 (\$106,636,092.00 represents 65% federal funds, \$21,400,000.00 represents 13% state funds and \$35,884,023.00 represents 22% local funds and local match). This resolution is contingent upon FTA approval of pending Rail Vehicle Replacement Program grant awards (Infrastructure Investment and Jobs Act) and pending grant revisions.

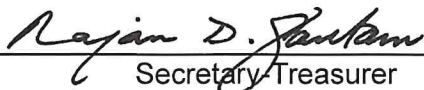
Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: April 18, 2023



President

Attest:



Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: DESIGN, MANUFACTURE AND DELIVERY OF UP TO TWENTY-FOUR (24) HIGH FLOOR LIGHT RAIL VEHICLES, SPARE PARTS, TOOLING, AND TRAINING, WITH AN OPTION TO PROCURE UP TO THIRTY-SIX (36) ADDITIONAL HIGH FLOOR LIGHT RAIL VEHICLES TO BE EXERCISED WITHIN SEVEN (7) YEARS OF CONTRACT SIGNATURE VENDOR: SIEMENS MOBILITY, INC. AMOUNT: NTE \$163,920,115.00	Resolution No.: 2023-26
	Date: April 13, 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 resolution will authorize the Greater Cleveland Regional Transit Authority (“Authority”) to enter into a contract for the design, manufacture and delivery of up to twenty-four (24) high floor light rail vehicles (“LRV”), spare parts, tooling, and training, with options to purchase up to thirty-six (36) additional LRVs, spare parts, tooling, and training to be delivered over the seven (7) year term of the contract.

- 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 had some level of mid-life rehabilitation but have exceeded the useful life benchmarks for rail cars in their respective categories. To provide safe, reliable and cost-effective service, GCRTA needs to replace its entire fleet of rail vehicles.

- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposal (“RFP”) was posted on the Authority’s procurement web site and advertised in the local newspapers. One hundred twenty-five (125) interested parties downloaded the solicitation. One (1) responsive proposal was received on March 9, 2022. In accordance with established Procurement Department policies and procedures, two panels of Authority employees were established to review the proposal: a technical evaluation panel and a cost evaluation panel. The Best and Final Offer was reviewed collectively by the panel members. Numerous negotiation meetings took place to resolve technical specifications and deviations and to negotiate scope, contract terms and price.

The proposal of Siemens Mobility, Inc. to provide up to twenty-four (24) LRVs, spare parts, tooling, and training, for a total amount not to exceed \$163,920,115.00, with options to purchase up to thirty-six (36) additional LRVs, spare parts, tooling, and training to be exercised within seven (7) years of contract signature, has been determined by the Procurement Department to be the most advantageous to the Authority, with cost and all other factors taken into consideration. Contract award is contingent upon the successful review of all costs associated with this procurement, compliance with Pre-Award/Buy America Audit requirements and Federal Transit Administration 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.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This procurement will be funded through the RTA Development Fund, Fleet Management Department budget, including but not limited to Rolling Stock Reserve Funds as local match and the following: Capital Grants from the Federal Transit Administration (“FTA”) FFY 2020-FFY 2023 and pending Rail Vehicle Replacement program grant awards in an amount not to exceed \$90,045,115.00; Northeast Ohio Areawide Coordinating Agency (NOACA) - Surface Transportation Block Grant (STBG) awards in an amount not to exceed \$12,000,000.00; Ohio Department of Transportation - Ohio Transit Partnership Program (OTP2) grants in an amount not to exceed \$25,625,000.00; U.S. Department of Transportation (USDOT) - Better Utilizing Investments to Leverage Development (FFY 2020) grant in an amount not to exceed \$18,750,000.00; USDOT – Congressionally Directed Spending award in an amount not to exceed \$6,250,000.00; USDOT - Community Project Funding grant in an amount not to exceed \$6,250,000.00; and 100% local funds in an amount not to exceed \$5,000,000.00 for a total contract amount not to exceed \$163,920,115.00 (\$106,636,092.00 represents 65% federal funds, \$21,400,000.00 represents 13% state funds and \$35,884,023.00 represents 22% local funds and local match). This resolution is contingent upon FTA approval of pending Rail Vehicle Replacement Program grant awards (Infrastructure Investment & Jobs Act) and pending grant revisions.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would delay the ability of the Authority to purchase replacement rail cars, which would impact the Authority’s ability to provide safe and reliable rail transportation.
- 8.0 RECOMMENDATION: This procurement was discussed and recommended by the Board of Trustees at the April 4, 2023 Committee of the Whole meeting. It was also discussed by the Board of Trustees at the April 10, 2023 Committee of the Whole meeting. It is recommended that the offer of Siemens Mobility, Inc. be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to enter into a 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