

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.8**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Transit Services

**BRIEF DESCRIPTION:**

Authorizing the Director of Transportation to execute Amendment No. Four to Contract No. APT 591-01 - LRV Doors and Steps Reconditioning and Systems Rehabilitation, with Hitachi Rail USA Inc. (formerly AnsaldoBreda Inc.), to retroactively extend the contract term for one year, to October 18, 2018, with no increase in the total contract amount.

**SUMMARY:**



- On October 29, 2009, the City and Hitachi Rail USA (Contractor) entered into contract No. APT 591-01 for reconditioning the doors and steps and rehabilitating other systems in 143 light rail vehicles (LRVs), for a total contract amount not to exceed \$56,752,554, and for a term of five years.
- There have been three previous contract amendments, cumulatively increasing the contract amount to \$68,749,421, making revisions to the scope of work to be performed, and extending the contract term until October 18, 2017.
- Because of service demands, the SFMTA has only been able to commit a limited number of LRVs to the project at a time. This limited ability to provide LRVs for the project has slowed the production line. This slow down necessitates an Amendment No. Four to extend the contract for one additional year to October 18, 2018.
- A one year, no-cost extension of the contract is the best compromise to provide sufficient LRVs for service needs while at the same time keeping the reconditioning and rehabilitation production line progressing towards completion.

**ENCLOSURES:**

1. SFMTA Board Resolution
2. Contract Amendment

**APPROVALS:**

**DATE**

DIRECTOR		1/8/2018
SECRETARY		1/8/2018

**ASSIGNED SFMTAB CALENDAR DATE:** January 16, 2018

## **PURPOSE**

The purpose of this calendar item is to request authorization for the Director of Transportation to execute Amendment No. Four to Contract No. APT 591-01 - LRV Doors and Steps Reconditioning and Systems Rehabilitation with Hitachi Rail USA, to retroactively extend the contract term for one year, to October 18, 2018.

## **STRATEGIC PLAN GOALS AND TRANSIT FIRST PRINCIPLES**

The goal of this amendment is to increase equipment availability and reliability in order to meet the following goals and objectives of the SFMTA's Strategic Plan:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel.

Objective 2.1: Improve customer service and communications.

Objective 2.3: Increase use of all non-private auto modes.

Objective 3.2: Increase the transportation system's positive impact to the economy.

This amendment helps fulfill item 2 of the Transit First Principles:

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 operates a fleet of 149 light rail vehicles originally manufactured by AnsaldoBreda (now known as Hitachi Rail USA). These LRVs were phased into service starting in 1997, and after many miles of service, required reconditioning and rehabilitation work.

On May 6, 2009, the SFMTA issued a Request for Proposals (RFP) for contract No. APT 591-01, LRV Doors and Steps Reconditioning and Systems Rehabilitation. Only Hitachi Rail USA, the manufacturer of SFMTA's LRV fleet, responded.

On September 15, 2009, the SFMTA Board of Directors adopted Resolution No. 09-173, which authorized execution of the contract with AnsaldoBreda, for a total amount not to exceed \$56,752,554, and for a term not to exceed five years. On October 29, 2009, the Board of Supervisors adopted Resolution No. 403-09, approving the contract. The SFMTA issued a notice to proceed with the contract on November 16, 2009.

On June 2, 2010, the parties entered into Amendment No. One to the contract, to include rehabilitation for trucks (the large metal frames that the wheels and motors are attached to) of 34 LRVs at a cost of \$11,996,867, increasing the total contract amount to \$68,749,421 and extending the term of the contract by one year to November 16, 2015. The SFMTA Board approved Amendment No. One on April 6, 2010 by Resolution No. 10-042. The Board of Supervisors approved the Amendment when it adopted Resolution No. 250-10 on May 25, 2010.

On October 23, 2014, the parties entered into Amendment No. Two to the contract. The amendment removed rehabilitation of the doors and steps and air supply unit from the scope of work and shifted the funds to rehabilitate 41 carsets (three trucks make up one carset) of trucks and extended the term of the contract to October 18, 2016. At that time, maintenance records showed that rehabilitation of the doors and steps and the air supply units did not significantly improve the reliability of those systems. The Amendment increased the contract by \$5,900,193, and also added three options for rehabilitation of up to 71 additional trucks, for a maximum total contract amount, including all options, of \$104,263,354. The SFMTA Board approved Amendment No. Two on August 19, 2014 by Resolution No. 14-134. The Board of Supervisors approved the Amendment when it adopted Resolution No. 382-14 on October 7, 2014.

