

PROCUREMENT SUMMARY

P2550 MID-LIFE MODERNIZATION PROGRAM / PS183832000P2550

1.	Contract Number: PS183832000P2550			
2.	Contractor: Kinkisharyo International, LLC			
3.	Mod. Work Description: Offsite LRV Qualification Testing in Pueblo CO			
4.	Work Description: Mid-life modernization of Light Rail Vehicles			
5.	The following data is current as of: 10.12.23			
6.	Contract Completion Status:		Financial Status:	
	Award Date:		Contract Value	
	04.12.2021		\$157,231,331	
	Notice to Proceed (NTP):		Total Contract Modification Authority (CMA):	
	05.17.2021		\$17,034,947	
	Original Completion Date:		Value of Mods. Issued to Date (including this action):	
	55 months after NTP		\$3,388,162	
	Current Est. Complete Date:		Remaining Board Approved Amount:	
	December 2028		\$13,646,785	
7.	Contract Administrator: Aniza Wan Nawang		Telephone Number: (213)922-4677	
8.	Project Manager: Jason Yaw		Telephone Number: (213)922-3325	

A. Contract Action Summary

This Board Action is to approve Contract Modification No. 6 which is to be issued in support of the offsite LRV qualification testing in Pueblo, CO.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy. The contract type is a firm fixed unit price.

On March 25, 2021, Metro's Board of Directors approved Board Agenda Item 2020-0055 to Kinkisharyo International, LLC. for the midlife modernization of the 50 AnsaldoBreda P2550 Light Rail Vehicles.

The intent of this midlife modernization program is to maintain the State of Good Repair and ensure the continued safety, reliability, availability, and maintainability of the fleet for revenue service any of the critical systems and components on the AnsaldoBreda P2550 LRV fleets.

On April 12, Contract P2550-2019 was issued in the amount of \$157,231,331. To date, five (5) Contract Modifications have been issued for the following: -

1. Contract Modification No. 1: Modify Milestone Payment Schedule for first 7 Milestones issued on June 10, 2021 at no cost.

2. Contract Modification No. 2: Exercise Option TS 4.10 – Coupler self-wiping requirement, decreasing PF-2 cost issued on July 31, 2021 for (\$241,550)
3. Contract Modification No. 3: Incorporate Technical Spec Changes from TS Review meeting issued on August 2, 2021 at no cost.
4. Contract Modification No. 4: Exercise Option 6.1. & 6.2 – TS-13.10 Passenger Information Displays into each LRV, training & manuals issued on August 17, 2021 for \$2,129,712, and
5. Contract Modification No. 5: Unknown-Unknown Task Order Labor Rate (1 of 3) escalation increase equaling 7.3% issued on May 13, 2022 at no cost.

This recommended Contract Modification is to facilitate the qualification testing at an offsite facility in Pueblo, CO. Metro initiated this Change request because of the limited availability to test the vehicles at LA Metro facilities due to limited operator availability, unplanned track closures and maintenance and other factors related to track maintenance and rail operations.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon Metro Independent Cost Estimate (ICE), cost analysis, technical evaluation, fact finding, and negotiation.

Proposal Amount	Metro ICE	Negotiated Amount
\$1,573,487.88	\$1,350,714.89	\$1,500,000.00

KI's change proposal amount of \$1,573,487.88 is \$222,772.99 (16.5%) greater than the Metro developed ICE. Discussions were entered with KI to understand the significant elements that made up the differences in the proposal and the ICE. Negotiations were then conducted to arrive at a fair and reasonable amount. The negotiations resulted in a best-attainable amount of \$1,500,000.00 for the changed work, which is within \$149,285.11 or 11% of the ICE. There are three contributing factors that make up most of that difference:

1. Travel – the proposal from KI contained a higher travel cost component than the ICE. KI's rotation to regularly cycle offsite staff increased the travel costs but was proposed and accepted to maintain efficiency over the four-month testing period. KI's staff rotation over the duration of the offsite testing period was not considered in the ICE.
2. Facility cost – the Pueblo, CO test site is the closest testing facility to Metro. The facility cost rate that KI is passing through to Metro includes monthly escalation from the facility operator, which was not fully considered in the ICE.
3. Electricity cost – KI proposed a rate range to cover the electricity consumed by the testing. The ICE estimated this amount significantly lower than the range proposed by KI. To address this difference, Metro negotiated the

electricity cost as a pass-through cost based on only the actual time the Metro vehicles are testing on the test track.

The proposed travel rotation for KI staff adds \$59,045.88 to the travel cost element. The additional facility cost per the escalation and electricity supported by actual cost data adds another \$26,376.32 and \$28,357.18 respectively. Supplementing the ICE with these three cost elements bridges the difference between the ICE and the negotiated amount to \$35,505.73 or around 2.63% which is a best attainable price based on the negotiations.