



STAFF REPORT

DATE: March 23, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Doug Cook, VP, Operations

SUBJ: REPEAL RESOLUTION NO. 19-12-0133, CONDITIONALLY AWARD A CONTRACT FOR LOW-FLOOR LIGHT RAIL VEHICLES WITH SIEMENS MOBILITY INC.; AND DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE CONTRACT CHANGE ORDERS OR AMENDMENTS TO THE CONTRACT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

In December 2019, the Board approved a contract award to Siemens for an order of 20 light rail vehicles (LRVs), with four to be delivered in 2020 and the remainder to be delivered in 2023. Due to vehicle compatibility issues where the first 4 LRVs would be different in configuration, the Board is now being asked to approve an order of 20 LRVs of the same configuration to be delivered beginning in 2023. In addition, there have been changes in the per vehicle pricing and progress payment milestones since the Board's prior approval.

FISCAL IMPACT

The initial order for 20 LRVs and associated costs will be funded with a combination of Transit and Intercity Rail Capital Program (TIRCP), Proposition 1A, and Federal and local funding. The costing will be described in the discussion section below.

DISCUSSION

The August 26, 2019 Board Issue Paper and Resolution summarized this procurement in detail. In December, after issues arose regarding: (a) funding availability for the originally-proposed order of 23 vehicles; and (b) future compatibility issues between the four planned early delivery vehicles and the future fleet, the Board was asked to re-approve the procurement action with a reduced order of 20 vehicles and additional contract funding to ensure interoperability between the initial four vehicles and the later 16 vehicles.

The December 2019 action approved 4 early LRVs at a higher cost. After further operational discussions, Staff determined the best approach would be to have 20 new LRVs in the same configuration and forgo the early delivery LRVs. In addition, the price

per LRV for the 20 LRVs has been increased. This increased price, plus applicable escalation, will be the basis for future option orders. However, the overall Contract price for the initial order of 20 vehicles has decreased since the December Board action due to elimination of additional management, engineering, manufacturing, tooling, testing and mock ups that were associated with the early delivery vehicles.

August 2019 Vehicle Cost

	Unit Cost	Extended Total excluding tax
Early Delivery LRVs 4	\$4,246,392	\$16,985,568
Base Order LRVs 19	\$4,046,524	\$76,883,956
Total 23 LRVs		\$93,869,524

December 2019 Vehicle Cost

	Unit Cost	Extended Total excluding tax
Early Delivery LRVs 4	\$4,246,392	\$16,985,568
Base Order LRVs 16	\$4,046,524	\$64,744,384
Total 20 LRVs		\$81,729,952

March 2020 Vehicle Cost

	Unit Cost	Extended Total excluding tax
Base Order 20 LRVs	\$4,156,667	\$83,133,340

The Contract would include an additional \$6,376,702 (prior amount including 4 early LRVs was \$8,284,552) for engineering and project support, \$1,364,441 for manuals and training, \$6,600,000 for spare parts and \$2,500,000 for special tools, plus applicable sales tax.

Other changes through additional negotiations with Siemens include modification to the progress payment milestones to place more of the payments in the early stages of production and to eliminate the parent company guarantee that was to secure Siemens' performance on the Contract.

At the time of the Board award in December, the California Transportation Commission (CTC) had programmed and allocated funding for the 4 early delivery vehicles, but had not yet taken funding action for the remaining 16 vehicles, which were anticipated to have a July Notice to Proceed. With the change to a single Notice to Proceed for 20 vehicles, it is necessary to have additional funds programmed to proceed with the Contract. The CTC will consider, at its March 25-26th meeting, the following actions: (1) reprogramming the previously-programmed \$30 million in TIRCP funding to a 20-vehicle order; (2) programming an additional \$10 million in TIRCP funding; (3) programming \$25 million in Proposition 1A funding for the vehicle order; and (4) programming approximately \$4 million Proposition 1A funding for station platform conversion.

Staff recommends the Board conditionally approve the Contract for Low Floor Light Rail Vehicle Procurement with Siemens Mobility Inc. for the purchase of a base order of 20 light rail vehicles, training, manuals, associated spare parts, and special tooling for an amount not to exceed \$99,974,483. plus applicable state and local sales tax, subject to CTC approval of the Proposition 1A and TIRCP programming, with an option to order an additional 56 vehicles through future amendments and to provide a limited delegation of authority for the General Manager/CEO to approve amendments or contract change orders up to \$400,000 to account for configuration changes during production.

RESOLUTION NO. 20-03-0017

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

March 23, 2020

REPEAL RESOLUTION NO. 19-12-0133, CONDITIONALLY AWARD A CONTRACT FOR LOW-FLOOR LIGHT RAIL VEHICLES WITH SIEMENS MOBILITY INC.; AND DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE CONTRACT CHANGE ORDERS OR AMENDMENTS TO THE CONTRACT

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

THAT, due to a change in the proposed procurement action, Resolution No. 19-12-0133 is hereby repealed.

THAT, the Contract for Low Floor Light Rail Vehicle (LRV) Procurement by and between the Sacramento Regional Transit District (therein "SacRT") and Siemens Mobility, Inc. (therein "Contractor") whereby Siemens agrees to furnish a base order of 20 LRVs, associated manuals, training, spare parts and special tooling, with a SacRT option to purchase an additional 56 LRVs, on the terms and conditions set forth therein, for an amount not to exceed \$99,974,483 plus applicable sales tax, is hereby approved subject to the California Transportation Commission approving allocations of TIRCP and Proposition 1A funding for the procurement.

THAT, the General Manager/CEO is hereby authorized and directed to execute the Contract upon satisfaction of the foregoing contingency.

THAT, the General Manger/CEO is hereby authorized to execute contract change orders or amendments to the Contract for LRV configuration changes, not to exceed \$400,000 in aggregate.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary