

THIS PRINT COVERS CALENDAR ITEM NO.: 10.6

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Central Subway Project

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute Amendment No. 3 to Contract No. 1312, Grant and Cooperative Agreement between the City and County of San Francisco and the Metropolitan Transportation Commission, to retroactively extend the term of the Agreement to November 2, 2024, change staffing assignments, add budgetary changes, and modify the payment schedule, with no change to the overall grant amount.

SUMMARY:

- The Central Subway Project (CSP) was included as part of an effort to replace the SFMTA's technically obsolete fare collection equipment with a modern Clipper®-only fare collection system,
- Staff utilized the Metropolitan Transportation Commission (MTC) Clipper® contract with Cubic to procure additional fare collection equipment to ensure consistency between the Muni Metro subway system and the CSP.
- On March 17, 2015, the SFMTA Board approved Contract No. 1312, Grant and Cooperative Agreement with MTC to procure additional fare collection equipment for the CSP, as well as support services, for an overall grant amount not to exceed \$4,100,000 and a term not to exceed four years.
- On September 1, 2015, Amendment No. 1 was executed to add allowable costs, without an increase to the budget.
- On September 16, 2020, Amendment No. 2 was executed to extend the term to five years, with no increase to the budget.

ENCLOSURES:

1. SFMTA Board Resolution
2. Contract Modification No. 3
3. <https://www.sfmta.com/about-sfmta/reports/central-subway-final-seis-seir> (Central Subway Final SEIS/SEIR and Mitigation Monitoring and Reporting Program)

APPROVALS:

DATE:

DIRECTOR



April 13, 2021

SECRETARY



April 13, 2021

ASSIGNED SFMTAB CALENDAR DATE: April 20, 2021

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PURPOSE

Authorizing the Director of Transportation to execute Amendment No. 3 to Contract No. 1312, Grant and Cooperative Agreement between the City and County of San Francisco and the Metropolitan Transportation Commission, to retroactively extend the term of the Agreement to November 2, 2024, change staffing assignments, add budgetary changes, and modify the payment schedule, with no change to the overall grant amount.

STRATEGIC GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action supports the following SFMTA Strategic Plan Goal and Objectives:

Goal 2 – Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.1: Improve transit service.

Objective 2.2: Enhance and expand use of the city’s sustainable modes of transportation.

Objective 2.3: Manage congestion and parking demand to support the Transit First policy.

Goal 3 – Improve the environment and quality of life in San Francisco.

Objective 3.2: Advance policies and decisions in support of sustainable transportation and land use principles.

Objective 3.5: Achieve financial stability for the agency.

This item will support the following Transit First Policy Principles:

1. Improves the safe and efficient movement of people and goods.
2. Improves public transit as an attractive alternative to travel by private automobile.
8. Allocates transit investments to meet the demand for public transit generated by new public and private commercial and residential developments.
9. Promotes the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.

DESCRIPTION

Background:

The Metropolitan Transportation Commission (MTC) manages a common regional smart card-based fare payment system referred to as Clipper®. In 1999, the MTC approved the assignment of the Clipper® smart card system contract to Cubic Corporation (Cubic). Under the Clipper® contract, Cubic supplies all equipment necessary for the Clipper® fare payment system. This includes all the devices, equipment, and other items necessary for a fare collection system. Currently, Cubic has designed the fare collection system and provided equipment to permit transit patrons to use Clipper® for payment of fares on 13 transportation systems in the Bay Area, including Muni.

On March 17, 2015, the SFMTA Board of Directors approved Contract No. 1312, Grant and Cooperative Agreement with MTC (Agreement), to procure additional fare collection equipment

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for the Central Subway Project, as well as support services, for an overall grant amount not to exceed \$4,100,000 and a term not to exceed four years. The Agreement was intended to distribute SFMTA grant funds to MTC as a subrecipient in order for the MTC to procure fare equipment and support services for the SFMTA to integrate with the Clipper® fare collection system within the Central Subway and to ensure consistency of the fare collection system with the existing Muni Metro Subway.

On September 1, 2015, the City and the MTC approved Amendment No. 1 to the Agreement to account for annual price adjustments to the MTC's contract with Cubic, and to make other, minor changes to the Agreement. Price adjustments are calculated when invoiced, on a per-payment milestone basis. On or about September 1, 2019, the City and the MTC approved Amendment No. 2 to the Agreement to retroactively extend it one year, to September 1, 2020. Neither amendment increased the overall grant amount.

Purpose and Scope of Third Amendment:

The SFMTA wishes to further extend the Agreement, retroactively, to a date of November 2, 2024, and add increases in prevailing wages, with an increase of \$61,341 to the cost of the fare gate procurement, for a baseline project cost subtotal of \$3,671,586 (without price adjustments). As of March 1, 2021, the net cost of annual price adjustments to be invoiced pursuant to Amendment No. 1 is estimated to be \$352,960 (see Exhibit C of Amendment No. 3). With an additional project contingency of \$75,454, the total project cost will not exceed the overall grant amount of \$4,100,000.

STAKEHOLDER ENGAGEMENT

The Central Subway Project team coordinated the logistics and deployment schedule with the Revenue Collection and Sales team.

ALTERNATIVES CONSIDERED

The Amendment is necessary to extend the term of the Agreement due to construction delays. The fare collection equipment has been fabricated; installation is pending site readiness. The installation and integration must be performed by Cubic under its contract with the MTC.

FUNDING IMPACT

This Amendment No. 3 does not increase the budget.

ENVIRONMENTAL REVIEW

The Central Subway Final Supplemental Environmental Impact Statement / Supplemental Environmental Impact Report (Central Subway SEIS/SEIR) evaluated the environmental impacts of the Central Subway project, including construction of the subway stations. On August 7, 2008, the San Francisco Planning Commission certified the Final SEIR (Case No. 1996.281E). On August 19, 2008, the SFMTA Board of Directors approved Resolution 08-150 adopting Central Subway Project Alternative 3B as the Locally Preferred Alternative, the California Environmental Quality Act (CEQA) Findings, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Plan.

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Amendment No. 3 to the Grant and Cooperative Agreement between the City and County of San Francisco and the Metropolitan Transportation Commission, as described herein, falls within the scope of the Central Subway SEIS/SEIR.

The Central Subway SEIS/SEIR is on file with the SFMTA Board of Directors and may be found in the records of the Planning Department at <https://sfplanning.org/> and 49 South Van Ness Avenue, Suite 1400 in San Francisco, and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

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

RECOMMENDATION

Staff recommends that the SFMTA Board authorize the Director of Transportation to execute Amendment No. 3 to Contract No. 1312, Grant and Cooperative Agreement between the City and County of San Francisco and the Metropolitan Transportation Commission, to retroactively extend the term of the Agreement to November 2, 2024, change staffing assignments, add budgetary changes, and modify the payment schedule, with no change to the overall grant amount.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) will require new fare gates and ticket vending machines for the Central Subway Project (CSP), which is Phase 2 of the Third Street Light Rail Transit Project; and

WHEREAS, The Metropolitan Transportation Commission (MTC) manages a common regional smart card-based fare payment system known as Clipper[®]; and

WHEREAS, The MTC contracts with Cubic Transportation Systems, Inc. (Cubic) to design, build, operate and maintain the Clipper[®] system; and

WHEREAS, To ensure consistent fare collection within the existing Muni Metro subway, the above-ground Muni system, and the CSP, and because of its commitment to be part of the Clipper[®] system, the SFMTA must procure Clipper[®] equipment; and

WHEREAS, On March 17, 2015, the SFMTA Board of Directors approved Contract No. 1312, a Grant and Cooperative Agreement with MTC (Agreement), to procure additional Clipper[®] -only fare collection equipment for the CSP, as well as technical support services, for an overall grant amount not to exceed \$4,100,000 and a term not to exceed four years; and

