

**REVISED LEGISLATIVE DIGEST**

(Substituted, 9/27/2022)

[Contracting Process - Communications Based Train Control System - Waiver of Administrative Code Contract Prohibition and Authorization to Use Negotiated Procurement Procedures]

**Ordinance authorizing the Municipal Transportation Agency to issue a Request for Proposals for a Communications Based Train Control System to be awarded by a contract with a term exceeding ten years; waiving the Administrative Code prohibition against issuing solicitations for a contract for general or professional services for a term longer than ten years; authorizing use of negotiated procurement procedures, stating that the award of the contract will be subject to the approval of the Board of Supervisors pursuant to Charter, Section 9.118(b); and adopting findings under the California Environmental Quality Act.**

Existing Law

Administrative Code Chapter 21 governs the City's procurement of commodities and services, including technology systems, software and related professional services. Administrative Code, Section 21.9(a)(2) prohibits a department from issuing a solicitation for a contract for general or professional services for a term longer than 10 years.

Amendments to Current Law

The proposed uncodified ordinance will: (1) waive the application of Administrative Code, Section 21.9(a)(2), and will authorize the SFMTA to issue a Request for Proposals for contract for a new Communications Based Train Control System with a term longer than 10 years; and, (2) authorize the SFMTA to procure a new Communications Based Train Control System using the negotiated procurement procedures that Administrative Code Section 21.4(f) authorizes for procuring mass-transit vehicles.

Background Information

The Municipal Transportation Agency's ("SFMTA") existing Advanced Train Control System ("ATCS") controls the routing, speed, acceleration, braking, and headway (distance between vehicles) of light rail vehicles in the Muni subways. The ATCS is vital for efficient operation of the subway – the ATCS allows Muni to operate twice as many vehicles in the subway than Muni could operate under manual train control. The ATCS was designed under a 1992 contract and placed into service 1998. Although the ATCS has been upgraded and improved since it was first put into service, much of the technology by which the ATCS operates is outdated and the ATCS is reaching the end of its useful life.

The SFMTA plans to issue a Request of Proposals (“RFP”) in December 2022 to solicit proposals from qualified systems providers for a new Communications Based Train Control System (“CBTC System”) to replace Muni’s existing ATCS. The new CBTC System will operate trains in the Market Street Subway and the Central Subway employing state of the art train control technology that will make subway operations faster, more reliable, and more efficient. The new CBTC System will also provide train supervision and limited train protection to the surface portions of the Muni light rail system. The CBTC System vendor will be selected based on best value criteria described in the RFP, as authorized by Charter, Section 8A.105(b)(1), which grants the SFMTA exclusive authority over the administration of its contracts, and Administrative Code, Sections 21.05(b) and 21.4(a), which authorize City departments to issue requests for proposals and to select vendors based on their qualifications and criteria other than price alone.

The SFMTA seeks authorization to build on that process by evaluating proposals for the CBTC System using the negotiated procurement procedures that Administrative Code Section 21.4(f) authorizes for mass-transit vehicle procurement. Negotiated procurement procedures will allow the SFMTA to have substantive communications with proposers after receipt of proposals to improve the quality and reduce the overall cost of the CBTC System. These procedures will permit the SFMTA, after reviewing and evaluating all proposals, to better align its CBTC System specifications with proposers’ available technology solutions, consider cost-benefits issues, and modify insurance, bond and other contracts requirements in consultation with the City’s Risk Manager and City Attorney to conform to market conditions and risk management considerations. The SFMTA would then request proposers submit revised proposals based on the amended contract requirements. The SFMTA would apply best value criteria to evaluate and rank the revised proposals, select one proposer’s system, and negotiate a contract for award with that proposer. This process will allow the SFMTA greater flexibility in negotiating the contract for a CBTC System, which will result in lower costs and a system that will better meet SFMTA’s transit needs.

CBTC Systems are comprised of proprietary equipment and software. SFMTA staff will perform routine maintenance, parts replacement, and repairs to the new CBTC System and its supporting infrastructure, but the SFMTA will need to obtain professional services from the CBTC System vendor to perform advanced equipment repairs and software maintenance that SFMTA employees are unable to perform.

The contract for the new CBTC System will consist of two parts, with a total term of up to 28 years. The first part of the contract will have a term of up to eight years, and will cover CBTC System design, procurement of software and equipment, oversight of equipment installation on light rail vehicles, on trackways, and in control rooms, testing and California Public Utilities Commission service certification. The second part of the contract will have a term of up to 20 years, and will cover system support, maintenance that SFMTA employees cannot perform, supply of spare and replacement parts, trouble shooting, software updates, and related professional services to assist the SFMTA in maintaining and operating the CBTC System. The term for this services part of the contract will comprise a 10-year base term and two five-

year extension options, so that following design, installation and testing of the CBTC System, the selected CBTC System vendor will provide parts, equipment, software updates, and support services for the entire expected 20-year life of the CBTC System.

The SFMTA Board of Directors approved the SFMTA's request for this ordinance at its meeting of October 4, 2022.

The Planning Department has determined that the actions contemplated in the proposed ordinance do not constitute a project under the California Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et seq.) pursuant to Title 14 of the California Code of Regulations Section 15060(c) because the action would not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The action is therefore not subject to CEQA review. Said determination is on file with the Clerk of the Board of Supervisors in File No. 220947.