



NEWS

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MTA APPROVES CONTRACT FOR 42 MORE LOS ANGELES METRO RAIL RED LINE CARS

The MTA Board today approved an option to buy an additional 42 cars for the Metro Red Line.

The new vehicles, to be provided by Breda Costruzioni Ferroviarie (Breda), will be used on the second and third phases of the Red Line which are scheduled to open in 1998 and 2000, respectively. The total cost for the 42 cars is \$84,654,459 and is based on a firm, fixed-price bid the firm submitted in 1988 when the Italian firm bid for the Los Angeles order.

"This is a real opportunity to save substantially on the Red Line project costs," said Richard Alatorre, MTA Chairman and Los Angeles City Councilman. "We have investigated what it might cost if we were to go out to bid for these cars and estimate we save more than \$14 million by exercising this option."

The Federal Transit Administration (FTA) is a funding partner on this project, and will pay one-half of the cost of the vehicles. All federal requirements on the original contract will be met, as well as those subsequently enacted. Those include U.S. assembly requirements and 60% U.S. content, as well as participation by Disadvantaged Business Enterprises.

"The FTA has agreed to this purchase for several reasons," said Franklin E. White, MTA Chief Executive Officer. "They recognize the firm has delivered the present fleet of 30 cars, that we can save on our spare parts inventory, and that the price is economically more advantageous than a re-bid process in the current procurement market."

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The results of an independent market survey of the current procurement market revealed that the MTA can save as much as \$280,398 per vehicle -- or a total of \$11,776,706. An additional cost savings of \$2.6 million can be achieved by not incurring new procurement expenses for staff and consultants, White said.

"Using the option guarantees delivery of the first 30 vehicles in time to meet our scheduled September 1998 opening of the Vermont/Hollywood Boulevard portion of Segment 2," said Edward McSpedon, executive officer of construction and president of the MTA's Rail Construction Corporation. "The remaining 12 vehicles will be used on Segment 3."

The original contract for Segment 1 was awarded to Breda in May 1988 as the highest ranked, lowest priced proposer. The firm then offered a fixed price for the 42 optional cars. The additional vehicles will be funded from the Metro Red Line Project Segment 2 and Segment 3 budgets, and is within those budget amounts.