

1 [Contract Modification - Siemens Mobility, Inc. - Option for 30 Light Rail Vehicles -
2 \$130,409,780 Plus Escalation Costs]

3 **Resolution approving Modification No. 10 to Municipal Transportation Agency Contract**
4 **No. 2013-19: Procurement of New Light Rail Vehicles, with Siemens Mobility, Inc., to**
5 **exercise an option to procure 30 additional light rail vehicles in the amount of**
6 **\$130,409,780 plus applicable escalation costs, with cancellation provisions through**
7 **June 2025, with no increase in the total Contract price or in the term of the Contract.**

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9 WHEREAS, In 2014, the San Francisco Municipal Transportation Agency (SFMTA or
10 Agency) Board of Directors approved Contract No. 2013-19 with Siemens Industry, Inc.
11 (Siemens), to provide up to 260 Light Rail Vehicles (LRVs), including two options for
12 expansion LRVs (the Contract), all for an amount not to exceed \$1,192,651,577, and a term
13 not to exceed 15 years; and

14 WHEREAS, On September 19, 2014, the Board of Supervisors adopted Resolution No.
15 332-14, approving the Contract subject to the following conditions: (1) that the contract
16 provide for two separate options, Option 1 for 40 LRVs and Option 2 for up to 45 LRVs; (2)
17 that the SFMTA obtain approval from this Board prior to exercising Option 2, contingent on
18 identification of \$234,664,852 in funding to pay for the Option; and (3) that the SFMTA obtain
19 approval from this Board for any vendor-financing agreement with Siemens Industry, Inc.; and

20 WHEREAS, Through Modifications Nos. 1 through 5 to the Contract, the SFMTA
21 approved updates to the vehicle design, the addition of 44 LRVs (including exercising Option
22 1 for 40 expansion vehicles and adding four additional vehicles, paid for by the Golden State
23 Warriors, to serve the Event Center), installation of track brakes to reduce flat wheels, and
24 optional spare parts and equipment; and

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1 WHEREAS, Through Modifications Nos. 6, 7 and 8 to the Contract, the SFMTA
2 approved feedback-driven passenger comforts and engineering refinements; updates to
3 vehicle equipment, including cameras; provisions for weight incentives, administrative issues,
4 including parent company guarantees; and funding of Phase 2 acceleration activities essential
5 to the early fleet replacement plan; and

6 WHEREAS, Modifications Nos. 1 through 8 did not increase the total amount or the
7 term of the Contract; and

8 WHEREAS, On August 3, 2021, the SFMTA Board approved Resolution No. 210803-
9 096, which authorized the Director of Transportation to execute Modification No. 9 to the
10 Contract, which updates vehicle equipment, including next generation Clipper, upgrades
11 center door sensing capabilities, completes enhancements of cameras, makes changes to the
12 operator controls in response to operator feedback, and resolves an issue relating to the
13 calculation of escalation for the 151 replacement vehicles and other Phase 2-related items,
14 with no increase in the total Contract price or term of the Contract; and

15 WHEREAS, On August 3, 2021, the SFMTA Board approved Resolution No. 210803-
16 097, which authorized the Director of Transportation to execute Modification No. 10 to the
17 Contract, to exercise an option to procure 30 additional new LRVs in the amount of
18 \$130,409,780, plus applicable escalation costs, with cancellation provisions through June
19 2025, with no increase in the total Contract price or the term of the Contract; and

20 WHEREAS, On June 19, 2014, the San Francisco Planning Department determined
21 (Case Number 2014.0929E) that the Procurement of New Light Rail Vehicles is statutorily
22 exempt from California Environmental Quality Act (CEQA) as defined in Title 14 of the
23 California Code of Regulations Section 15275(a), which provides an exemption from
24 environmental review for the institution or increase of passenger or commuter service on rail
25 lines already in use; and

1 WHEREAS, SFMTA Contract No. 2013-19 and Modification Nos. 1 through 10, and
2 CEQA documentation related to Planning Department Case Number 2014.0929E are on file
3 with the Clerk of the Board of Supervisors in File No. 210838, which is declared to be a part of
4 this Resolution as if set forth fully herein; now, therefore, be it

5 WHEREAS, The LRV4 project is a capital project with a proven track record of State
6 and Federal grant awards; and

7 WHEREAS, Purchasing 30 easier-to-maintain and more reliable Option 2 vehicles
8 saves operating dollars when compared to operating 30 older Breda vehicles; and

9 WHEREAS, The SFMTA has confirmed that no enterprise funding sources for services
10 and operations, such as transit fare revenues, parking fees and fines or other such sources
11 not included in the SFMTA 5-Year Capital Improvement Program operating funds, will be used
12 for the purchase of these LRV4 Option 2 vehicles; and

13 WHEREAS, The SFMTA will provide a written report detailing the sources of funding
14 for the Option 2 vehicles before SFMTA initiates production of Option 2 vehicles, include that
15 report in the legislative file for this item and present that report before the Board of
16 Supervisors; and

17 RESOLVED, That the Board of Supervisors authorizes the Director of Transportation to
18 execute Modification No. 10 to SFMTA Contract No. 2013-19: Procurement of New Light Rail
19 Vehicles, with Siemens Mobility, Inc., to exercise an option to procure 30 additional new light
20 rail vehicles in the amount of \$130,409,780, plus applicable escalation, with cancellation
21 provisions through June 2025, with no increase in the total Contract price and no increase in
22 the term of the Contract; and, be it

23 FURTHER RESOLVED, That within 30 days of the Contract being fully executed by all
24 parties, the Director of Transportation shall provide the executed Contract to the Clerk of the
25 Board for inclusion into the official file.

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