

The Challenges & Realities of Buy America

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2013 Transit CEOs Seminar



Factors that Led Metro to introduce its U.S. Employment Program

- Unemployment in Los Angeles County was over 12% in 2010, when Metro began developing its RFP, P3010.
- Metro's Board challenged staff to look for innovative ways to create jobs as part of our large capital projects (PLA for federally funded construction projects and a local jobs program for Rolling Stock).
- Metro's job program tried to broaden the general application of traditional evaluation factors in a "Best Value" RFP, such as past performance, schedule adherence or reliability.
- The FTA rejected Metro's Local Jobs Program.

Metro's RFP Established Incentives for Proposers to Create New Jobs

- FTA approved Metro's U.S. Employment Program in May 2011, as a "Best Value" RFP that could use new U.S. job creation as a price trade-off
- The U.S. jobs program took the value of the wages and benefits of all new jobs proposed and subtracted that value from the Proposer's price to establish a price evaluation score. Price was worth 30% of the total evaluation
- Metro further enhanced the importance of the price trade-off by applying an economic multiplier of 1.42% to the proposed wages and benefits



Metro's LRV P3010 Procurement Summary

- Three Proposers offered U.S. job creation values that ranged from \$88 million to \$140.6 million
- All three Proposers committed to a final assembly facility in Los Angeles County; where most of the new jobs will reside
- Metro awarded \$890 a Million Contract for 235 LRVs, base purchase of 78 vehicles
- Award made to other than lowest price Proposer



U.S. Job Creation for Metro's Light Rail Vehicle Procurement

- Metro's LRV procurement will create 350 new jobs across the U.S. , including 250 new jobs in Los Angeles County
- The value of the new jobs in wages and benefits will equal \$97.9 million
- The impact of the new jobs on the U.S. economy is projected at \$138.8 million
- Metro's LRV Contractor will open a new Final Assembly Facility in L.A. County by 2014, and will open its first U.S. car shell manufacturing facility as early as 2016.

