

THIS PRINT COVERS CALENDAR ITEM NO. : 13

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Transit Services

BRIEF DESCRIPTION:

Requesting authorization for the Director of Transportation to execute Amendment No. 1 to Contract No. CPT 632 with New Flyer of America Inc., to exercise an option to purchase an additional 33 articulated low floor electric trolley buses and associated spare parts, training, manuals and special tools, for an additional amount of \$55,498,285, and a total contract amount not to exceed \$150,448,729, with no change to the term of the contract.

SUMMARY:

- On December 6, 2013, the City entered into a Bus Options Assignment Agreement with King County, Washington and New Flyer of America, Inc. (Assignment Agreement), under which King County assigned to the City the right to purchase from New Flyer up to 240 40-foot electric trolley buses and 93 60-foot electric trolley buses from the options available under King County's Bus Procurement Contract with New Flyer.
- On February 26, 2014, the City entered into Contract No. CPT 632 (Agreement) with New Flyer to purchase 60 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools in an amount not to exceed \$94,950,444.
- The Agreement gives the City the option to acquire up to 33 additional 60-foot electric trolley buses and up to 240 40-foot electric trolleys buses at various points during life of the Bus Procurement Contract, subject to securing adequate funding.

ENCLOSURES:

1. SFMTA Board Resolution
2. Amendment No. 1

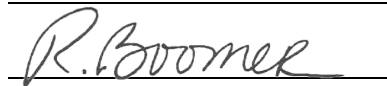
APPROVALS:

DATE

DIRECTOR

5/11/16

SECRETARY



5/11/16

ASSIGNED SFMTAB CALENDAR DATE: May 17, 2016

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PURPOSE:

The purpose of this calendar item is to authorize the Director of Transportation to execute Amendment No. 1 to Contract No. CPT 632 with New Flyer of America Inc., to purchase an additional 33 articulated low floor electric trolley buses and associated spare parts, training, manuals and special tools, for an additional amount of \$55,498,285, and a total contract amount not to exceed \$150,448,729, with no change to the term of the contract.

GOAL:

The goal of this project is to improve equipment availability and reliability in order to meet the following goal and objective of the SFMTA's Strategic Plan:

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

Objective No. 2.2: Improve transit performance

DESCRIPTION:

The SFMTA is in the process of replacing its fleet of trolley buses, including 60 foot articulated trolleys. The buses being replaced have been in service since 1994 and are now well past their useful life of 15 years. In 2013, the SFMTA exercised its authority under the San Francisco Administrative Code to utilize the competitive procurement processes of another public agency to purchase commodities where the SFMTA determines that the other agency's procurement process is competitive and use of the other agency's procurement process would be in the City's best interests. On December 6, 2013, the City entered into a Bus Options Assignment Agreement with King County, Washington (King County) and New Flyer, under which King County assigned to the City the right to purchase from New Flyer up to a total of 240 40-foot electric trolley buses and 93 60-foot electric trolley buses from the options available under the Bus Procurement Contract.

After negotiating minor changes to the buses specific to the needs of the SFMTA, the City entered into Contract No. CPT 632 with New Flyer (Agreement) to purchase 60 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools on February 26, 2014. The Agreement also includes options for the City to acquire up to 33 additional 60-foot electric trolley buses and up to 240 40-foot electric trolleys buses at various points during life of the Bus Procurement Contract. The Agreement was authorized by the SFMTA Board of Directors on June 4, 2013, and the Board of Supervisors adopted a resolution approving the Agreement on January 28, 2014. Notice to Proceed under the Agreement was issued on March 11, 2014.

The SFMTA now seeks to exercise an option under the Agreement to purchase additional 33 60 foot articulated electric trolley buses and associated spare parts, training, manuals and special tools.

PUBLIC OUTREACH

Public Outreach is not needed for this contract modification. However, SFMTA did reach out to

various SFMTA’s stake holders, including Transit Operations, Vehicle Maintenance, ADA accessible group and Service Planning, during the base contract to discuss specific issues with vehicle configurations and the delivery schedule.

ALTERNATIVES CONSIDERED:

The alternative to exercising this option would be to rehabilitate the existing fleet to extend the lives of these buses. However, extending the lives of the existing buses would mean that the majority of SFMTA’s electric trolley fleet will continue to be high floor design and will not be able to take advantage of the low floor design which improves the passenger flow and speeds up boarding and alight time. Also, patrons would not be able to avail themselves of features such as the newly configured wheelchair securement and new stroller storage space which the older fleet does not have.

In view of the above, the best alternative available to the SFMTA is to purchase additional new electric trolley buses to continue replacement of its fleet of old trolley buses.

FUNDING IMPACT:

The purchase of the option vehicles under this Amendment will be funded through grants from the Federal Transit Administration and additional General Fund appropriation authorized under Proposition B, which was approved by the voters in November 2014.

A budget of \$58,187,900 has been allocated to fund this procurement, and sources for the funds have all been identified. The budget includes the cost of the buses, capital spares, training, manuals, special tools, and taxes, project engineering, maintenance support and consultant support.

This Amendment will increase the contract amount by \$55,498,285, for a total contract amount of \$150,448,729. Following is the detailed project budget:

New Flyer Amendment No. 1	Cost
Vehicles (33 60-ft electric trolley buses)	\$ 48,985,133
Tools & Diagnostics	\$ 1,000,000
Training & Manual	\$ 1,128,232
Tax (8.75%)	\$ 4,384,920
Subtotal New Flyer Contract Amendment No. 1	\$ 55,498,285

Other Associated Cost Items Amendment No. 1	Cost
Warranty support	\$ 554,143
Project support (SFMTA staff, Other Direct Cost)	\$ 1,835,512
Consultant Support and Vehicle Inspection at Plant	\$ 299,960
Subtotal Other Associated Cost Items Amendment No. 1	\$ 2,689,615
Total Cost Amendment No. 1	\$ 58,187,900

Total Project Cost Summary	Cost
Base Order Amount	\$ 94,950,444
Base Order Other Associated Cost Items	\$ 10,205,562
Amendment No. 1 Contract Amount	\$ 55,498,285
Amendment No. 1 Other Associated Cost Item	\$ 2,689,615
Total Project Amount	\$ 163,343,906

Amendment No. 1 will be funded by FTA Section 5307 funds and Proposition K Sales Taxes as detailed below.

Financial Plan

Project Funding Source	Amount
Federal Grant	\$46,550,320
Proposition K Sales Tax	\$11,637,580
Other Local Funds	\$ N/A
Total Funding for Amendment No. 1	\$58,187,900

ENVIRONMENT REVIEW

On April 21, 2016, the SFMTA, under authority delegated by the Planning Department, determined that Amendment No. 1 to Contract No. CPT 632 is not a “project” under the California Environmental Quality Act (CEQA) as defined in CEQA Guidelines Sections 15060(c) and 15378(b) because the actions would not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

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.

The contract amendment will also require approval from the Board of Supervisors.

RECOMMENDATION:

Staff recommends that the SFMTA Board authorize the Director of Transportation to execute Amendment No. 1 to Contract No. CPT 632 with New Flyer of America Inc., to exercise an option to purchase an additional 33 articulated low floor electric trolley buses and associated spare parts, training, manuals and special tools, for an additional amount of \$55,498,285, and a total contract amount not to exceed \$150,448,729, with no change to the term of the contract.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, the SFMTA's fleet of electric trolley buses includes 60 foot articulated trolley buses that have been in service since 1994, well past their useful life of 15 years; and,

WHEREAS, Under Administrative Code Section 21.16, the SFMTA is authorized to utilize the competitive procurement process of another public agency to make purchase of commodities for the use of the City under the terms established in that agency's competitive procurement process and as agreed upon by the City and the procuring agency; and

WHEREAS, On December 6, 2013, the City entered into a Bus Options Assignment Agreement with King County, Washington and New Flyer of America (Assignment Agreement), under which King County assigned to the City the right to purchase from New Flyer up to 240 40-foot electric trolley buses and 93 60-foot electric trolley buses from options available under a bus procurement contract that King County had previously entered into with New Flyer; and,