WHEREAS, Under the Agreement, the price of the equipment is \$3,550,507, \$180,000 is reserved to cover MTC staff costs, and there is a contingency of 10 percent to cover annual price adjustments until delivery of the equipment, for an overall grant amount not to exceed \$4,100,000; and

WHEREAS, On or about September 1, 2015, the City and the MTC approved Amendment No. 1 to the Agreement to account for annual price adjustments to the MTC's contract with Cubic, and to make other, minor changes to the Agreement, but with no change to the overall grant amount; and

WHEREAS, On or about September 1, 2019, the City and the MTC approved Amendment No. 2 to the Agreement to retroactively extend it one year, to September 1, 2020, with no change to the overall grant amount; and

WHEREAS, The Central Subway Final Supplemental Environmental Impact Statement / Supplemental Environmental Impact Report (Central Subway SEIS/SEIR) evaluated the environmental impacts of the Central Subway Project, including construction of the subway tunnels; on August 7, 2008, the San Francisco Planning Commission certified the Final SEIR (Case No. 1996.281E). On August 19, 2008, the SFMTA Board of Directors approved Resolution 08-150, adopting Central Subway Project Alternative 3B as the Locally Preferred Alternative, the CEQA Findings, the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Plan; and

WHEREAS, The proposed Amendment No. 3, as described above, falls within the scope of the Final SEIS/SEIR; and

WHEREAS, The environmental review determination is on file with the SFMTA Board of Directors, and may be found in the records of the Planning Department at 49 South Van Ness Avenue, Suite 1400 in San Francisco, and is incorporated herein by reference; and

WHEREAS, The funding for the Agreement is from federal, state and local sources; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors has reviewed and considered the Central Subway Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report and record as a whole, and finds that the Central Subway Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report is adequate for the Board's use as the decision-making body for the actions taken herein relative to construction of the Project, and incorporates the California Environmental Quality Act findings by this reference as though set forth in this Resolution; and be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute Amendment No. 3 to Contract No. 1312, Grant and Cooperative Agreement between the Metropolitan Transportation Commission and the City and County of San Francisco, to retroactively extend the term of the Agreement to November 2, 2024, change staffing assignments, add budgetary changes, and modify the payment schedule, with no change to the overall grant amount; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to make such clarifications to and modifications of the contracts here presented (including without limitation, the exhibits) that the Director of Transportation determines, in consultation with the City Attorney, are in the best interests of the City, do not increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Agreement or this Resolution, and are in compliance with all applicable laws, including the City's Charter.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 20, 2021.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave. 7th floor
San Francisco, California 94103**

**Amendment No. 3 to
Grant and Cooperative Agreement
between the City and County of San Francisco and
the Metropolitan Transportation Commission**

SFMTA Contract No. 1312

This Amendment No. 3 to Agreement is made effective as of the 1st day of September, 2020, in the City and County of San Francisco, State of California, by and between: the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency (City or SFMTA), and the Metropolitan Transportation Commission (MTC).

Recitals

- A. On or about March 17, 2015, the SFMTA Board of Directors approved a Grant and Cooperative Agreement (the Agreement) between the City and MTC for the procurement, using grant funds supplied by the Federal Transit Administration, of fare gates for the Central Subway Project (CSP). The fare gates are being supplied by Cubic Transportation Systems, Inc. (Cubic), under a contract with MTC. The term of the Agreement was for four years from September 1, 2015 (Effective Date), and the total amount of grant funds allotted for the CSP fare gate procurement was \$4,100,000).
- B. In 2015, the City and the MTC approved Amendment No. 1 to the Agreement to account for annual price adjustments to MTC's contract with Cubic, and to make other, minor changes to the Agreement. Price adjustments are calculated when invoiced, on a per-payment milestone basis, as explained in Exhibit C.
- C. On or about September 1, 2019, the City and the MTC approved Amendment No. 2 to the Agreement to retroactively extend it one year, to September 1, 2020.
- D. The City and the SFMTA wish to further extend the Agreement, retroactively, and add increases in prevailing wages, with an increase of \$61,341 to the cost of the fare gate procurement, for a baseline project cost subtotal of \$3,671,586 (without price adjustments), (see Exhibit C).
- E. As of March 1, 2021, the net cost of annual price adjustments to be invoiced pursuant to Amendment No. 1 is estimated to be \$352,960 (see Exhibit C). With an additional project contingency of \$75,454, the total project cost will not exceed \$4,100,000.

