

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.6**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Declaration of intention to exercise the first option for 40 additional light rail vehicles under Contract #2013-19 with Siemens Industry, Inc. as soon as practicable once funding is secured subject to further SFMTA Board approval at that time.

**SUMMARY:**

- On July 15, 2014, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors authorized the Director of Transportation to execute Contract #2013-19 with Siemens Industry, Inc. (Siemens) to provide up to 260 light rail vehicles
- The procurement provides vehicles for the Central Subway, as well as replaces the existing fleet and provides an option for additional service expansion vehicles
- On September 9, 2014, the Board of Supervisors (BOS) approved the contract with Siemens for 175 light rail cars and two additional options: Option 1 for 40 additional light rail vehicles, which option is under the authority of the SFMTA to exercise; and Option 2 for an additional 45 light rail vehicles, which option would also require BOS approval
- Siemens has recently indicated that in order to ensure a place in their production queue for delivery of the first option for 40 additional light rail vehicles, the SFMTA should declare its intent to exercise the first option.

**ENCLOSURES:**

1. Resolution

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_

12/15/14

SECRETARY \_\_\_\_\_

12/15/14

**ASSIGNED SFMTAB CALENDAR DATE:** January 6, 2015

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## **PURPOSE**

The purpose of this resolution is to indicate that the SFMTA Board of Directors declares its' intention to exercise the first option for 40 additional light rail vehicles in the Siemens contract #2013-19 as soon as practicable once funding is secured subject to further SFMTA Board approval at that time.

## **GOAL**

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

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

Objective No. 2.1: Improve customer service and communications

Objective No. 2.2: Improve transit performance

## **DESCRIPTION**

On July 15, 2014, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors authorized the Director of Transportation to execute Contract #2013-19 with Siemens Industry, Inc. (Siemens) to provide up to 260 light rail vehicles.

On September 9, 2014, the Board of Supervisors (BOS) approved Contract #2013-19 with Siemens for 175 light rail cars and two additional options: Option 1 for 40 additional light rail vehicles, which option is under the authority of the SFMTA to exercise; and Option 2 for an additional 45 light rail vehicles, which option would also require BOS approval

Siemens has recently indicated that in order to ensure a place in their production queue for delivery of the first option for 40 additional light rail vehicles, the SFMTA should declare its intent to exercise the Option 1.

## **ALTERNATIVES CONSIDERED**

The SFMTA Board of Directors may choose to not approve this resolution which would potentially result in the 40 option LRV delivered later than projected and likely, the per light rail vehicle cost increasing.

## **FUNDING IMPACT**

The contractual cost for the additional 40 cars is \$176 million. On December 18th, 2013, the Metropolitan Transportation Commission (MTC) passed a resolution establishing the Transit Core Capacity Challenge Grant Program (CCCGP). This program established strong regional

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support for key projects addressing core capacity needs of three major Bay Area Transit providers (BART, SFMTA and AC Transit. As part of this program, MTC pledged \$400M in funding towards SFMTA Fleet Enhancement and Expansion.

The originally identified funding in MTC's CCCGP are State competitive Cap & Trade funds. Guidelines for the distribution of these dollars will not be finalized until 2015.

A project such as the LRV procurement that already has a contract in place and for which there exists significant local and regional support and commitment will likely be viewed favorably by the upcoming competitive State Cap & Trade Program.

If the SFMTA is unsuccessful in obtaining State Cap & Trade funds, the Agency and its local and regional partners will work collaboratively to identify other revenue sources to fund this high priority project.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

None

**RECOMMENDATION**

Staff recommends that the SFMTA Board of Directors declare its intention to exercise the first option for 40 additional light rail vehicles in the Siemens contract #2013-19 as soon as practicable once funding is secured and that such option is subject to further SFMTA Board approval.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

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

WHEREAS, On July 15, 2014, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors authorized the Director of Transportation to execute Contract #2013-19 with Siemens Industry, Inc. (Siemens) to provide up to 260 light rail vehicles; and

WHEREAS, The procurement will provide vehicles for the Central Subway, as well as replacing the existing fleet and providing an option for additional service expansion vehicles; and,

WHEREAS, On September 9, 2014, the Board of Supervisors (BOS) adopted Resolution No. 332-14 (approved by the Mayor on September 19, 2014), approving the contract with Siemens for 175 light rail cars and two additional options: Option 1 for 40 additional light rail vehicles, which option is under the authority of the SFMTA to exercise; and Option 2 for an additional 45 light rail vehicles, which option would also require BOS approval; and

WHEREAS Siemens has recently indicated that in order to ensure a place in their production queue for delivery of the first option for 40 additional light rail vehicles, the SFMTA should declare its intent to exercise the first option ; and,

WHEREAS, The SFMTA wishes to declare its intent to exercise the first option for 40 additional light rail vehicles as soon as practicable; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors declares its' intention to exercise the first option for 40 additional light rail vehicles in the Siemens Industry contract #2013-19 as soon as practicable once funding is secured, and that such option is subject to further SFMTA Board approval.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of January 6, 2015.

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Secretary, Municipal Transportation Agency  
Board of Directors