

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 7-8, 2022

From: MITCH WEISS, Executive Director

Reference Number: 4.8, Action

Prepared By: Kacey Ruggiero
Associate Deputy Director

Published Date: November 23, 2022

Subject: Retention of Proceeds from the Disposition of Light Rail Vehicles Purchased with Proposition 116 Funds, Resolution G-22-71

Recommendation:

Staff recommends that the California Transportation Commission (Commission) approve Sacramento Regional Transit District's request to retain the insurance proceeds for a light rail vehicle purchased with Proposition 116 funds. In addition, staff recommends that \$357,847.20, 50 percent of the light rail vehicle value, be directed to an eligible capital project consistent with the Proposition 116 Program.

Issue:

The Sacramento Regional Transit District requests to retain the insurance proceeds after a light rail vehicle was declared a total loss due to an accident on May 26, 2021. The light rail vehicle was purchased with Proposition 116 funds and the Federal Transit Administration's 5309 New Start Program. Each program contributed 50% of the total purchase price. The 5309 New Start Program requires that the minimum useful life of a light rail vehicle is 25 years. At the time of the accident, the light rail vehicle had been in service for 17 years and had a value of \$715,694.47.

The Federal Transit Administration requires that the proportional share of the fair market value be returned to the Federal Transit Administration or applied to a similar project.

Consistent with the Federal Transit Administration requirements and past Commission actions, rather than requiring the agency reimburse the Proposition 116 Program, the recommended action would ensure the funding be placed in a project that is consistent with the goals and objectives of the Proposition 116 Program.

Background:

The Clean Air and Transportation Improvement Act of 1990, also known as Proposition 116, was passed in 2006 authorizing \$1.99 billion to fund passenger and commuter rail projects.

In March 1999 the Commission allocated \$29,568,000 in construction funds to the Sacramento Regional Transit District for the South Sacramento Light Rail Extension Project for the procurement of 24 light rail vehicles. On May 26, 2021, one of the light rail vehicles was in an accident and the inspection determined that it was damaged beyond repair. Subsequent to the vehicle being declared a total loss, Sacramento Regional Transit District received insurance payment for the value of the light rail vehicle.

Attachments:

- Attachment A: Resolution G-22-71
- Attachment B: Request Letter from the Sacramento Regional Transit District
- Attachment C: Siemens Inspection Letter
- Attachment D: Value of Light Rail Vehicle

CALIFORNIA TRANSPORTATION COMMISSION
Sacramento Regional Transit District Request to Retain the Proceeds from the
Disposition of Light Rail Vehicles Purchased with Proposition 116 Funds

Resolution G-22-71

- 1.1 **WHEREAS**, the Clean Air and Transportation Improvement Act of 1990, created the Proposition 116 Program, committing \$1.99 billion to fund passenger and commuter rail projects; and
- 1.2 **WHEREAS**, in 1995, the California Transportation Commission (Commission) approved the Sacramento Regional Transit District application for Proposition 116 funds for the South Sacramento Light Rail Extension Project; and
- 1.3 **WHEREAS**, at its March 1999 meeting, the Commission allocated \$29,568,000 in construction funds to the Sacramento Regional Transit District for the South Sacramento Light Rail Extension Project; and
- 1.4 **WHEREAS**, the project is funded with Proposition 116 funds and the Federal Transit Administration's 5309 New Starts Program; and
- 1.5 **WHEREAS**, each programs contributed 50% of the total purchase price; and
- 1.6 **WHEREAS**, the Sacramento Regional Transit District used these funds to purchase 24 light rail vehicles to complete the light rail extension project from downtown Sacramento to Meadowview Road; and
- 1.7 **WHEREAS**, on May 26, 2021, one of the light rail vehicles was in an accident and was declared a total loss; and
- 1.8 **WHEREAS**, the value of the vehicle at that time was estimated at \$715,694.47.
- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the Commission hereby approves the Sacramento Regional Transit District's request to retain the insurance proceeds of \$715,694.47; and
- 2.2 **BE IT FURTHER RESOLVED**, that the Sacramento Regional Transit District direct 50 percent of the light rail vehicle value of \$357,847.20 to an eligible capital project consistent with the Proposition 116 Program.



Regional Transit

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Transit District**
A Public Transit Agency
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Public Transit Since 1973

November 5, 2022

Mr. Mitch Weiss
Executive Director
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

RE: CAF LRV 217 Removed from Service due to Accident

Dear Mr. Weiss:

In March 1999, Sacramento Regional Transit District (SacRT) was awarded \$29,568,000 to purchase 24 light rail vehicles. On May 26, 2021, SacRT light rail vehicle #217 was involved in an accident and removed from service pending an inspection. In August 2021, Siemens issued a report identifying the damage incurred to the LRV and indicated additional significant damage could be discovered upon further investigation.

SacRT contacted the manufacturer of the light rail vehicle, Construcciones Y Auxiliar De Ferrocarriles (CAF) to confirm the availability of parts to repair the LRV. The manufacturer informed SacRT parts were no longer manufactured for the LRV and could take a long time to find the parts elsewhere. In November 2021, Travelers declared the damaged LRV as a total loss due to the unavailability of parts and severity of the damages. The following information pertains to light rail vehicle #217:

- Date placed into service: September 19, 2003
- LRV original purchase price: \$2,469,691.63
- Original Program Supplement: 03A0392
- State percentage (Prop 116): 50%
- LRV Book Value at time of accident: \$715,694.40
- Prop 116 Share of Book Value: \$357,847.20
- Useful life: 25 years
- Service life remaining at time of accident: 7.25 years
- Depreciation Method: Straight Line (See attached PDF)
- Total Insurance proceeds received: \$4,953,793.90

SacRT respectfully requests approval to retain the State interest of \$357,847.20 for use on the purchase of another light rail vehicle. Should you have additional questions or need clarification, please contact Carol Cherry at (916) 508-2014.

Thank you,

A handwritten signature in blue ink, appearing to read 'LChiu'.

Lawrence Chiu
VP, Finance/CFO

Letter #: SMI-CS_SACRT CAF LRV217_02

Ms. Colleen Elder
Sacramento Regional Transit District
2760 Academy Way
Sacramento, CA 95815, USA

Status: Open
Reference: PO #4500063512
Attachments: Damage Report #A4D10000065507

Date: October 14, 2021

Subject: Engineering review of on-site inspection for CAF LRV #217

Dear Colleen:

In June 2021 Sacramento Regional Transit District (SacRT) requested our support with CAF vehicle #217 that was involved in a significant accident. We conducted a high-level inspection of the damage and gathered all the findings in the attached Damage Report #A4D10000065507 titled “Damage Report, SacRT LRV 217, Engineering Review”.

The most severe damages are concentrated in the front LH and RH corners of the B-car, along with the articulation area. The underbody at the front of the B-Car would need to be stripped and reconstructed, along with the front door portals and stepwells. The coupler would need to be replaced. Heavy damage was also sustained to the wiring and wire ducting that runs along the LH underbody of the B-Car. Behind the door portals, damage was present in the form of bowing in the side skirts and bottom skin above the powered truck. Nevertheless, as stated in the report, a more complete and in-detail analysis of the vehicle, subcomponents and bogies will need to be conducted to further understand the extent of the damage. Regarding the set of bogies, their inspection was out of scope of this initial inspection. For a complete damage assessment an in-detail inspection would be required.

Due to the age of the vehicle, it is also highly likely that it may require one-off fabricated carshell material and potentially sourcing no-longer-available components which will add significant complexity to this project, such as reverse engineering and alternative sourcing, to ensure the LRV is in alignment with original specifications. In addition, for carshell material, it may require procuring in-kind material, which is the only way to replace material based on the APTA Standard. This would imply calculating the specific metallurgy into the OEM fatigue calculations.

Since this is not a Siemens vehicle, we have no access to its specific original equipment manufacturer (OEM) documentation such as carbody structural calculations, frame material and characteristics, bill of material or engineering structural build models. In order to fully safety certify the repair, Siemens would require the original documentation and design calculations. Given that SacRT does not have such documentation, there will be significant additional costs to create these design models to prove the repair is technically sound.

Moreover, Siemens has no previous experience working with this specific vehicle platform that could be referenced to when estimating the specific repair efforts and material required. With no further assessment, we could only provide a rough repair estimation comparing the damage observed on your CAF vehicle to damage we have previously repaired on a Siemens vehicle. However, that would not

be representative as it would not include: (1) the extensive engineering work for OEM calculations, (2) challenges for replacement parts procurement and (3) disassembly and evaluation labor for assessing extent of damage in carbody and frame. Due to all the unknowns, a repair of this magnitude will require extensive research and engineering design and evaluation to be able to return the vehicle to OEM specifications which would ensure safe and reliable operation.

We would welcome additional discussions to ensure the analysis meets your expectations as well as if there is an alternate path where we can support you.

Should you have any questions, please do not hesitate to contact me.

Best Regards,

**Sanchez
Amaia**

Digitally signed by Sanchez Amaia
DN: cn=Sanchez Amaia,
o=Siemens,
email=amaia.sanchez@siemens.com
Date: 2021.10.14 13:54:30 -07'00'

Project Manager, Siemens

Date

Cc (SacRT): Colleen Elder, George Kirbyson

Cc (SMI): Amaia Sanchez, Maria Jose Cogollo, Ash Evans

Light Rail Vehicle Value

Date of Loss May 26, 2021
Life 25 years
In service Sep 19, 2003
Remaining life 7.25 years

			Months
		2,469,691.63	300
2004	2,474,245.50	(82,474.85)	-10
2005	2,474,245.50	(98,969.82)	-12
2006	2,474,245.50	(98,969.82)	-12
2007	2,469,691.63	(98,787.67)	-12
2008	2,469,691.63	(98,787.67)	-12
2009	2,469,691.63	(98,787.67)	-12
2010	2,469,691.63	(98,787.67)	-12
2011	2,469,691.63	(98,787.67)	-12
2012	2,469,691.63	(98,787.67)	-12
2013	2,469,691.63	(98,787.67)	-12
2014	2,469,691.63	(98,787.67)	-12
2015	2,469,691.63	(98,787.67)	-12
2016	2,469,691.63	(98,787.67)	-12
2017	2,469,691.63	(98,787.67)	-12
2018	2,469,691.63	(98,787.67)	-12
2019	2,469,691.63	(98,787.67)	-12
2020	2,469,691.63	(98,787.67)	-12
2021	2,469,691.63	(90,555.36)	-11
		<u>715,694.47</u>	<u>87</u>

7.25 Years remaining