

STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Edna Stanley, VP, Light Rail Operations
SUBJ: APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR LOW FLOOR LIGHT RAIL VEHICLE PROCUREMENT WITH SIEMENS MOBILITY, INC. FOR PURCHASE OF EIGHT ADDITIONAL S700 LOW-FLOOR LIGHT RAIL VEHICLES

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the Fourth Amendment to the Contract will exercise an option to purchase eight additional low-floor light rail vehicles.

FISCAL IMPACT

The Fourth Amendment will increase the Contract Total Consideration with Siemens Mobility, Inc. (Siemens) by a minimum of \$ 35,147,428.54 plus contractual escalation factors to be applied in May 2025, and applicable state and local taxes. The price of \$35,147,428.54 includes the 2.5% minimum annual escalation of costs for the 39-month period between February 2022 and May 2025 in accordance with the Contract terms. There will be an additional cost escalation applied in May 2025 at the midpoint of delivery of the option order of eight vehicles, which will be calculated at that time using published labor and material indices agreed to in the Contract. It is not possible to estimate those escalation costs at this time. The base increase remains within the approved FY22 Capital Budget. The Fourth Amendment and associated costs are funded with a combination of Transit Intercity Rail Capital Program (TIRCP), Proposition 1A, and Federal and local funding.

DISCUSSION

Sacramento Regional Transit District (SacRT) and the San Diego Metropolitan Transit System (SDMTS) released a joint Request for Proposals (RFP) for Low-Floor Light Rail Vehicle (LRV) Procurement on December 14, 2018. On February 21, 2019, SDMTS received one proposal from Siemens. The RFP provided for a base order of 25 LRVs for SDMTS with an option for SDMTS to acquire an additional 22 LRVs, and a SacRT option to procure up to 76 LRVs during the 7-year contract term.

On March 23, 2020, the Board approved award of the Contract for 20 LRVs with Siemens for \$99,974,483.00, plus applicable California state and local sales and transaction taxes. Subsequently, the First Amendment to the Contract was executed on July 10, 2020, to revise the project schedule. On April 8, 2021, the Second Amendment was executed to add installation of railway worker protection equipment and increase the total consideration to \$100,280,347.48, plus applicable California state and local sales and transaction taxes. On October 25, 2021, the Board delegated authority to the General Manager/CEO to approve the Third Amendment to allow changes to the low-floor vehicles to improve maintainability and enhance features in the vehicle for passengers with disabilities. The Third Amendment increased the total consideration to \$100,688,819.68, plus applicable California state and local sales and transaction taxes.

The Fourth Amendment would modify the contract to include the purchase of eight additional LRVs, for a total of 28.

The Contract specifies a “base price” of \$4,046,524.00 per option LRV, which is then escalated based on the percentage increase in specified producer price and labor indexes measured for the period between delivery of the 12th LRV of the base order for SDMTS (currently scheduled for February 2022) and the midpoint of delivery of the option order (the currently-scheduled midpoint of delivery of the 8 LRV option order is May 2025), a period of 39 months. The contract specifies a minimum escalation rate of no less than two and one-half percent (2.5%) per annum (0.2084% per month). The total estimated price of \$35,147,428.54 is based on this minimum escalation, which will raise the Contract Total Consideration to a minimum total amount of \$135,836,248.12, plus applicable taxes and fees and any applicable future escalation in excess of the 2.5% per year.

RESOLUTION NO. 21-12-0138

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

December 13, 2021

APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR LOW FLOOR LIGHT RAIL VEHICLE PROCUREMENT WITH SIEMENS MOBILITY, INC. FOR PURCHASE OF EIGHT ADDITIONAL S700 LOW-FLOOR LIGHT RAIL VEHICLES

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

THAT, the Fourth Amendment to the Contract for Low-Floor Light Rail Vehicle (LRV) Procurement by and between Sacramento Regional Transit District and Siemens Mobility, Inc. to provide eight additional LRVs, for a total order of 28, and increase the total Consideration by a minimum of \$35,147,428.54, from \$100,688,819.68 to \$135,836,248.12 plus applicable California state and local sales and transaction taxes and any differential amount required to be paid when the escalation formula is applied at the midpoint of delivery of the option order of eight LRVs if the cumulative increase is in excess of the previously-applied 2.5% annual escalation, is hereby approved.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing amendment.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary