

RESOLUTION NO. 2025-97

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 THE CONTRACTUAL BASE PRICE OF \$5,166,336.00 PLUS AN INFLATIONARY PRICE INCREASE CALCULATED AT THE TIME OF FINAL ASSEMBLY BASED ON THE PRODUCER PRICE INDEX FOR TRANSPORTATION EQUIPMENT AND A LABOR INDEX PUBLISHED MONTHLY BY THE UNITED STATES DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS (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. ("Siemens") for the manufacture and delivery of up to twenty-four (24) High Floor Light Rail Vehicles ("LRVs"), 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 railcars, spare parts, tooling and training to be delivered over the seven (7) year contract term; and

WHEREAS, on November 28, 2023 in Resolution No. 2023-088, the Authority's Board of Trustees authorized the exercise of an option to purchase six (6) additional railcars 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 estimated price per rail car of \$5,800,000.00; and

WHEREAS, on November 19, 2024 in Resolution No. 2024-088, The Authority's Board of Trustees authorized the second option to purchase eighteen (18) additional railcars and spare parts and special tools to the original options under the Contract, at the contractual base price of \$5,166,336.00 plus an inflationary price increase based on a producer price index for transportation equipment and a national labor index, which will be calculated at the time of final assembly, resulting in a new contract amount not to exceed \$308,389,850.00; and

WHEREAS, pursuant to the original options under the Contract, Siemens has offered to manufacture and deliver up to six (6) of the remaining railcars under the Contract at the contractual base price of \$5,166,336.00 plus an inflationary price increase based on a producer price index for transportation equipment and a national labor index, which will be calculated at the time of final assembly, resulting in a new estimated price per railcar of \$6,000,000.00; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer of Siemens, 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 six (6) railcar options remaining to be authorized for purchase 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 negotiated offer of Siemens to provide up to six (6) remaining 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 for the purchase of up to six (6) LRVs at the contractual base unit price of \$5,166,336.00 plus an inflationary price increase that will be calculated at the time of final assembly based on the producer price index for transportation equipment and a national labor index published monthly by the United States Department of Labor Bureau of Labor Statistics.

Section 3. That the current projection for the total price per railcar is \$6,000,000.00, based on the original base contract unit price of \$5,166,336.00 plus projected inflationary increases accruing until the anticipated date of final assembly.

Section 4. This contract option shall be funded through the RTA Development Fund, Fleet Management Department budget, including but not limited to Federal Transit Administration (FTA) awards OH-2025-040-307 in the amount not to exceed \$5,301,021, OH-2025-040-337 in the amount not to exceed \$2,500,000, FFY 2026 - FFY 2029 awards in the amount not to exceed \$4,998,979, and the Ohio Department of Transportation Ohio Transit Partnership Program (OTP2 FY 2026-2027) in the amount not to exceed \$23,200,000.00, which results in a total change order amount of up to \$36,000,000.00. This resolution is contingent upon FTA approval of pending federal transit grant awards for FFY 2026-FFY 2029. (\$28,800,000.00 in federal funds which represent 80% of total cost). This change order will result in a new total contract amount not to exceed \$344,389,850.00.

Section 5. That said contract option shall be binding upon and an obligation of the Authority contingent upon future funding, compliance by the contractor with the specifications and addenda, if any; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 6. That all terms and conditions of the original contract remain unchanged.

Section 7. That this resolution shall become effective immediately upon its adoption.

Adopted: September 23, 2025



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: BASE PRICE OF \$5,166,336.00 PLUS INFLATIONARY INCREASE CALCULATED AT TIME OF FINAL ASSEMBLY, FOR A NEW ESTIMATED PRICE OF \$6,000,000.00 PER RAILCAR	Resolution No.: 2025-97
	Date: September 18, 2025
	Initiator: Fleet Management Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval Review/Comment Information Only 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 remaining railcars that are 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 Federal Transit Administration ("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. The existing light rail vehicle fleet began service in 1981. 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 the entire fleet of railcars.
- 3.0 **PROCUREMENT BACKGROUND:** On April 18, 2023, the Authority awarded Contract No. 2021-125 to Siemens Mobility, Inc. ("Contract") 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 an option to procure up to thirty-six (36) additional railcars, 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) railcars, within six (6) months of Notice to Proceed, at the original contract unit price of \$5,166,336.00, with no escalation. The Board of Trustees, on November 28, 2023, in Resolution No. 2023-088, authorized the first option to purchase those six (6) additional railcars.