On March 31, 2017, City and Contractor entered into Amendment No. Three to:

- remove the unused options from the contract;
- extend the base term of the contract by 12 months to October 18, 2017;
- reallocate funding from the termination costs for the doors and air supply units to the allowance for unforeseen mechanical conditions; and
- clarify the SFMTA's discretion to determine how many LRVs to supply to the contractor at any given time for the project.

The SFMTA Board approved Amendment Three on March 21, 2017 by Resolution No. 170321-032. Amendment Three did not require approval by the Board of Supervisors.

### **Current Amendment**

Service demands have limited the SFMTA's ability to take a sufficient number of LRVs out of service at any given time in order to complete the project by the contract termination date of October 18, 2017. As of November 9, 2017, there are still four LRVs that have not started the reconditioning and rehabilitation process and two currently in progress.

A one year, no-cost extension of the contract is the best compromise to provide sufficient LRVs for service needs while at the same time keeping the reconditioning and rehabilitation production line progressing towards completion.

A contract Small Business Enterprise (SBE) goal of 7% has been met through the use of SBE subcontractors. The 7% requirement still applies through the one year time extension.

### **STAKEHOLDER ENGAGEMENT**

No specific stakeholder outreach was done; however, this Amendment allows for the proper completion of an LRV maintenance process necessary to provide reliable service for the SFMTA's riders (stakeholders).

### **ALTERNATIVES CONSIDERED**

The SFMTA could have provided additional LRVs for the rehabilitation and reconditioning efforts, but this would have hampered the SFMTA's ability to provide service.

**FUNDING IMPACT**

There is no additional funding impact created by this amendment.

**ENVIRONMENTAL REVIEW**

On October 2, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the “Extension for contract CPT591 - Light Rail Vehicle Doors and Steps Reconditioning and Systems Rehabilitation” is not a “project” under the California Environmental Quality Act (CEQA), as defined in Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The City Attorney's Office has reviewed this calendar item.

**RECOMMENDATION**

Staff recommends that the SFMTA Board authorize the Director of Transportation to execute Amendment Four to Contract No. APT 591-01, LRV Doors and Steps Reconditioning and Systems Rehabilitation, with Hitachi Rail USA Inc. to retroactively extend the contract term for one year, to October 18, 2018, with no increase in the total contract amount.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, On October 29, 2009, the City and Hitachi Rail USA Inc (formerly known as AnsaldoBreda Inc.) (Contractor) entered into Contract No. APT 591-01 for reconditioning the doors and steps and rehabilitating other systems in 143 of SFMTA's light rail vehicles (LRVs), for a total amount not to exceed \$56,752,554, and a term not to exceed five years; and

WHEREAS, On June 2, 2010, the City and Contractor entered into Amendment No. One, to perform a complete rehabilitation of the trucks of 34 LRVs for \$11,996,867, for a total contract amount not to exceed \$68,749,421, and to extend the term of the contract from five years to six years; and

WHEREAS, On October 23, 2014, the parties entered into Amendment No. Two, to remove the doors and steps and air supply unit rehabilitation from the scope of work, to shift the funds to rehabilitate 41 carsets of trucks, and to extend the term of the contract to October 18, 2016; and

WHEREAS, On March 31, 2017, the parties entered into Amendment No. Three to remove the unused options from the contract, extend the term of the contract by 12 months to October 18, 2017, reallocate funding from the termination costs for the doors and air supply units to the allowance for unforeseen mechanical conditions, and clarify the SFMTA's discretion to determine how many LRVs to supply to the contractor at any one time for the project; and

WHEREAS, Service demands have limited the number of cars that can be dedicated at any given time to reconditioning and rehabilitation without compromising service, and this limitation has prevented the completion of the project by October 18, 2017; therefore, it is necessary to extend the term of the contract until October 18, 2018, in order to complete all of the work; and

WHEREAS, On October 2, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the "Extension for Contract CPT591 - Light Rail Vehicle Doors and Steps Reconditioning and Systems Rehabilitation" is not a "project" under the California Environmental Quality Act (CEQA), as defined in Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute Amendment No. Four to Contract No. APT 591-01 – LRV Doors and Steps Reconditioning and Systems Rehabilitation, with Hitachi Rail USA Inc., to retroactively extend the contract term for one year, to October 18, 2018, with no increase in the total contract amount.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of January 16, 2018.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

**City and County of San Francisco  
Municipal Transportation Agency  
One South Van Ness 7<sup>th</sup> Floor  
San Francisco, California 94107**

**Amendment Four to  
Agreement between the City and County of San Francisco and  
Hitachi Rail USA (formerly AnsaldoBreda Inc.)  
LRV Doors and Steps Reconditioning and Systems Rehabilitation**

This Amendment is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017, in the City and County of San Francisco, State of California, by and between: Hitachi Rail USA, formerly known as AnsaldoBreda Inc, a Delaware corporation ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Municipal Transportation Agency ("SFMTA") (collectively, the "Parties").

