

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION NO. 241106-125

WHEREAS, The SFMTA's Central Subway Project, which is Phase 2 of the Third Street Light Rail Project, constructed a new subway line in San Francisco, which runs approximately 1.6 miles from 4th and Brannan Streets, north under Fourth Street to Stockton Street, and north under Stockton Street into Chinatown; and,

WHEREAS, The Advanced Train Control System (ATCS) is a specialized and proprietary system that controls light rail vehicle movement, speed, headway and braking in the subway and was first supplied to the SFMTA by Hitachi Rail GTS USA Inc. (Hitachi) (formerly Alcatel Transport Automation (U.S.) Inc.) under San Francisco Municipal Railway contract MR-1034R, dated August 10, 1992, and has been modified and expanded under multiple subsequent contracts with Hitachi, the total value of which exceed \$100,000,000; and,

WHEREAS, On December 3, 2013, the SFMTA Board of Directors and the San Francisco Board of Supervisors approved the award of the Agreement between the City and County of San Francisco and Hitachi, Inc. for Design Review, Software, Implementation and Testing Services for an Advanced Train Control System for the Central Subway Project with Hitachi, Contract No. 1266-2, (Contract No. 1266-2) by which Hitachi would review of existing ATCS designs, perform final ATCS engineering and designs, and provide as-needed oversight, inspection of ATCS infrastructure and equipment installation, and testing services to support ATCS installation and implementation that extends the ATCS into the Central Subway, for an amount not-to-exceed \$21,363,292.05, with a term to run three years beyond substantial completion of Central Subway construction (SFMTA Bd. Res. 13-260), which term will expire on April 29, 2025 upon the expiration of the contract's warranty; and,

WHEREAS, As planned, on July 7, 2014, the SFMTA assigned Contract 1266-2 to the Central Subway construction contractor, Tutor, so that Hitachi would be a subcontractor to Tutor under Contract No. CS-1300, but that arrangement proved to be unworkable, and the City on February 28, 2019 exercised its rights under Contract 1300 to re-assign Contract 1266-2 back to the SFMTA, so that Hitachi would provide ATCS equipment, software and related services directly to the City to implement the ATCS for the Central Subway; and,

WHEREAS, This Contract 1266-2 has previously been amended three times:

- Contract Modification No. 1, dated December 3, 2019, which affirmed the reassignment the contract back to SFMTA and corrected the contract amount to \$14,400,001.00 to reflect the value of remaining ATCS work; and
- Contract Modification No. 2, dated February 19, 2021, which modified ATCS designs concerning emergency stop equipment, station controllers, the location

of wayside equipment installation, for a modified Contract Amount of \$14,898,556.80; and

- Contract Modification No. 3, dated April 30, 2021, which updated ATCS software and designs to conform to national fire codes, corrected track speed limits, modified installation requirements, accelerated completion of work, extended the contract term to April 29, 2022, extended the warranty period to April 29, 2025, and compensated Hitachi for costs it incurred arising from delay to the Project, for a modified Contract Amount of \$27,730,300.40; and,

WHEREAS, This Fourth Modification to Contract 1266-2 will: (1) acknowledge the contractor's name change; (2) compensate Hitachi \$392,992.43 for Additional Work it performed arose from SFMTA changes to ATCS designs and specifications; (3) compensate Contractor \$996,684.59 for 136 Days that Contractor's work was delayed due to lack of access to Central Subway; (4) replenish monies paid as retention to Contract 1300 in the amount of \$705,407.80; and (5) modify the Substantial Completion date to August 30, 2022, and extend the warranty period to August 30, 2025, and,

WHEREAS, The SFMTA's Contract Compliance Office has previously determined that due to the proprietary nature of the ATCS, there are no subcontracting opportunities for Small Business Enterprises under Contract 1266-2; 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 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; and,

WHEREAS, The modification to Contract No. 1266-2 described herein comes within the scope of the Central Subway SEIS/SEIR; and,

WHEREAS, 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; now therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves Modification No. 4 to the Agreement for Design Review, Software, Implementation and Testing Services for an Advanced Train Control System (ATCS) for the Central Subway Project, Contract No. 1266-2 to: (1) acknowledge the contractor's name change from Thales Transport & Security Inc. to Hitachi Rail GTS USA Inc. (Hitachi); (2) compensate Hitachi \$392,992.43 for Additional Work it performed due to SFMTA changes to ATCS designs and specifications; (3) compensate Contractor \$996,684.59 for 136 Days that

Contractor's work was delayed due to lack of access to Central Subway sites; (4) add \$705,407.80 to the contract amount to replenish funds SFMTA paid to Hitachi as retention release from Contract 1300, together increasing the contract \$2,095,084.82, for a total modified contract amount of \$29,825,385.22; and (5) modify the Substantial Completion date to August 30, 2022, and extend the warranty period to August 30, 2025; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors requests that the Board of Supervisors approve Contract Modification No. 4; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation, in consultation with the City Attorney, to make non-substantive corrections to the contract documents and take such action as the Director deems necessary to effect the intent and purposes of this Resolution.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 6, 2024.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency