

# REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 4               | 01/22/18           | Open                | Action                  | 01/12/18   |

Subject: Sole Source Contract to Siemens Industry for Maintenance Support of the UTDC Light Rail Vehicles

## ISSUE

Whether or not to approve a sole source procurement and approve a Contract for UTDC Repairs and Maintenance with Siemens Industry, Inc.

## RECOMMENDED ACTION

Adopt Resolution No. 18-01-\_\_\_\_\_, Approving a Sole Source Procurement and Approving a Contract for UTDC Repairs and Maintenance with Siemens Industry, Inc.

## FISCAL IMPACT

|  |  |               |    |            |
|--|--|---------------|----|------------|
| Budgeted:                                  | Yes                                    | This FY:      | \$ | 300,000.00 |
| Budget Source:                             | Capital                                | Next FY:      | \$ | 0          |
| Funding Source:                            | SB1-STA                                | Annualized:   | \$ |            |
| Cost Cntr/GL Acct(s) or Capital Project #: | 910800/R353.08.05 UTDC Vehicle Repairs | Total Amount: | \$ | 300,000.00 |
| Total Budget:                              | \$300,000.00                           |               | \$ | 300,000.00 |

## DISCUSSION

The UTDC Light Rail Vehicles (LRVs) are a part of the fleet management plan and are needed to free up CAF LRVs to start the mid-life overhaul and to allow for increasing repairs to the aging Siemens fleet of U2As without compromising RT service.

The UTDC vehicles were acquired from the Santa Clara Valley Transportation Authority in 2003 and sat idle until 2010, when SacRT awarded a Contract for UTDC Light Rail Vehicle refurbishment to Siemens Industry, Inc. The Contract required Siemens Industry, Inc. to refurbish 21 UTDC LRVs by overhauling and repairing vehicle body and existing systems, upgrading some obsolete systems, and adding safety related monitoring systems. The refurbishment Contract called for some components to be refurbished by others and supplied by SacRT to Siemens. In addition, while the document called for a fairly comprehensive refurbishment, due to the long period these vehicles were idle, there were some issues that could not be anticipated or addressed until the vehicles were placed back into service.

Typically, when buying new LRVs, a transit agency would require that the manufacturer remain on site to provide support during the period after final acceptance to the point where LRVs are able to reliably run in revenue service. This period is typically a year. The refurbishment Contract did not contain these provisions.

Approved:

Presented:

Final 01/16/18

General Manager/CEO

Deputy General Manager/Chief Operating Officer

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While some issues with the UTDC LRVs may be dealt with as warranty issues under the refurbishment Contract and other third-party contracts, there are a number of operational problems that have been encountered as the LRVs have been commissioned that are not within the scope of the refurbishment Contract, including issues with some components that were supplied by SacRT to Siemens. These issues have delayed SacRT's ability to reliably put the UTDC LRVs in service.

In June 2017, due to issues with the Siemens fleet in the summer heat, it became imperative for SacRT to have the UTDC fleet in service. On that basis, in June 2017, the General Manager/CEO, using his authority under Section 1.405.A.2 of the Procurement Ordinance, approved a sole source Contract with Siemens Industry Inc. for \$500,000 to provide full-time on-site technicians to perform repair activities and, in addition, to provide engineering services identified by SacRT. Despite intense efforts by Siemens and SacRT staff over the last six months, there continue to be issues with the UTDC fleet and, in fact, a more intense level of staffing has been required to keep the fleet in revenue service. To avoid service disruptions, in early January 2017, the General Manager/CEO approved an amendment to the original Contract, again using his authority under Section 1.405.A.2, to increase the total consideration to \$700,000 to provide for continued services until this matter could be brought to the Board for consideration.

The UTDC LRVs were manufactured in 1985 and are not being operated by any other transit agencies in North America. The knowledge needed to troubleshoot and repair the UTDC vehicles is unique to Siemens Industry, Inc. since the firm refurbished the LRVs and designed some of the features. While Siemens provided training to SacRT staff regarding the refurbished vehicles and components, some of the issues being encountered are beyond the scope of basic repair work and require Siemens' specialized knowledge. In addition, SacRT simply does not have the staffing resources available to address the issues being encountered. If SacRT does not enter into an agreement with Siemens to provide these services, SacRT will continue to experience problems keeping the UTDC fleet reliably in service, which may result in cancelled service. Staff anticipates that these initial commissioning issues will be resolved by July 1, 2018.

Staff recommends that the Board approve a sole source procurement with Siemens Industry, Inc. to retain 4 technicians on site to maintain the UTDC vehicles as required and to provide engineering services upon request until July 1, 2018.

RESOLUTION NO. 18-01-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

January 22, 2018

**APPROVING A SOLE SOURCE PROCUREMENT AND APPROVING A CONTRACT FOR UTDC REPAIRS AND MAINTENANCE WITH SIEMENS INDUSTRY, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in accordance with Section 1.405.B.2 of the SacRT Procurement Ordinance, a sole source procurement for services is permitted upon a determination that it is in the best interests of SacRT to solicit only one contractor.

THAT, due to Siemens' specialized knowledge of the UTDC vehicles, it is in the best interest of SacRT to enter into a Contract with Siemens for repair and maintenance support without competition.

THAT, the Contract for UTDC Repairs and Maintenance Support by and between Sacramento Regional Transit District (therein "SacRT") and Siemens Industry, Inc. (therein "Contractor") whereby Siemens agrees to provide 4 full-time on-site technicians and, in addition, provide engineering support when requested by SacRT, for an amount not to exceed \$300,000, is hereby approved.

THAT, the General Manager/CEO is authorized and directed to execute said Contract.

\_\_\_\_\_  
ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary