

1 [Contract Approval - Thales Transport & Security, Inc. - Advanced Train Control System for  
2 San Francisco Municipal Transportation Agency Central Subway Project - \$21,363,292]

3 **Resolution authorizing the San Francisco Municipal Transportation Agency (SFMTA) to**  
4 **execute Advanced Train Control System Contract with Thales Transport & Security,**  
5 **Inc., for design and construction of Advanced Train Control System for the Central**  
6 **Subway Project for amount not to exceed \$21,363,292 for a 1,700 day term, to**  
7 **commence upon Board approval.**

8  
9 WHEREAS, Design and construction of the 1.5-mile Central Subway ("Central Subway  
10 Program") is Phase 2 of the Third Street Light Rail Transit Project; and

11 WHEREAS, Operation of the trains in the Central Subway will require an Advanced  
12 Train Control System (ATCS) that is interoperable with the ATCS currently in service in the  
13 Muni Metro; and

14 WHEREAS, The ATCS is a safety critical system that provides automatic control of  
15 train speed, braking and headway in the Muni Metro tunnels; and

16 WHEREAS, The ATCS for the Muni Metro was designed and manufactured by Alcatel  
17 Transport Automation (U.S.), which was acquired by Thales Transport & Security, Inc.  
18 (Thales); and

19 WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) has in the  
20 past ten years made significant upgrades and improvements to the ATCS to improve the Muni  
21 Metro's reliability and operations safety; and

22 WHEREAS, The SFMTA's total investment in the current ATCS now exceeds \$70  
23 million; and

24 WHEREAS, The ATCS is proprietary to Thales and cannot practicably be integrated  
25 with any other train control system from another manufacturer; and

1           WHEREAS, Implementing a train control system in the Central Subway that is not  
2 interoperable with the existing ATCS in the Muni Metro would require either segregating a  
3 fleet of vehicles to be used only in the Central Subway or installation of two different systems  
4 on all vehicles, both of which would be extremely costly and likely impair transit service; and

5           WHEREAS, Based on the above findings, the Director of Transportation issued a  
6 Memorandum dated February 16, 2012, authorizing a sole source procurement; and

7           WHEREAS, Following the authorization for sole source procurement, SFMTA  
8 requested Thales to provide a proposal for ATCS equipment, design review, system  
9 integration, safety certification consulting, and other goods and services necessary to  
10 implement an ATCS for the Central Subway; and

11           WHEREAS, Staff negotiated the final scope of services and price for the ATCS, based  
12 on the proposal and the independent cost estimates developed by the Agency and  
13 engineering consultants with expertise in ATCS design; and

14           WHEREAS, On February 15, 2013, SFMTA received a proposal from Thales for the  
15 required scope of services and equipment with a price of \$32,017,518; and

16           WHEREAS, Staff engaged in the lengthy negotiations with Thales which reduced the  
17 total price to \$24,788,716 with a term not to exceed 1,700 calendar days, and clarified the  
18 scope of the project; and

19           WHEREAS, The Engineer's Estimate for Contract No. 1266 ranged between  
20 \$28,000,000 to \$35,000,000; and

21           WHEREAS, The negotiated contract amount of \$24,788,716 was significantly less than  
22 the Engineer's Estimates of ATCS costs; and

23           WHEREAS, Contract Nos. 1266-1 and 1266-2 will be assigned to Tutor Perini  
24 Corporation (Tutor), the contractor responsible for the construction of the Central Subway  
25 stations, trackways, control systems and system integration, with the result that Thales will

1 become a subcontractor to Tutor, and Tutor will be ultimately responsible for the successful  
2 installation and operation of the ATCS; and

3 WHEREAS, Thales will provide proprietary equipment required for the ATCS under  
4 Contract 1266-1, which equipment will be installed by Tutor, with installation oversight and  
5 testing provided by Thales; and

6 WHEREAS, Thales will provide proprietary equipment required for the ATCS under  
7 Contract 1266-1, which equipment will be installed by Tutor, with installation oversight and  
8 testing provided by Thales; and

9 WHEREAS, Thales will provide proprietary software and systems integration  
10 assistance, system testing, and system safety certification support for the ATCS under  
11 Contract 1266-2; and

12 WHEREAS, Civil Service Commission approval for contracts resulting from Request of  
13 Proposal Contract 1266 was obtained by the SFMTA on December 2, 2013, under Civil  
14 Service Approval No. 4053-13/14; and

15 WHEREAS, The SFMTA split the procurement for the proprietary ATCS equipment and  
16 ATCS design and services into two separate agreements, Contract 1266-1 and 1266-2,  
17 respectively; and

18 WHEREAS, The funding for work under Contracts Nos. 1266-1 and 1266-2 is to be  
19 furnished from federal, state and local sources; and

20 WHEREAS, The SFMTA Board of Directors adopted Resolution No. 13-260 on  
21 December 3, 2013, authorizing the Director of Transportation or his designee to execute  
22 Contract 1266-1, Third Street Light Rail Program, Phase 2 Central Subway – Train Control  
23 System with Thales Transport & Security, Inc. for procurement and provision of proprietary  
24 equipment for an Advanced Train Control System for a total amount not to exceed \$3,425,424  
25 and a term not to exceed 1,000 calendar days; and

1           WHEREAS, The SFMTA Board of Directors adopted Resolution No. 13-260 on  
2 December 3, 2013, authorizing the Director of Transportation or his designee to execute  
3 Contract 1266-2, Third Street Light Rail Program, Phase 2 Central Subway - Train Control  
4 System to Thales Transport & Security, Inc. as a sole source contract for Advanced Train  
5 Control System for proprietary software and systems integration assistance, system testing,  
6 and system safety certification support, system warranty, and related professional services  
7 necessary to implement an Advanced Train Control System for a total amount not to exceed  
8 \$21,363,292 and a term not to exceed 1,700 days, contingent upon approval of the Board of  
9 Supervisors; now, therefore, be it

10           RESOLVED, That the Board of Supervisors authorizes the SFMTA to execute Contract  
11 1266-2, Advanced Train Control System for SFMTA Central Subway Project, with Thales  
12 Transport & Security, Inc. for an amount not to exceed \$21,363,292 and a term not to exceed  
13 1,700 days; and, be it

14           FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed  
15 by all parties the SFMTA shall provide the final contract to the Clerk of the Board for inclusion  
16 into the official file.



**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 140474

**Date Passed:** June 10, 2014

Resolution authorizing the San Francisco Municipal Transportation Agency to execute Advanced Train Control System Contract with Thales Transport & Security, Inc., for design and construction of Advanced Train Control System for the Central Subway Project for amount not to exceed \$21,363,292 for a 1,700 day term, to commence upon Board approval.

June 04, 2014 Budget and Finance Sub-Committee - RECOMMENDED

June 10, 2014 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140474

I hereby certify that the foregoing Resolution was ADOPTED on 6/10/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date Approved