**Recitals**

On or about October 29, 2009, City and Contractor entered into Contract No. APT 591-01 for reconditioning the doors and steps and rehabilitating systems in 143 of SFMTA's light rail vehicles ("Contract" or "Agreement").

On June 2, 2010, City and Contractor entered into Amendment One to the Agreement to rehabilitate 34 car sets of trucks.

On October 23, 2014, City and Contractor entered into Amendment Two to the Agreement, to: (i) remove the doors and steps and air supply unit scope of work from the Contract; (ii) eliminate the maintenance training requirement; (iii) alter the spare parts requirements; (iv) rehabilitate 41 additional car sets of trucks, with options for up to 71 more; and (v) extend the term of the Contract by 11 months to allow for extra work and procurement of parts required to perform the work.

On March 31, 2017, City and Contractor entered into Amendment Three to (i) remove the unused options from the Contract; (ii) extend the base term of the Contract by 12 months to October 18, 2017, (iii) reallocate funding from the termination costs for the doors and air supply units to the allowance for unforeseen mechanical conditions; and (iv) clarify the SFMTA's discretion in determining how many LRVs to supply to the Contractor at any given time for the project.

The Parties now wish to amend the Contract to extend the term of the contract by 12 months, to October 18, 2018.

NOW, THEREFORE, Contractor and the City agree as follows:

- 1. Section 2 of Agreement (Term of the Agreement) is amended to read as follows:**
  - 2. Term of the Agreement**

Subject to Section 1, this Agreement shall commence on the Effective Date and terminate no later than October 18, 2018.

- 2. Exhibit B of the Agreement is deleted and replaced by a new Exhibit B, attached to this Amendment and incorporated by reference as though fully set forth.**

**3.** Contractor acknowledges and agrees that the amounts agreed for the work described above, and/or the extension of time granted herein, with or without cost, shall be full accord and satisfaction for all past, current and prospective costs incurred in connection with Contractor's performance of all work under the contract up to and including the work covered under this Amendment Four, without limitation. Said costs may include, but are not limited to, costs for labor, materials, equipment, disruption, lost productivity, escalation, delay, extended overhead, administration and extended performance time. Contractor releases the City from all claims for which full accord and satisfaction is made, as set forth above.

**4. Effective Date.** Each of the modifications set forth above shall be effective on and after all parties have signed the Amendment.

**5. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

Municipal Transportation Agency

Hitachi Rail USA

\_\_\_\_\_  
Edward D. Reiskin  
Director of Transportation

\_\_\_\_\_  
Gianpaolo Nuonno  
Chief Executive Officer  
1461 Loveridge Road  
Pittsburg, CA 94565

Municipal Transportation Agency  
Board of Directors

City vendor number: 41208

Resolution No. \_\_\_\_\_

Dated: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Roberta Boomer, Secretary

Approved as to Form:

Dennis J. Herrera  
City Attorney

By \_\_\_\_\_  
Robin M. Reitzes  
Deputy City Attorney

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**EXHIBIT B**  
**PROJECT DELIVERY SCHEDULE**

**Delivery of 143 Rehabilitated Light Rail Vehicles and Associated Deliverables**

<b>DELIVERY MILESTONE</b>	<b>No. of Days</b>	<b>AFTER ORIGINAL NTP</b>
a. Acceptance of Management Work Plan, Master Baseline Schedule	+30	30 days
b. Delivery of Pilot LRV ready for acceptance testing no later than	+150	180 days
c. Delivery of successful testing and Conditional Acceptance of the Pilot Car no later than	+30	210 days
d. Completion of successful testing and Conditional Acceptance of Second car	+60	270 days
e. Completion of successful testing and Conditional Acceptance of 143 <sup>rd</sup> car	+2988	3258 days

Milestone requirements are detailed in Section 67 of the Contract and in Section TP01.08 of the Technical Provisions.

Note: 231 working days (*i.e.*, 11 months) have been added to the Schedule for the extra work (transom joint work) and for procurement of parts, including long-lead items, required to perform the work under Amendment Two. Amendment Three adds 12 months to the Contract completion date since the SFMTA has often supplied less than five LRVs to Contractor at any one time. Amendment Four adds an additional 12 months to the Contract, again to account for the limited number of LRVs that can be assigned to the project at any one time. The new completion date for the Contract is October 18, 2018.