WHEREAS, On February 26, 2014, the City entered into Contract No. CPT 632 with New Flyer to purchase 60 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools under the terms and conditions of the Agreement; and,

WHEREAS, The Agreement includes options to purchase an additional 33 60-foot electric trolley buses and up to 240 40-foot electric trolleys buses over the next six years should funding be identified; and,

WHEREAS, The SFMTA now wishes to amend the Agreement to exercise the option to purchase 33 articulated 60 foot electric trolley buses and associated spare parts, training, manuals and special tools; and

WHEREAS, This Amendment No.1 will be funded by a combination of federal formula funds and local matching funds; and

WHEREAS, On April 21, 2016, the SFMTA, under authority delegated by the Planning Department, determined that Amendment No. 1 to Contract No. CPT 632 is not a "project" under the California Environmental Quality Act (CEQA) Guidelines Sections 15060(c) and 15378(b) because the actions would not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment; now therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute Amendment No. 1 to Contract No. CPT 632 with New Flyer of America Inc., to exercise the option to purchase an additional 33 articulated low floor electric trolley buses and associated spare parts, training, manuals and special tools, for an additional

amount of \$55,498,285, and a total contract amount not to exceed \$150,448,729, with no change to the term of the contract; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors commends Amendment No. 1 to the Board of Supervisors for its review and approval.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of May 17, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Amendment No. 1
to
Agreement between
the City and County of San Francisco
and
New Flyer of America Inc.
for the Procurement of Trolley Buses
through Assignment from King County, Washington
Contract No. CPT 632
CCO No. 12-1206

This Amendment No. 1 is made and effective this _____ day of _____, 2016, in the City and County of San Francisco, State of California, by and between: New Flyer of America Inc., a North Dakota corporation, 711 Kernaghan Avenue, Winnipeg, Manitoba, Canada R2C 3T4 (“Contractor” or “New Flyer”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its San Francisco Municipal Transportation Agency (“SFMTA”).

Recitals

- A. King County, a home rule charter county and political subdivision of the State of Washington, by and through its Department of Transportation, Metro Transit Division, entered into a contract with New Flyer, identified as ETB 12-1 (“Manufacture and Delivery of 40 Foot and 60 Foot Articulated Heavy Duty Low Floor Electric Trolley Buses”), for the procurement of electric trolley buses (the “Bus Procurement Contract”).
- B. Section A1 .01 of the Bus Procurement Contract established a base quantity of up to 500 buses to be potentially purchased by King County over a five-year period and an option quantity of up to an additional 200 buses. Section B2.19 of the Bus Procurement Contract authorizes King County to assign to another transit property or governmental entity part or all of the option quantity of buses.
- C. Under the authority of Administrative Code Section 21.16, on December 6, 2013, the City entered into a Bus Options Assignment Agreement with King County and New Flyer (Assignment Agreement), under which King County assigned to the City the right to purchase from New Flyer up to 240 40-foot electric trolley buses and 93 60-foot electric trolley buses from the options available under the Bus Procurement Contract.
- D. On February 26, 2014, the City entered into Contract No. CPT 632 with New Flyer (the Agreement) to purchase 60 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools under the terms and conditions of the Agreement.

E. The Agreement allows the City to acquire up to 33 additional 60-foot electric trolley buses and up to 240 40-foot electric trolleys buses at various points during life of the Bus Procurement Contract, subject to securing adequate funding.

F. City now wishes to exercise the option to purchase 33 60-foot electric trolley buses and associated spare parts, training, manuals and special tools from New Flyer under the terms set forth in this Amendment.

Now, THEREFORE, the parties agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

1a. Agreement. The term "Agreement" shall mean the Agreement dated February 26, 2014, between Contractor and City.

1b. Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is modified as follows:

2a. Section 1.Q. B7.02.01 (Agreement) is replaced in its entirety to read as follows:

B7.02.01 Agreement.

Under this Agreement, Contractor agrees to sell, and the City agrees to purchase, 60 new articulated low floor trolley buses, associated spare parts, training, manuals, and special tools, as itemized in Exhibit B-1 (Schedule of Prices) for the base Contract, and 33 new articulated low floor trolley buses, associated spare parts, training, manuals, and special tools, as itemized in Exhibit B-2 (Schedule of Prices) for the Contract Amendment 1, according to the terms and conditions set forth in this Agreement. Exhibit A sets forth the changes from the Contractor's Proposal to King County and the respective price differentials of those changes.

2b. Section 1.Q. B7.02.02.01 (Amount) is replaced in its entirety to read as follows:

B7.02.02.01 Amount.

The City agrees to pay an amount not to exceed One Hundred Fifty Million, Four Hundred Forty-Eight Thousand, Seven Hundred Twenty-Nine Dollars (\$150,448,729) (the "Total Contract Amount"), as summarized in Exhibit B (Schedule of Prices), and in accordance with the terms and conditions of this Agreement. The Total Contract Amount includes an allowance of \$3,000,000 for spare parts. The parties will amend this Agreement to include a final list of spare parts to be supplied under the Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement and has not remedied such default within a reasonable period of time. In no event shall City be liable for interest or late charges for any late payments.

2c. Section 1, Q. B7.02.02.02 (Invoices) is replaced in its entirety to read as follows:

B7.02.02.02 Invoices

San Francisco Municipal Transportation Agency
Fleet Engineering Section
Attn: Gary Chang, P.E.
Project Manager

700 Pennsylvania Avenue
San Francisco, CA 94107

Each invoice shall include:

- Relevant milestones
- Contract order number;
- Quantity of items;
- Description of items;
- Unit price;
- Total invoice amount;
- Sales Tax (separately itemized)

Within thirty (30) days after receipt of an approved invoice, the City will pay the Contractor pursuant to its invoice as adjusted according to additions the Payment Schedule below and to charges by the City under the Contract. Funds withheld and processed pursuant to these provisions shall not give rise to any rights in the Contractor for additional payments because funds were not received within thirty (30) days after Acceptance of each bus. Amounts withheld from earlier payments that become releasable according to the Contract Documents will be paid within thirty (30) days after the date the amounts become releasable.

2d. Section 2 amended by adding Section H to read as follows:

H. Consideration of Criminal History in Hiring and Employment Decisions.

- (1) Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of Contractor’s obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.
- (2) The requirements of Chapter 12T shall only apply to a Contractor’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

2e. Exhibit B is deleted and replaced with a new Exhibit B, attached to this Amendment and incorporated by reference as though fully set forth.

2f. Exhibit B-1, attached to this Amendment is added and incorporated by reference as though fully set forth.

2g. Exhibit B-2, attached to this Amendment is added and incorporated by reference as though fully set forth.

2h. Exhibit C is deleted and replaced with a new Exhibit C, attached to this Amendment and incorporated by reference as though fully set forth.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. 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

San Francisco Municipal Transportation Agency

New Flyer of America Inc.

Edward D. Reiskin
Director of Transportation

Paul Smith
Executive Vice President, Sales and Marketing

Approved as to Form:

Dennis J. Herrera
City Attorney

David White
Executive Vice President, Supply Management

By _____
David A. Greenburg
Deputy City Attorney

711 Kernaghan Avenue
Winnipeg, Manitoba,
Canada R2C 3T4

San Francisco Municipal Transportation Agency

Board of Directors

City vendor number: 49642

Resolution No. _____

Dated: _____

Attest:

Secretary, SFMTA Board of Directors

Board of Supervisors

Resolution No. _____

Dated: _____

Attest:

Clerk of the Board

Exhibits:

Exhibit B, B-1, B-2, C

EXHIBIT B
SCHEDULE OF PRICES

Description	Contract Amount
CPT-632 Base Contract Reference Exhibit B-1	\$94,950,444
CPT-632 Amendment 1 Reference Exhibit B-2	\$55,498,285
Grand Total	\$150,448,729

**EXHIBIT B-1
SCHEDULE OF PRICES FOR BASE CONTRACT**

Line No.	Description	Parts & Labor	Sales Tax	Total	Quantity	Extended Price (See Note 1)
1	Low Floor 60-Ft Articulated Trolley Pilot Coach	\$1,374,652.90	\$114,489.73	\$1,489,142.63	1	\$1,489,143
2	Low Floor 60-Ft Articulated Trolley Coaches	\$1,374,652.90	\$114,489.73	\$1,489,142.63	59	\$87,859,415
3	Spare Parts	\$3,000,000	\$262,500	\$3,262,500	LS	\$3,262,500
4	Training	\$456,558.80	0	\$456,558.80	LS	\$456,559
5.	Operating, Maintenance and Parts Manuals	\$128,231.94	\$11,220.29	\$139,452.23	LS	\$139,452
6.	Special Tools	\$1,200,504.00	\$105,044.10	\$1,305,548.10	LS	\$1,305,548
7.	Harris/ACS/Radio System (See Note 1)	\$6,710.00	\$587.13	\$7297.13	60	\$437,828

Note 1: Extended Prices are rounded off to the nearest dollar.

TOTAL	\$94,950,444
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**EXHIBIT B-2
SCHEDULE OF PRICES FOR AMENDMENT 1**

Line No.	Description	Parts & Labor	Sales Tax	Total	Quantity	Extended Price (See Note 1)
1.	Low Floor 60-Ft Articulated Trolley Coaches	\$1,476,200.85	\$129,167.57	\$1,605,368.42	33	\$52,977,158
2.	NOT USED	N/A	N/A	N/A	N/A	N/A
3.	Spare Parts	\$0.00	\$0	\$0	LS	\$0.00
4.	Training	\$1,000,000.00	0	\$1,000,000.00	LS	\$1,000,000
5.	Operating, Maintenance and Parts Manuals	\$128,231.94	\$11,220.29	\$139,452.23	LS	\$139,452
6.	Special Tools	\$1,000,000.00	\$87,500.00	\$1,087,500.00	LS	\$1,087,500
7.	Harris/ACS/Radio System	\$8,197.12	\$717.25	\$8,914.37	33	\$294,175

Note 1: Extended Prices are rounded off to the nearest dollar.

TOTAL	\$55,498,285
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EXHIBIT C

DELIVERY SCHEDULE

Contractor shall complete the items indicated below before the time periods listed have elapsed.

Item	Calendar Days after Notice-to-Proceed	
1	Submittal of Baseline Schedule and Management Work Plan	175
2	Submittal of vehicle drawings and test plans	259
3	Submittal of training program (including lesson plans)	350
4	Delivery of prototype coach ¹	428
5	Submittal of draft operations, maintenance, parts manuals, recommended spare parts	428
6	Approval of Prototype Coach (estimated)	518

Item	Calendar Days after Approval of Prototype	
7	Delivery of 1 st production coach ² (Lot1) ³	107
8	Delivery of first half of spare parts (Lot 1)	100
9	Delivery of second half of spare parts (Lot 2)	200
10	Completion of training program	300
11	Delivery of final operations, maintenance, and parts manual	100
12	Delivery of special tools	100
13	Delivery of Last Production Coach (Lot1) ³	220
14	Delivery of 1st Production Coach (Lot 2) ⁴	240
15	Delivery of Last Production Coach (Lot 2) ⁴	360
16	Delivery of Last Production Coach (Lot3) ⁵	991

¹ Approval to deliver prototype will not be granted until after receipt and approval of all vehicle drawings, control and test plans.

² Approval to deliver production vehicles will not be granted until after submittal of a satisfactory training plan; draft operations, maintenance and parts manuals, and recommended spare parts lists.

³ Lot 1 shall include production coach numbers 1 through 30.

⁴ Lot 2 shall include production coach numbers 31 through 60.

⁵ Lot 3 shall include production coach numbers 61 through 93.