

1 [Contract Approval - Alstom Transportation, Inc. - Vendor Managed Inventory Services - Not
2 to Exceed \$62,456,000]

3 **Resolution approving San Francisco Municipal Transportation Agency (“SFMTA”)**
4 **Contract No. SFMTA 2018-37 with Alstom Transportation, Inc., for Vendor Managed**
5 **Inventory services to manage and supply parts for the SFMTA rail fleet maintenance**
6 **program for a total term of three years, to commence upon approval by the Board of**
7 **Supervisors and subject to the Controller's certification of funds availability, with two**
8 **two-year options to extend, to be exercised at the sole discretion of the Director of**
9 **Transportation, for an amount not to exceed \$62,456,000.**

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11 WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) manages a
12 comprehensive, integrated transit system with an aging rail fleet of 149 Breda light rail
13 vehicles (“LRV”), 39 historic streetcars, and 31 cable cars; and

14 WHEREAS, In 2012, the SFMTA initiated a comprehensive approach to improving
15 parts availability for its Transit Maintenance Division, which included implementation of a
16 Vendor Managed Inventory (VMI) program for procuring LRV parts by streamlining the
17 purchasing process for critical parts, providing a mechanism for addressing difficult to obtain
18 parts through reverse engineering and alternate sourcing, and improving purchasing planning
19 so that the SFMTA could purchase the right part at the right time, improve parts availability,
20 and reduce existing agency inventory; and

21 WHEREAS, In 2013, after a competitive solicitation, the SFMTA Board approved
22 SFMTA Contract No. 2011/12-06 for VMI Services with Alstom Transportation Inc., the
23 highest-ranked proposer, in the amount of \$39,158,000; the Board of Supervisors approved
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1 the contract on July 30, 2013; the SFMTA exercised the options for a total Contract amount of
2 \$55,198,000, and Contract No. 2011/12-06 expired on August 31, 2018; and

3 WHEREAS, To continue maximizing the ability to secure parts on a cost-effective and
4 efficient basis and improve reliability, the SFMTA wishes to continue the VMI program; and

5 WHEREAS, On February 7, 2018, the SFMTA issued a Request for Proposals for VMI
6 services to provide rail parts and supplies for a three-year agreement with two, two-year
7 options to extend the contract; and

8 WHEREAS, After receiving two proposals, the selection panel determined that Alstom
9 was the highest-ranked proposer; and

10 WHEREAS, On August 23, 2018, the SFMTA, under authority delegated by the
11 Planning Department, determined that the proposed action is not a "project" under the
12 California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of
13 Regulations, Sections 15060(c) and 15378(b); and

14 WHEREAS, On September 18, 2018, the SFMTA Board of Directors adopted
15 Resolution No. 180918-128, which authorized the Director of Transportation, subject to
16 approval by the Board of Supervisors, to execute Contract No. SFMTA 2018-37, VMI
17 Services, with Alstom Transportation, Inc. (the Contract), to provide rail parts, supplies and
18 engineering and technical support, in an amount not to exceed \$62,456,000, and for a term
19 not to exceed three years with two two-year options to extend the Contract; and

20 WHEREAS, Under Charter, Section 9.118, the Board of Supervisors must approve this
21 Contract since it is an expenditure contract in excess of \$10,000,000 dollars; and

22 WHEREAS, A copy of the Contract is on file with the Clerk of the Board of Supervisors
23 in File No. 180899, which is declared to be a part of this Resolution as if set forth fully herein;
24 now, therefore, be it

1 RESOLVED, That the Board of Supervisors approves Contract No. SFMTA 2018-37,
2 VMI Services, with Alstom Transportation, Inc., to provide rail parts, supplies and engineering
3 and technical support, in an amount not to exceed \$62,456,000, and for a term not to exceed
4 three years, with two two-year options to extend the contract, to be exercised at the sole
5 discretion of the Director of Transportation; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors authorizes SFMTA to approve
7 any additions, amendments or other modifications to the Contract that the Director of
8 Transportation, in consultation with the City Attorney, determines is in the best interest of the
9 SFMTA, do not materially increase the obligations or liabilities of the SFMTA or City, or
10 materially decrease the public benefits accruing to the SFMTA, and are necessary or
11 advisable to complete the transactions contemplated and effectuate the purpose and intent of
12 this Resolution, such determination to be conclusively evidenced by the execution and
13 delivery by the Director of Transportation of any such documents; and, be it

14 FURTHER RESOLVED, That within 30 days of the execution of Contract No. SFMTA
15 2018-37, the SFMTA shall provide a copy of the Contract to the Clerk of the Board for
16 inclusion in the official file.

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