On November 19, 2024, the Board of Trustees in Resolution No. 2024-088, authorized exercising a second option to purchase eighteen (18) additional railcars, spare parts and special tools at a not to exceed price of \$112,800,000.79. In accordance with the Contract, those eighteen (18) railcars were priced at the original base price of \$5,166,336.00 plus an inflationary price increase that will be calculated at the time of final assembly of each railcar based on the Producer Price Index for Transportation Equipment and a national labor index that is published monthly by the United States Department of Labor Bureau of Labor Statistics. The Authority now seeks to exercise an option to purchase up to six (6) of the remaining railcars under the Contract. The Contract provides that the price for these options will be priced at the original base price of \$5,166,336.00 plus an inflationary price increase that will be

calculated at the time of final assembly of each railcar based on the Producer Price Index for Transportation Equipment and a national labor index that is published monthly by the United States Department of Labor Bureau of Labor Statistics.

Application of a ten-year historical review of those indices results in a projected price of \$6,000,000.00 per railcar at the time of final assembly. As of June 2025, the base price of \$5,166,336.00 has risen to \$5,474,631.63 based on the market indices.

Funding has been identified to fund this change order in an amount not to exceed \$36,000,000.00 for up to six (6) of the remaining railcars, increasing the total contract budgeted amount to \$344,389,850.00.

A cost analysis was performed by the Procurement Department, and it has been determined that the contractual base railcar price plus inflationary increase 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 DBE BACKGROUND: Per federal regulations, the Office of Business Development does not establish goals on procurements involving the purchase of Transit Motor Vehicles (TMV's).
- 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 Federal Transit Administration (FTA) awards OH-2025-040-307 in the amount not to exceed \$5,301,021, OH-2025-040-337 in the amount not to exceed \$2,500,000, FFY 2026 - FFY 2029 awards in the amount not to exceed \$4,998,979, and the Ohio Department of Transportation Ohio Transit Partnership Program (OTP2 FY 2026-2027) in the amount not to exceed \$23,200,000.00, which results in a total change order amount of up to \$36,000,000.00. This resolution is contingent upon FTA approval of pending federal transit grant awards for FFY 2026-FFY 2029. (\$28,800,000.00 in federal funds which represent 80% of total cost). This change order will result in a new total contract amount not to exceed \$344,389,850.00.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would delay the ability of the Authority to purchase replacement railcars.
- 8.0 RECOMMENDATION: This contract option was discussed by the Board of Trustees at the August 5, 2025 Committee of the Whole meeting. It is recommended that the negotiated offer from Siemens Mobility, Inc. be accepted and the resolution adopted authorizing the General Manager, Chief Executive Officer to modify the contract.
- 9.0 ATTACHMENTS: Change Order Log

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



General Manager, Chief Executive Officer

CHANGE ORDER No. 6 LOG
CONTRACT NO. 2021-125
RAILCAR REPLACEMENT PURCHASE

Contract #2021-125

Contractor: Siemens Mobility Inc.

Original Contract Amount \$163,920,115.00 Total G.M./C.E.O. Authority Remaining \$ 5,828,281.79

Total Change Order Amount To Date \$144,469,735

ITEM NO.	NOTE No.	APPROVAL DATE	CHANGE ORDER AMOUNT	APPROVAL AUTHORITY	NEW CONTRACT AMOUNT
1	1	11-28-23	\$30,998,016.00	BOT	\$194,918,131.00
2	2	12-5-23	\$510,888.00	\$5,989,112.00	\$195,429,019.00
3	3	12-6-23	\$0.00	\$5,989,112.00	\$195,429,019.00
4	4	3-29-24	\$108,916.54	\$5,880,195.46	\$195,537,935.54
5	5	8-6-24	\$51,913.67	\$5,828,281.79	\$195,589,849.21
6	6	12-13-24	\$112,800,000.79	BOT	\$308,389,850.00

NOTES/CHANGE ORDER DESCRIPTION:

CO No. 1 – Exercise 6 Vehicle Options

CO No. 2 – 4 Additional Couplers

CO No. 3 – Modification of SP-20B

CO No. 4 – Smoke Detectors

CO No. 5 – Additional Wheel Profiles

CO No. 6 – 18 Option Vehicles, Spare Parts and Tools