

**Board Report**

File #: 2018-0226, **File Type:** Contract**Agenda Number:** 28.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JUNE 21, 2018****SUBJECT: P3010, LIGHT RAIL VEHICLE PROCUREMENT
CONTRACT KINKISHARYO****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

APPROVE Modification No. 32 to Contract No. P3010 with Kinkisharyo International, LLC for two Request for Changes (RFC): RFC No. 7 to revise the sandbox location for a firm fixed price of \$2,551,782.56, and RFC No. 19 to add reflective decal labels for a firm fixed price of \$1,123,644.61, for a combined firm fixed amount of \$3,675,427.17, increasing the total Contract value from \$920,964,842.19 to \$924,640,269.36. The Contract increase is within the Life of Project Budget.

ISSUE

During the exercise of the P3010 Base Order contract, Metro issued 11 RFCs to Kinkisharyo International LLC (KI) to enhance vehicle performance and passenger experience. Contract Modifications for the 11 RFCs were successfully executed and implemented on the Base Order vehicles. To maintain consistency in fleet configuration, staff recommends applying the previously approved changes to the remaining 157 Option Light Rail Vehicles (LRVs). These two RFCs exceed the Chief Executive Officer's delegated negotiating authority of \$1,000,000, so staff is requesting Board approval for Contract Modification Authority.

DISCUSSION

In April 2012, the P3010 LRV contract, for a base order of 78 LRVs, was awarded to KI. The contract includes four options for an additional 157 LRVs which were subsequently awarded. To date, KI is delivering safe, reliable, and maintainable vehicles on time and within budget.

To maintain consistency in fleet configuration, staff recommends applying the previously approved changes to the remaining 157 Option LRVs to enhance vehicle performance and passenger experience. Metro staff is requesting Board approval of the following two (2) RFC's:

- 1) RFC No. 7: Revise Sandbox Location. This change permits maintenance staff the option to either fill the sandbox manually or automatically using a pressurized nozzle system from Metro's cleaning platforms.

- 2) RFC No. 19: Add Reflective Decals. The addition of reflective decal on the exterior vehicle provides more visibility of approaching trains to passengers and pedestrians, and therefore enhances the safety requirements as detailed in 49 CFR Part 659 - Rail Fixed Guideway Systems; State Safety Oversight.

Application of these changes is required to ensure a consistent fleet configuration and preserve enhanced levels of vehicle performance and passenger experience. Additionally, application of these changes will have no impact to project schedule and is within the remaining contingency of the Life of Project budget.

KI is on the Federal Transit Administration's (FTA) list of eligible Transit Vehicle Manufacturers (TVM). In compliance with 49 Code of Federal Regulations (CFR) Part 26.49(a)(1), KI established an overall goal of 2.3% and reports DBE participation directly to the FTA. Per the reports shared by KI, they reported 6.8% from April 1, 2017 to September 30, 2017. In previous fiscal years they reported 26.5% in FY2016, 16.85% in FY2015, and 18.5% in FY2014. As KI reports directly to the FTA, these values are not subject to Metro review.

Based on staff's review, it is recommended to proceed with the two Contract Modifications described in Attachment A.

DETERMINATION OF SAFETY IMPACT

This board action will not have an impact to safety; however, it does enhance vehicle performance and passenger experience.

FINANCIAL IMPACT

Adoption of the recommendation to approve the two RFC's will increase the Contract price by \$3,675,427.17, from \$920,964,842.19 to \$924,640,269.36. This amount is within the P3010 project LOP of \$972,000,000. Funding for these changes as outlined are included in the FY19 budget in Cost Center 3043 - Strategic Vehicle and Infrastructure Delivery, Account 53105 - Acquisition of Revenue Vehicle, Project 206035 - P3010 LRV Project including options.

Since this is a multi-year Contract, the Cost Center manager and Project Manager will ensure that the balance of funds are budgeted in future years, including all options exercised.

Impact to Budget

The FY19 source of funds for this action are, Federal Congestion Mitigation and Air Quality (CMAQ) and Proposition A. These funding sources maximize allowable fund use given funding provisions.

ALTERNATIVES CONSIDERED

Should the Board choose not to approve staff's recommendation for the changes recommended in action A above, Metro operations will be required to support two different fleet configurations with different levels of performance and passengers will be subjected to vehicles with different levels of

amenities. This alternative is not recommended as it will add additional burden to Metro Operations and passengers will be subjected to different levels of service.

NEXT STEPS

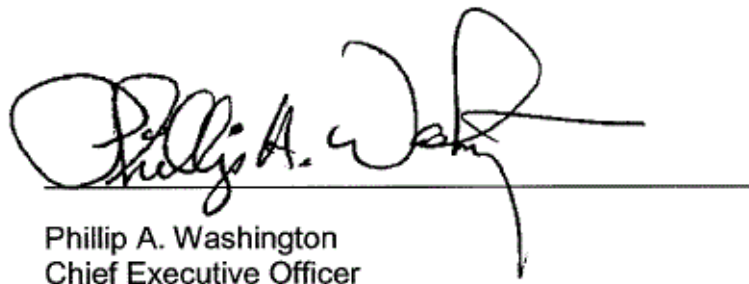
If this item is approved, staff will proceed with implementation of the changes outlined above and continue delivery of the P3010 option order vehicles.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification Authority (CMA) Summary
- Attachment C - DEOD Summary

Prepared by: Jason Yaw, Manager, Project Control, (213) 922-3325
Wayne Okubo, Director of Contract Administration, (213) 922-7466

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer