



## Board Report

File #: 2023-0528, File Type: Contract

Agenda Number: 20.

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 16, 2023

**SUBJECT: P2550 LIGHT RAIL VEHICLE MIDLIFE OFFSITE TESTING**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Contract Modification No. 6 to Contract No. PS183832000P2550 Light Rail Vehicle (LRV) Midlife Modernization with Kinkisharyo International, L.L.C. for Offsite LRV Qualification Testing increasing the total Contract value by \$1,500,000 from \$159,119,493 to \$160,619,493 to enable LRV testing offsite LACMTA property; and
- B. EXECUTE Contract Modifications under this Contract for up to \$1,000,000 per Contract Modification.

#### **ISSUE**

Metro is currently undergoing several projects to modernize existing LRVs to the current state of technology to ensure the LRV fleet remains in a State of Good Repair (SGR). After the initial LRV's (pilot LRVs) are modernized, they are usually shipped to Metro for design qualification tests on Metro's mainline. As Metro's priorities are passenger service and maintenance of its assets, supporting project tests on the mainline with test operators places tremendous strain on Metro's resources. In some cases, conflicts may result in an impact to service, delays to the test program, or both. Using Metro's mainline for test purposes adds further risk in the event of test failures. As an example, Metro's resources may be additionally strained if a revenue-ready LRV needs to be sent to retrieve a failed pilot LRV.

This contract modification will allow the contractor, Kinkisharyo (KI), to lease a test track where most of the planned mainline design conformance tests of the pilot vehicles may be performed, reducing impact to service and to Metro's operations. It is critical to note that the fleet will still need to undergo limited testing on Metro's mainline to verify that there are no production or quality issues that need to be addressed prior to acceptance.

#### **BACKGROUND**

In March 2021, the Board approved an award to issue Kinkisharyo Contract No. P2550-2019 a firm-fixed unit rate contract in the amount of \$170,349,474 for the Midlife Modernization of the 50 existing P2550 LRVs, inclusive of Options. To date, only 2 out of 7 options have been exercised. The Project's primary objective is to deliver safe, reliable, high-quality overhauled LRVs that will be modernized to the current state of technology to ensure the LRV fleet remains in a State of Good Repair (SGR).

## **DISCUSSION**

The Project is currently in the design phase. Once this phase is complete, the LRV level qualification testing phase will commence. These tests are typically performed with the pilot LRVs on a transit agency's mainline and have a duration of 9 to 12 months. Supporting this approach places significant strain on an agency's resources including track allocation, test operators, shop space and personnel. The test track location needs to be determined early to facilitate coordinated planning amongst stakeholders.

Considerations were made to perform LRV qualification testing at Metro's site. However, Metro's planned and unplanned test track closures/maintenance, in addition to the increasing track needs to support revenue service, could further reduce test track availability for LRV design qualification testing.

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.

Approval of this recommendation will minimize risk to Metro's service and operations. Simultaneously, it will benefit the test program by allowing it to proceed with few restrictions or interruptions.

Recommendation B allows Metro and the Contractor to negotiate future change orders in a timely manner to ensure that the maximum cost and schedule benefits can be realized. The P2550 Midlife Modernization Project's schedule is aggressive. The added delegation of authority allows staff to mitigate program schedule impacts that may arise from change orders. The request for an increase in CMA from \$500,000 to \$1,000,000 for individual changes is consistent with Board authorized Contract Modification Authority (CMA) for other Rolling Stock programs, such as Contracts for A650 Midlife Overhaul, P3010 LRV procurement, and the 45-foot CNG Composite Buses.

## **DETERMINATION OF SAFETY IMPACT**

The approval of this Contract Modification will ensure the Project's continuity to provide a direct and positive impact to system safety, service, quality, system reliability, maintainability, and overall customer satisfaction.

## **FINANCIAL IMPACT**

The requested new NTE contract price of \$160,619,493 is within the overall Board approved project LOP budget of \$206,340,841, for project 214003.

Since this is a multi-year contract, the Chief Operations Officer, Project Manager, and cost center manager will be responsible for future fiscal year budgeting.

### Impact to Budget

The current source of funds for this action is Proposition A 35%. This funding is eligible for rail capital and operating projects. Staff continues to pursue additional funding sources as they become available.

### EQUITY PLATFORM

Metro's existing light rail lines serve a majority of Equity Focus Communities (EFCs) who rely on public transit for their daily lives, including travel for work, school, and other activities. Rail ridership consists of 67% low-income and 82% passengers of color based on the Countywide Planning's 2022 customer satisfaction survey. EFC areas along the light rail alignments included areas in Downtown LA, Chinatown, in the vicinity of downtown Long Beach. Please refer to Attachment D for Metro's current rail line map showing areas of the EFCs that will benefit from this board decision. The P2550 fleet is currently experiencing low service reliability and availability due to age and obsolescence issues. This project and the approval of this recommendation will ensure a more reliable fleet for these light rail riders.

### IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports strategic plan goal # 1) to provide high-quality mobility options that enable people to spend less time traveling and #5) to provide responsive, accountable, and trustworthy governance within the Metro organization.

### ALTERNATIVES CONSIDERED

Staff considered using Metro resources to support the LRV qualification tests. However, this approach is not recommended as Metro has limited resources and bandwidth to adequately support this LRV testing that directly competes with revenue service. Further, Metro's first priorities are passenger service and maintenance of its assets.

The Board of Directors may choose not to authorize the Contract Modification; however, this alternative is not recommended by Metro staff because the LRV qualification tests in this midlife program are critical to maintaining an SGR on the fifty existing P2550 LRVs.

### NEXT STEPS

Upon Board approval, staff will execute Contract Modification No. 6 with Kinkisharyo International, L.L.C.

**ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Contract Modification Log  
Attachment C - DEOD Summary  
Attachment D - Metro EFC Map

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