Resolution authorizing the San Francisco Municipal Transportation Agency (SFMTA) 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.

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

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

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

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

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

WHEREAS, The SFMTA’s total investment in the current ATCS now exceeds $70 million; and

WHEREAS, The ATCS is proprietary to Thales and cannot practically be integrated with any other train control system from another manufacturer; and
WHEREAS, Implementing a train control system in the Central Subway that is not interoperable with the existing ATCS in the Muni Metro would require either segregating a fleet of vehicles to be used only in the Central Subway or installation of two different systems on all vehicles, both of which would be extremely costly and likely impair transit service; and

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

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

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

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

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

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

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

WHEREAS, Contract Nos. 1266-1 and 1266-2 will be assigned to Tutor Perini Corporation (Tutor), the contractor responsible for the construction of the Central Subway stations, trackways, control systems and system integration, with the result that Thales will
become a subcontractor to Tutor, and Tutor will be ultimately responsible for the successful
installation and operation of the ATCS; and

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

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

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

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

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

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

WHEREAS, The SFMTA Board of Directors adopted Resolution No. 13-260 on
December 3, 2013, authorizing the Director of Transportation or his designee to execute
Contract 1266-1, Third Street Light Rail Program, Phase 2 Central Subway – Train Control
System with Thales Transport & Security, Inc. for procurement and provision of proprietary
equipment for an Advanced Train Control System for a total amount not to exceed $3,425,424
and a term not to exceed 1,000 calendar days; and
WHEREAS, The SFMTA Board of Directors adopted Resolution No. 13-260 on December 3, 2013, authorizing the Director of Transportation or his designee to execute Contract 1266-2, Third Street Light Rail Program, Phase 2 Central Subway - Train Control System to Thales Transport & Security, Inc. as a sole source contract for Advanced Train Control System for proprietary software and systems integration assistance, system testing, and system safety certification support, system warranty, and related professional services necessary to implement an Advanced Train Control System for a total amount not to exceed $21,363,292 and a term not to exceed 1,700 days, contingent upon approval of the Board of Supervisors; now, therefore, be it

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

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

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: 6/19/14