

THIS PRINT COVERS CALENDAR ITEM NO.: 10.2

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Capital Programs and Construction

BRIEF DESCRIPTION:

Awarding SFMTA Contract No. 1295R, Muni Metro System Rail Grinding Services – Phase 1, to Harsco Metro Rail, LLC, to provide rail grinding services for the Muni Metro light rail system within the subway and Duboce Portal, in the amount of \$3,244,800, and for a term of 548 days to substantial completion.



SUMMARY:

- Administrative Code Section 6.72 authorizes the negotiated procurement of rail grinding services through a request for proposals (RFP).
- On May 26, 2017, the Director of Transportation notified the SFMTA Board of Directors that he had authorized an RFP to be issued for Contract No. 1295R, Muni Metro Rail Grinding Services – Phase 1 (Project).
- Under this Project, the Contractor will provide rail grinding services within the Muni Metro subway and Duboce Portal area, including a pre-grinding inspection report, rail grinding work plan with grinding recommendations, and a post-grinding inspection report.
- On August 31, 2017, the SFMTA received two proposals for Contract No. 1295R.
- On March 25, 2019, after extensive negotiations, the SFMTA received a Best and Final Offer from Harsco Metro Rail, LLC (Harsco) in the amount of \$3,244,800, which was determined to be the best value to the City.
- The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31.

ENCLOSURES:

1. SFMTAB Resolution
2. Project Budget and Finance Plan

APPROVALS:

DIRECTOR  _____
SECRETARY  _____

DATE

April 13, 2020

April 13, 2020

ASSIGNED SFMTAB CALENDAR DATE: April 21, 2020

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PURPOSE

The purpose of this calendar item is to award SFMTA Contract No. 1295R, Muni Metro System Rail Grinding Services – Phase 1, to Harsco Metro Rail, LLC, to provide rail grinding services for the Muni Metro light rail system within the subway and Duboce Portal, in the amount of \$3,244,800, and for a term of 548 days to substantial completion.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The work to be performed under Contract No. 1295R supports the following SFMTA Strategic Plan Goals and Objectives:

- Goal 1: Create a safer transportation experience for everyone.
 - Objective 1.3 Improve the safety of the transportation system.

- Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.
 - Objective 2.2 Improve transit performance

- Goal 3: Improve the quality of life and environment in San Francisco and the region.
 - Objective 3.1 Reduce the Agency's and the transportation system's resource consumption, emissions, waste and noise
 - Objective 3.2 Increase the transportation system's positive impact to the economy
 - Objective 3.3 Allocate capital resources effectively

Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

DESCRIPTION

The SFMTA's light rail vehicles (LRVs) run inside the subway tunnels and on city streets, on shared, semi-exclusive and exclusive right-of-ways (Muni Metro System). The Muni Metro System consists of approximately 82 miles of track, of which 75% are embedded in the roadway and 25% are open track.

Phase 1 of the rail grinding project consists of rail grinding within the Muni Metro subway and Duboce Portal areas. The track inside of the subway is worn due to many years of use. Worn rails are

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vulnerable to wheel impacts from cupping of the weld on the head of the rail, which can potentially cause derailments, wheel wear on rolling stock, and failure of track welds. In order to reduce such risks, the rails must be ground to the optimal rail profile by systematically grinding the head of the rails. Implementation of this Project is critical in order to reduce the risk of derailment.

PHASE 1 PROJECT WORK

Rail grinding will take place within the Muni Metro Tunnel, including both track alignments from the former Eureka Valley Station 100 feet east of the shoofly turnouts west of the Castro Station through and including Embarcadero Station. This work consists of grinding approximately seven miles of tracks, including all mainline inbound and outbound tracks (TR and TL), and both Duboce Portal alignments leading out of the tunnel to the surface, and ending at the top of the portal ramp, approximately 900 feet from the turnout switches at the mainline of the Muni Metro Subway at Duboce Junction. There are also three double crossovers at Embarcadero, Van Ness and Castro, and two turnouts located by the Duboce Portal.

The work will include a pre-grinding survey and inspection report, a rail grinding work plan with grinding recommendations, rail grinding services, and a post-grinding survey and report. The grinding services primarily include removal of all surface defects from the rail, including corrugations, pits, rail imperfections, surface roughness/irregularities, and welds.

After Phase 1 has been completed, the SFMTA intends to issue an RFP for Phase 2, for rail grinding of trackway above ground, on city streets and within other surface rail right-of-way.

PROCUREMENT HISTORY

San Francisco Administrative Code Section 6.72 authorizes the negotiated procurement of rail grinding services:

SEC. 6.72. RAIL GRINDING.

The Director of Transportation is authorized to issue requests for proposals for rail grinding and related services. Proposals will be evaluated based upon qualifications, cost, and any other criteria stated in the request for proposals. The Director of Transportation may negotiate with the highest-ranking proposers and seek best and final offers after negotiation to determine which proposer will provide the best value to the City.

The SFMTA previously advertised an RFP for Contract No. 1295 on May 10, 2016. On June 22, 2016, the SFMTA received a single proposal from Advanced Rail Management Corporation (ARM). The SFMTA worked with ARM extensively in an effort to help the firm meet the requirement of the RFP for providing a performance bond. ARM ultimately failed to meet the requirements. As a result, the SFMTA declared ARM non-responsive on January 24, 2017.

To encourage additional proposers, the SFMTA modified the requirements of the RFP for this

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contract by electing to use a negotiated procurement process as authorized by Administrative Code Section 6.72.

On May 26, 2017, the Director of Transportation notified the SFMTA Board that he had authorized an RFP to be issued for Contract No. 1295R, Muni Metro Rail Grinding Services – Phase 1 in accordance with Board of Directors Resolution No. 09-191, which delegates, among other things, the authority to issue bid calls to the Director of Transportation. On June 6, 2017, the SFMTA advertised an RFP for Contract No 1295R.

SELECTION PROCESS

On August 31, 2017, the SFMTA received written proposals from the following two firms:

1. Harsco Metro Rail, LLC (Harsco)
2. Loram Maintenance of Way, Inc. (Loram)

Pursuant to the Proposal Evaluation Plan (PEP) that was established prior to the issuance of the RFP, the SFMTA Technical Evaluation Team (TET) evaluated and scored the qualifications and technical aspects of the proposals and found that both Harsco and Loram’s proposals were within the competitive range. As a result, the TET recommended that the Agency enter into negotiations with both proposers to seek Best and Final Offers (BAFO) and evaluate which proposer will provide the best value to the City for this Project.

After extensive negotiations with both proposers, the SFMTA issued a Request for BAFO on January 25, 2019. On March 20, 2019, Loram informed the SFMTA that it had decided to withdraw its proposal from consideration. Harsco submitted a BAFO on March 25, 2019. After further discussion with Harsco on its BAFO, the TET made its final evaluation on October 8, 2019, and determined that Harsco’s proposal provides the best value to the City and recommended the award of this contract to Harsco. Following an examination of the evaluation process, on November 4, 2019, the Executive Committee established to provide oversight and guidance to the TET agreed with the recommendation.

At the time the RFP was advertised, the independent cost estimate (ICE) for the work was \$3,312,800. Harsco’s cost proposal in its BAFO was \$3,244,800 (two percent lower than the ICE), and was determined to be fair and reasonable.

BIDDER’S SAFETY RECORD

In October 2018 (after the advertisement of Contract No. 1295R), the City issued a mandate that all departments that procure construction contracts to require that bidders/proposers demonstrate its health and safety record to qualify for award of a contract. Although Harsco was not required to demonstrate its health and safety record, the SFMTA verified through OSHA that Harsco did not have any “serious,” “willful,” “repeat,” or “serious and willful” health or safety violations/penalties

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in the past three years.

TRANSIT SERVICE IMPACT

The work will be performed during non-revenue hours; therefore, even if the Muni Metro is in service when the work is ready to begin, revenue service will not be impacted.

STAKEHOLDER ENGAGEMENT

The SFMTA's outreach team is developing a plan to place signs and implement other means to inform the public about this work. The outreach team will begin efforts to communicate these impacts and appropriate mitigation measures one week after Notice to Proceed (NTP). Construction equipment will be staged safely inside the tunnel and away from public areas.

ALTERNATIVES CONSIDERED

Rail grinding is a regular maintenance item intended to prolong the life of the rails, which would otherwise be prohibitively expensive to replace. The rail in the subway is in need of this type of maintenance, and the Agency does not have the expertise or the equipment to perform this work with its own forces. The Agency needs to engage a specialized contractor to perform this work. There are no practical alternatives to issuing this contract for rail grinding services.

FUNDING IMPACT

The cost of this project is \$5,782,757, including \$3,244,800 for this contract. This Project is fully funded in the budget for fixed guideway capital projects.

The budget and financial plan for this Project is presented in Enclosure 2.

ENVIRONMENTAL REVIEW

The Project is subject to the California Environmental Quality Act (CEQA). CEQA provides a categorical exemption from environmental review for repair, maintenance, or minor alteration of existing public facilities as defined in Title 14 of the California Code of Regulations Section 15301.

On July 21, 2015, the SFMTA, under authority delegated by the Planning Department, determined (Case Number 2015-009213ENV) that the Project is categorically exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15301.

The proposed action is the Approval Action as defined in S. F. Administrative Code Chapter 31.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco

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and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The SFMTA's Contract Compliance Office (CCO) did not set a Small Business Enterprise (SBE) participation goal for this project due to limited subcontracting opportunities and availability of SBEs. The CCO concurs with the award of this Contract.

The City Attorney's Office has reviewed the calendar item. No other approvals are required.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors award SFMTA Contract No. 1295R, Muni Metro System Rail Grinding Services – Phase 1, to Harsco Metro Rail, LLC (Harsco) to provide rail grinding services for the Muni Metro light rail system within the subway and the Duboce Portal, in the amount of \$3,244,800, and for a term of 548 days to substantial completion.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, San Francisco Municipal Transportation Agency (SFMTA) Contract No. 1295R, Muni Metro System Rail Grinding Services – Phase 1, is part of the SFMTA’s Rail Grinding Program, with a goal of improving transit performance and extending the useful life of existing rails; and,

WHEREAS, The tracks within the Muni Metro Subway are worn due to many years of use, and the implementation of this project is critical to reduce the risk of derailment; and,

WHEREAS, San Francisco’s Administrative Code Section 6.72 authorizes the negotiated procurement of rail grinding services through an RFP, with evaluations based on qualifications, cost, and other criteria stated in the RFP; and,

WHEREAS, On May 26, 2017, the Director of Transportation notified the SFMTA Board of Directors that he had authorized a Request for Proposals (RFP) for Contract No. 1295R in accordance with Resolution No. 09-191, which delegates, among other things, the authority to issue RFPs to the Director of Transportation; and,

WHEREAS, The SFMTA advertised the RFP on June 6, 2017, and on August 31, 2017, received two written proposals, from Harsco Metro Rail, LLC (Harsco) and Loram Maintenance of Way, Inc. (Loram); and,

WHEREAS, After evaluating the two proposals, the SFMTA negotiated extensively with both proposers and sought a best and final offer (BAFO) from both proposers to determine who provided the best value to the SFMTA; and,

WHEREAS, Prior to submitting a BAFO, Loram withdrew its proposal; Harsco submitted a BAFO on March 25, 2019; and,

WHEREAS, A Technical Evaluation Team made up of staff from the SFMTA, as well as an Executive Committee made up of SFMTA managers, recommended Harsco; and,

WHEREAS, On May 25, 2017, the Contract Compliance Office (CCO) determined that there should be no Small Business Enterprise (SBE) participation goal for this project due to limited subcontracting opportunities and availability of SBEs; and,

WHEREAS, The proposed Muni Metro System Rail Grinding Services – Phase 1 project is subject to the California Environmental Quality Act (CEQA); CEQA provides a categorical exemption from environmental review for repair, maintenance, or minor alteration of existing public facilities as defined in Title 14 of the California Code of Regulations Section 15301; and,

WHEREAS, On July 21, 2015, the SFMTA, under authority delegated by the Planning Department, determined (Case Number 2015-009213ENV) that the proposed Muni Metro System Rail Grinding Services – Phase 1 project is categorically exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15301; and,

WHEREAS, The proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; and,

WHEREAS, Funding for the construction services under this contract comes from Federal Transportation Administration Fixed Guideway grants, Metropolitan Transportation Commission Regional Fund and Proposition K sales tax funds; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors awards SFMTA Contract No. 1295R, Muni Metro System Rail Grinding Services – Phase 1 to Harsco Metro Rail, LLC, to perform rail grinding services inside the Muni subway tunnels and the Duboce Portal, for a total amount not to exceed \$3,244,800, and a term of 548 days to substantial completion.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 21, 2020.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

ENCLOSURE 2

Muni Metro System Rail Grinding Service – Phase 1

San Francisco Municipal Transportation Agency, Contract No. 1295R,

Project Budget and Financial Plan

Cost	Amount
Detail Design Phase Staff Support (SFMTA and Other City Services)	\$600,757
Construction Phase	
Staff Support	\$1,552,000
Construction Contract	\$3,300,000
Contingency	\$330,000
Total Cost	\$5,782,757

Funding	Amount
FTA-5337-FG-FY15	\$4,422,156
MTC-AB664-FY18	\$1,051,405
Prop K	\$309,196
Total Funding	\$5,782,757