

Date: March 27, 2019

To: Board of Directors

From: Doug Kelsey 

Subject: **RESOLUTION 19-03-21 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET)
AUTHORIZING A CONTRACT WITH SIEMENS MOBILITY, INC.,
FOR TYPE 6 LIGHT RAIL VEHICLES**

1. Purpose of Item

This Resolution requests the TriMet Board of Directors (Board) to authorize the General Manager to execute a contract with Siemens Mobility, Inc., (Siemens) for the procurement of Type 6 Light Rail Vehicles (LRVs) and related materials and services.

2. Type of Agenda Item

- Initial Contract
 Contract Modification
 Other _____

3. Reason for Board Action

Board approval is required for goods and services contracts obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
 Ordinance 1st Reading
 Ordinance 2nd Reading
 Other _____

5. Background

This contract is for the purchase of 26 LRVs, spare parts, manuals and training to replace the oldest LRVs in TriMet's fleet (Type 1 LRVs). These vehicles are nearing the end of their useful life and are the only high floor light rail vehicles in the fleet. In addition to the 26 LRVs, this contract allows options for up to 60 additional LRVs, including 8 vehicles needed for the Redline Extension to Fair Complex, up to 36 vehicles for the Southwest Corridor, up to 14 vehicles for possible service expansions, and additional spare parts and warranties.

6. Procurement Process

TriMet issued a Request For Proposals (RFP) on June 29, 2018. The RFP required compliance with federal Buy America rolling stock provisions and DBE requirements for transit vehicle manufacturers established by the FTA. Prior to the release of the RFP, staff from TriMet's Engineering and Construction division conducted intensive outreach to LRV manufacturers. A

total of 155 vendors were notified of the RFP via the TriP\$ website, and 79 firms downloaded the RFP.

On September 28, 2018, in response to its RFP, TriMet received proposals from the two firms described below:

CAF USA. A subsidiary of CAF, S.A., this firm is an established railcar manufacturer based in northern Spain, with U.S. assembly facilities in Elmira, New York. CAF USA has supplied 68 high-floor LRVs to Sacramento and Pittsburgh, 63 low-floor LRVs to Houston and Boston, and is currently under contract to provide 26 low-floor LRVs for the WMATA Purple Line in Maryland.

Siemens Mobility, Inc. A subsidiary of Siemens, AG, of Germany, this firm is an established railcar builder based in Sacramento, California. Siemens has supplied 1012 high-floor LRVs and 433 low-floor LRVs in North America, including 119 to TriMet as the Type 2, Type 3, Type 4 and Type 5 LRVs.

TriMet appointed an evaluation committee (EC) to review and evaluate the proposals, which was comprised of staff from TriMet’s Engineering and Construction; Maintenance Operations; Finance and Administrative Services; and Safety and Security Divisions. EC members were selected based on their expertise, experience and knowledge related to the Project. The EC scored the technical proposals in accordance with the procedures and criteria established in the RFP. After completing the initial review process, the EC determined that both firms were in the competitive range.

The EC then conducted proposer interviews with each firm and issued its request for Best and Final Offers (BAFO) to the two firms on December 6, 2018. BAFOs were received on February 6, 2019. The EC evaluated the BAFOs in accordance with the procedures and evaluation criteria established in the RFP and the BAFO request, including both technical and price components of the proposals.

The final scores for the proposers were as follows:

Proposers		
Criteria (Points)	CAF	Siemens
Vehicle Description/System Support Plan (60)	44.13	52.45
Management Approach, Staffing Plan and Schedule (20)	16.52	17.57
Testing and System Assurance Approach (10)	8.02	8.43
Qualification, Experience, Diversity and References (10)	8.17	8.93
Sub-Total Technical Score	76.84	87.38
70% Relative Weight of Grand Total	53.8	61.2
Base Contract Price	\$159.7M	\$130.2M
Price Score (100)	85.5	100.00
30% Relative Weight of Grand Total	25.7	30.00
GRAND TOTAL	79.5	91.2

The proposal from Siemens was selected because it received the highest overall score. TriMet staff performed a price analysis of Siemens' proposed price and determined that the costs are fair and reasonable, based on competition and the independent cost estimate developed by TriMet's Engineering and Construction division.

This Resolution provides TriMet with the authority to contract with Siemens for the base price amount of \$130.2 million, and to execute contract modifications for contingency costs in an amount not to exceed \$16.9 million. The \$16.9 million contingency authorization is necessary due to the complexity of the design and manufacture required for the LRVs, and would also be available to exercise options for needed additional spare parts, warranties or optional system upgrades.

In the event TriMet elected to exercise any options under the contract for additional light rail vehicles, including vehicles for the Redline Extension to Fair Complex, Southwest Corridor, or service expansion, it would return to the board for authorization to do so.

7. **Diversity**

Siemens's Sacramento, California, manufacturing facility workforce is comprised of 11 percent women and 49 percent minorities as reported in the Federal Equal Employment Opportunity report provided. Due to the specialized nature of work and small number of qualified U.S. LRV manufacturers, opportunities for DBE participation is limited. TriMet will work with Siemens to seek to maximize DBE opportunities on the contract.

8. **Financial/Budget Impact**

The amount for the initial vehicle order is included in the FY 2019-2020 Capital Program budget and is forecasted in the FY 2021-2024 budgets. Additional vehicle orders ("option LRVs") will be included in subsequent Capital Program budgets, as appropriate.

9. **Impact if Not Approved**

If the Board decides not to approve this contract, TriMet could re-procure the contract. However, TriMet received two responses through the RFP process, and advertising the contract a second time it is unlikely to lead to additional or more favorable proposals. Furthermore, Siemens is well qualified to perform this work.

RESOLUTION 19-03-21

**RESOLUTION 19-03-21 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING
A CONTRACT WITH SIEMENS MOBILITY, INC., FOR TYPE 6 LIGHT
RAIL VEHICLES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Siemens Mobility, Inc., (Siemens) for Type 6 Light Rail Vehicles (Contract); and

WHEREAS, the total amount of the Contract will exceed \$1,000,000; and

WHEREAS, the TriMet Board of Directors (Board), by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contract in an amount not to exceed \$147,100,000.

Dated: March 27, 2019

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department