

1 [Contract Modification - Hitachi Rail GTS USA Inc. - Advanced Train Control System for
2 Central Subway - Not to Exceed \$29,825,385.22]

3 **Resolution approving Modification No. 4 to the Agreement for Design Review,**
4 **Software, Implementation and Testing Services for an Advanced Train Control System**
5 **(ATCS) for the Central Subway to: 1) acknowledge the contractor's name change from**
6 **Thales Transport & Security Inc. to Hitachi Rail GTS USA Inc. (Hitachi); 2) compensate**
7 **Hitachi \$392,992.43 for additional work it performed due to San Francisco Municipal**
8 **Transportation Agency (SFMTA) changes to ATCS designs and specifications; 3)**
9 **compensate Contractor \$996,684.59 for 136 days that Contractor's work was delayed**
10 **due to lack of access to Central Subway sites; 4) add \$705,407.80 to the contract**
11 **amount to replenish funds SFMTA paid to Hitachi as retention release from Contract**
12 **1300, together increasing the contract by \$2,095,084.82, for a not to exceed contract**
13 **amount of \$29,825,385.22; and 5) modify the Substantial Completion date to August 30,**
14 **2022, and extend the warranty period to August 30, 2025.**

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

20 WHEREAS, On December 3, 2013, the SFMTA Board approved the award of the
21 Agreement between the City and County of San Francisco and Hitachi Rail GTS USA Inc.
22 (Hitachi) (formerly Alcatel Transport Automation (U.S.) Inc.) for Design Review, Software,
23 Implementation and Testing Services for an Advanced Train Control System (ATCS) for the
24 Central Subway Project, under which Hitachi would review existing ATCS designs, perform
25 final ATCS engineering and designs, and provide as-needed oversight, inspection of ATCS

1 infrastructure and equipment installation, and testing services to support ATCS installation
2 and implementation to extend the ATCS into the Central Subway, for an amount not to exceed
3 \$21,363,292.05, with a term to run three years beyond substantial completion of Central
4 Subway construction, which term will expire on April 29, 2025, upon the expiration of the
5 contract's warranty; and,

6 WHEREAS, On June 10, 2014, the Board of Supervisors adopted Resolution No. 196-
7 14 approving the award of the ATCS Contract; and

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

15 WHEREAS, This Contract has previously been amended three times:

- 16 • Contract Modification No. 1, dated December 3, 2019, which affirmed the
17 reassignment the contract back to SFMTA and corrected the contract amount to
18 \$14,400,001.00 to reflect the value of remaining ATCS work; and
- 19 • Contract Modification No. 2, dated February 19, 2021, which modified ATCS
20 designs concerning emergency stop equipment, station controllers, the location
21 of wayside equipment installation, for a modified Contract Amount of
22 \$14,898,556.80; and
- 23 • Contract Modification No. 3, dated April 30, 2021, which updated ATCS software
24 and designs to conform to national fire codes, corrected track speed limits,
25 modified installation requirements, accelerated completion of work, extended the

1 contract term to April 29, 2022, extended the warranty period to April 29, 2025,
2 and compensated Hitachi for costs it incurred arising from delay to the Project,
3 for a modified Contract Amount of \$27,730,300.40, which modification was
4 approved by the Board of Supervisors in Resolution No. 169-21; and

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

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

15 WHEREAS, The Central Subway Final Supplemental Environmental Impact
16 Statement/Supplemental Environmental Impact Report (Central Subway SEIS/SEIR)
17 evaluated the environmental impacts of the Central Subway Project, including construction of
18 the subway stations; on August 7, 2008, the San Francisco Planning Commission certified the
19 Final SEIR (Case No. 1996.281E); on August 19, 2008, the SFMTA Board of Directors
20 approved Resolution 08-150 adopting Central Subway Project Alternative 3B as the Locally
21 Preferred Alternative, the California Environmental Quality Act (CEQA) Findings, Statement of
22 Overriding Considerations, and the Mitigation Monitoring and Reporting Plan; and

23 WHEREAS, The modification to Contract No. 1266-2 described herein comes within
24 the scope of the Central Subway SEIS/SEIR; and
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1 WHEREAS, The Central Subway SEIS/SEIR is on file with the Clerk of the Board of
2 Supervisors in File No. 241094; and

3 WHEREAS, the Modification No. 4 to the Agreement is on file with the Clerk of the
4 Board of Supervisors in File No. 241094; which is hereby declared to be a part of this
5 Resolution as if set forth fully herein; and

6 WHEREAS, Charter, Section 9.118(b), provides that agreements entered into by a
7 department, board or commission requiring anticipated expenditures by the City and County
8 of \$10 million dollars or more shall be subject to approval by the Board of Supervisors by
9 resolution; now, therefore, be it

10 RESOLVED, That the Board of Supervisors approves Modification No. 4 to the
11 Agreement for Design Review, Software, Implementation and Testing Services for an
12 Advanced Train Control System (ATCS) for the Central Subway Project, Contract No. 1266-2
13 to: 1) acknowledge the contractor's name change from Thales Transport & Security Inc. to
14 Hitachi Rail GTS USA Inc. (Hitachi); 2) compensate Hitachi \$392,992.43 for Additional Work it
15 performed due to SFMTA changes to ATCS designs and specifications; 3) compensate
16 Contractor \$996,684.59 for 136 Days that Contractor's work was delayed due to lack of
17 access to Central Subway sites; 4) add \$705,407.80 to the contract amount to replenish funds
18 SFMTA paid to Hitachi as retention release from Contract 1300, together increasing the
19 contract \$2,095,084.82, for a not to exceed contract amount of \$29,825,385.22; and 5) modify
20 the Substantial Completion date to August 30, 2022, and extend the warranty period to
21 August 30, 2025.

22 FURTHER RESOLVED, That within thirty (30) days of the Modification being fully
23 executed by all parties, the SFMTA shall provide the executed Contract to the Clerk of the
24 Board for inclusion into the official file; this requirement and obligation resides with the
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1 SFMTA, and is for purposes of having a complete file only, and in no manner affects the
2 validity of approved Modification.

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