Now, therefore, the Agreement is amended to read as follows:

1. Section I.A (Term) is amended to read as follows:

A. Term. This Agreement will commence on the Effective Date and will terminate when all Project-related funds from the Project Grant have been disbursed and all FTA reporting requirements have been complied with, but in no event later than November 2, 2024.

- 2. Exhibit B (Key Staff Assignments) is deleted and replaced with a new Exhibit B, attached to this Amendment.
- 3. Exhibit C (Payment Schedule) is deleted and replaced with a new Exhibit C, attached to this Amendment.
- 4. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Agreement.
- 5. Except as set forth above, all provisions of the Agreement shall remain the same.

IN WITNESS WHEREOF, the parties have executed this Agreement on _____.

**City and County of San Francisco
Municipal Transportation Agency**

**METROPOLITAN
TRANSPORTATION
COMMISSION**

By: _____
Jeffrey P. Tumlin
Director of Transportation

By: _____
Therese W. McMillan
Executive Director

SFMTA Board of Directors
Resolution No. _____
Dated: _____

Attest:

Secretary, SFMTA Board

APPROVED AS TO FORM:
DENNIS J. HERRERA, CITY ATTORNEY

APPROVED AS TO FORM:

By: _____
Robin M. Reitzes
Deputy City Attorney

By: _____
Leslie G. Miessner
Senior Counsel
City Supplier Number 0000015211

**EXHIBIT B
KEY STAFF ASSIGNMENTS**

Agency	Staff	Role	Responsibilities
SFMTA	Nadeem Tahir	Program Director	<ul style="list-style-type: none"> • Provides overall project management for all elements of the project scope • Leads day-to-day communications with all parties • Directs Cubic activities • Ensures that all Cubic work is in compliance with the scope of work for the Clipper® Contract • Reviews and approves invoices • Manages schedule
SFMTA	Albert Hoe	Project Controls Project Manager	<ul style="list-style-type: none"> • Ensures compliance with all requirements of the project funding • Provides information and advice to MTC on funding issues
SFMTA	Sanford Pong	Design Oversight Project Manager	<ul style="list-style-type: none"> • Engineering support for equipment procurement and site preparation work Project • Review and approve Cubic submittals • Ensures that all Cubic work is in compliance with the scope of work for the Clipper® contract
SFMTA	David Consalvo	Project Construction Program Manager	<ul style="list-style-type: none"> • Construction management services for SFMTA Central Subway Program
MTC	Eric Davis	MTC Project Manager	<ul style="list-style-type: none"> • MTC staff management • Invoice review • Coordinate with SFMTA Project and Grants Manager • Prepare change order for Cubic • Support MTC contracts management • Support SFMTA Project Manager with ensuring activities are performed in a compliance with the Clipper Contract
MTC	Suzanne Bode	MTC Finance	<ul style="list-style-type: none"> • Finance and billing support • Change order review and approval

**EXHIBIT C
PAYMENT SCHEDULE¹**

Milestone No.	Payment Milestone	Payment Amount	Sales Tax²	Total	Major Requirements
1	Approval of Baseline Schedule	\$152,852	\$0	\$152,852	MTC approval of the Baseline Schedule; submittal of Bond and Approval insurance; coordination with SFMTA; SFMTA review of submittals; submission of quality assurance/quality control program plan.
2	Completion of IIIT	\$196,994	\$1,657	\$198,651	Submission of existing, approved equipment submittals, technical specifications, equipment requirements for SFMTA review, Bill of Materials, technical requirements for SFMTA; MTC approval of IIIT Test Report.
3	Delivery of Equipment	\$759,047	\$68,348	\$827,395	Deliver equipment to SFMTA designated facility; provide delivery of equipment base plates and mounting brackets to SFMTA for site preparation not less than eight months after NTP, the delivery date having been requested by SFMTA at least 30 days prior to delivery; provide installation requirements to SFMTA; provide Network Infrastructure Plans showing the equipment locations including orientation with dimensions to be used by SFMTA for equipment baseplate and mounting bracket installation.
4	Delivery of Spares	\$204,367	\$18,402	\$222,768	Delivery of spare parts to Cubic's location and to SFMTA. Spares

¹ Payments indicated herein are subject to annual price adjustment in accordance with Article 13.6 of the Clipper® Contract.

² The sales tax amount in the Payment Schedule is based on the cost of the taxable labor and equipment multiplied by the sales tax rate in effect at the time of this Amendment. The final amount of the sales tax depends on the actual cost of the taxable labor and equipment at the time of delivery, as the cost may be adjusted under the Clipper® Contract, and the sales tax rate in effect at that time.

Milestone No.	Payment Milestone	Payment Amount	Sales Tax ²	Total	Major Requirements
					may be delivered at different times. Payment will be made for spares after they are delivered to SFMTA or Cubic and accepted by SFMTA.
5	Completion of IIT for Union Square/Market Street Stations	\$651,124	\$58,630	\$709,754	Installation of equipment, IIT testing of the equipment and MTC approval of IIT Test Report for specified location; provide oversight of equipment baseplate and mounting bracket installation by SFMTA; sign-off agreeing that the site preparation work is for Cubic equipment installation; coordinating work with MTC and SFMTA.
5.1	Prevailing Wage Increment 5.1	\$20,447	\$0	\$20,447	Additional lump sum payment for Milestone 5.
6	Completion of IIT for Chinatown Stations	\$651,124	\$58,630	\$709,754	Installation of equipment, IIT testing of the equipment and MTC approval of IIT Test Report for specified location; provide oversight of equipment baseplate and mounting bracket installation by SFMTA; sign-off agreeing that the site preparation work is for Cubic equipment installation; coordinating work with MTC and SFMTA.
6.1	Prevailing Wage Increment 6.1	\$20,447	\$0	\$20,447	Additional lump sum payment for Milestone 6.
7	Completion of IIT for Yerba Buena/Moscone Stations	\$651,124	\$58,630	\$709,754	Installation of equipment, IIT testing of the equipment and MTC approval of IIT Test Report for specified location; provide oversight of equipment baseplate and mounting bracket installation

Milestone No.	Payment Milestone	Payment Amount	Sales Tax ²	Total	Major Requirements
					by SFMTA; sign-off agreeing that the site preparation work is for Cubic equipment installation; coordinating work with MTC and SFMTA.
7.1	Prevailing Wage Increment 7.1	\$20,447	\$0	\$20,447	Additional lump sum payment for Milestone 7.
8	Final Acceptance	\$79,316	\$0	\$79,316	Submittal of documentation of delivery and MTC Approval of all Documentation (including copies of existing operations manuals); completion of closeout punchlist items; completion of final system integration with existing SFMTA AFC system (IIT Testing), testing and providing final MTC approved test reports.
Baseline Project Cost Subtotal		\$3,407,288	\$264,298	\$3,671,586	

Estimated Price Adjustment ³	\$340,802	\$12,158	\$352,960	Estimated total price adjustment for milestones #1-8, calculated when invoiced on a per-milestone basis
Estimated Total Project Cost	\$3,748,090	\$276,456	\$4,024,546	

Contingency			\$75,454	
Total Not-to-Exceed Project Cost			\$4,100,000	

³ A price adjustment is applied to each payment milestone (1-8) and is calculated at the time of invoicing. This estimate is based on the approved price adjustment through Fiscal Year 18/19 and the estimated price adjustment for Fiscal Years 19/20 through 21/22, in accordance with Clipper contract terms.