

MOTION NO. M2017-50

Contract Amendment for 30 Additional Light Rail Vehicles and Spare Parts

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	4/13/2017	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	4/27/2017	Final Action	Tracy Reed, Executive Project Director OMF-East/LRV

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract amendment with Siemens Industry, Inc. to exercise options for 30 additional Light Rail Vehicles and additional spare parts in the amount of \$124,236,840, with a 6% contingency of \$7,400,000, totaling \$131,636,840, for a new total authorized contract amount not to exceed \$685,491,565.

KEY FEATURES SUMMARY

- The contract amendment with Siemens Industry, Inc. will be used to exercise contract options to procure an additional 30 low-floor light rail vehicles (LRVs) and additional spare parts.
- The option for 30 additional LRVs includes management, quality assurance and testing, field support, shipping and insurance, warranty, and a performance bond.
- The vehicle design for the option vehicles will be the same as that approved for the initial 122 LRVs.
- Delivery of the additional 30 LRVs will be no later than 18-months after delivery of the 122 vehicles authorized by the Board under Motion No. M2016-101.
- The total number of vehicles procured under this contract will increase from 122 to 152 LRVs. The increased fleet size will support the Northgate Link, East Link, Lynnwood Link, Redmond, and Federal Way Link Extensions.
- Committing to the order now allows Sound Transit to secure a lower unit price per vehicle than would be available in the contract at a later date.

BACKGROUND

The ST2 Light Rail Vehicle Fleet Expansion project established by Resolution No. R2015-24 provides project management, design, manufacturing, delivery, assembly, inspection, and testing for a procurement of 122 low floor LRVs to meet fleet requirements and support revenue service of all the ST2 light rail expansion projects; and centralized procurement of the LRVs for Northgate Link Extension, Lynnwood Link Extension, and East Link Extension into one project.

In September 2016, under Motion No. M2016-101, the Sound Transit Board approved the procurement of 122 vehicles to support revenue service of Northgate Link Extension, Lynnwood Link Extension, and East Link Extension with an option to procure up to an additional 30 LRVs. With the approval for the ST3 Plan in November 2016, an additional 30 LRVs are needed to support the previous three extensions as well as the Redmond and Federal Way Link Extensions.

A separate action is being sought (Resolution No. R2017-15) to amend the ST2 Light Rail Vehicle Fleet Expansion project baseline budget to provide for this increase to a total procurement of 152 LRVs and changes the project name to Light Rail Vehicle Fleet Expansion.

Exercising the option now with Siemens Industry, Inc. allows Sound Transit to receive the same pricing on material and supplies and realize efficiencies for the previously approved 122 LRVs. Storage capacity for the additional 30 LRVs will be provided through end-of-line storage and at Sound Transit's two Operating and Maintenance Facilities.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date: September 20, 2024 (baseline milestone)
 Project scope, schedule and budget summary located in the January 2017 Agency Progress Report.

FISCAL INFORMATION

The baseline budget for the LRV Fleet Expansion project is \$740,718,000. Within the vehicles phase, \$685,493,000 has been allocated to the budget line item for procurement of Light Rail Vehicles. The proposed action would increase commitments to this line item by \$131,636,840 for a revised total commitment of \$685,491,565, and leave a remaining budget balance of \$1,435.

This action is within the baseline budget and sufficient monies remain after approval of this action to fund the remaining work in the vehicles phase.

Light Rail Vehicle Fleet Expansion

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$6,367	\$274		\$274	\$6,093
Preliminary Engineering					
Final Design					
Right of Way					
Construction					
Construction Services	18,040	4,756		4,756	13,284
Third Party Agreements					
Vehicles	716,311	553,855	131,637	685,492	30,819
Contingency					
Total Current Budget	\$740,718	\$558,885	\$131,637	\$690,522	\$50,196
Phase Detail					
Vehicles					
Light Rail Vehicles	\$685,493	\$553,855	\$131,637	\$685,492	\$1
Other Vehicles phase	30,818				30,818
Total Phase	\$716,311	\$553,855	\$131,637	\$685,492	\$30,819
Contract Detail					
Siemens Industry, Inc.	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval	
Contract Amount	\$517,621	\$523,980	\$124,237	\$641,858	
Contingency	36,233	29,875	7,400	43,633	
Total	\$553,855	\$553,855	\$131,637	\$685,492	
Percent Contingency	7%	6%	6%	7%	

Notes:

Amounts are expressed in Year of Expenditure
 Board Approvals = Committed To-Date + Contingency as of February 2017, and includes pending Board actions.
 For detailed project information, see page 22 in the Adopted 2017 Transit Improvement Plan, as amended by R2017-xx adopted by the Sound Transit board 4/27/17.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Siemens Industry, Inc. is listed on the approved vendor list for vehicles as required by the Federal Transit Administration.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

Timely action on this item is required to guarantee pricing on the 30 additional LRVs. After May 15, 2017, higher unit prices and escalation will apply.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2016-101: Authorized the chief executive officer to execute a contract with Siemens Industry, Inc. to provide 122 light rail vehicles for the ST2 light rail expansion projects, including Northgate Link, East Link, and Lynnwood Link Extensions, in an amount not to exceed \$517,621,239, with a 7% contingency of \$36,233,486, for a total authorized amount not to exceed \$553,854,725.

Resolution No. R2015-24: (1) Adopted the ST2 Light Rail Vehicle Fleet Expansion project baseline schedule and budget by (a) adopting September 2024 as the project completion milestone, (b) adopting the Project Lifetime Budget of \$733,006,000 and (c) adopting the 2015 Annual Budget of \$1,036,750; and (2) approved Gates 1 through 6 within Sound Transit's Phase Gate process.

ENVIRONMENTAL REVIEW

JI 3/24/2017

LEGAL REVIEW

AJP 4/7/2017

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A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Siemens Industry, Inc. to exercise options for 30 additional Light Rail Vehicles and additional spare parts in the amount of \$124,236,840, with a 6% contingency of \$7,400,000, totaling \$131,636,840, for a new total authorized contract amount not to exceed \$685,491,565.

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Committing to the order now allows Sound Transit to secure a lower unit price per vehicle than would be available in the contract at a later date.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract amendment with Siemens Industry, Inc. to exercise options for 30 additional Light Rail Vehicles and additional spare parts in the amount of \$124,236,840, with a 6% contingency of \$7,400,000, totaling \$131,636,840, for a new total authorized contract amount not to exceed \$685,491,565.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 27, 2017.



Marilyn Strickland
Board Vice Chair

ATTEST:



Kathryn Flores
Board Administrator