Resolution approving Modification No. 3 to Contract CN 1266-2, Design Review, Software, Implementation and Testing Services for an Advanced Train Control System (ATCS) for the Central Subway Project, with Thales Transport & Security Inc., to modify ATCS software and designs to conform to national fire codes, correct track speed limits, modify installation requirements, accelerate completion of work, and compensate Thales for costs and impacts it incurred arising from delay to the Project, increasing the contract amount by $12,831,743.60 for a modified contract amount of $27,730,300.40; to extend the substantial completion of the ATCS by 670 days for a total contract term of December 3, 2013, through April 29, 2022, and to extend the contract warranty period to April 29, 2025, to commence upon approval by the Board of Supervisors.

WHEREAS, The SFMTA’s Central Subway Project, which is Phase 2 of the Third Street Light Rail Project, is constructing a new subway line in San Francisco, which runs approximately 1.6 miles from 4th and Brannan Streets, north under Fourth Street to Stockton Street, and north under Stockton Street into Chinatown; and

WHEREAS, The Advanced Train Control System (ATCS) is a specialized and proprietary system that controls light rail vehicle movement, speed, headway and braking in the subway was first supplied to the SFMTA by Thales (formerly Alcatel Transport Automation (U.S.) Inc.) under San Francisco Municipal Railway contract MR-1034R, dated August 10, 1992, as modified by Thales under multiple subsequent contracts with the SFMTA; and

WHEREAS, On December 3, 2013, the SFMTA Board awarded the Agreement between the City and County of San Francisco and Thales Transport & Security, Inc. for
Design Review, Software, Implementation and Testing Services for an Advanced Train Control System for the Central Subway Project with Thales Transport & Security Inc., Contract No. 1266-2, (Contract No. 1266-2) by which Thales would review of existing ATCS designs, perform final ATCS engineering and designs, and provide as-needed oversight, inspection of ATCS infrastructure and equipment installation, and testing services to support ATCS installation and implementation for the Central Subway for an amount not-to-exceed $21,363,292, with a term to run three years beyond substantial completion of Central Subway construction (SFMTA Bd. Res. 13-260); and

WHEREAS, The ATCS must operate as a single integrated system between the new Central Subway and the Existing ATCS that services the SFMTA's subway operations in the Market Street tunnels; due to the proprietary nature of the ATCS, no vendor other than Thales can provide the SFMTA necessary ATCS proprietary equipment, software, design review and implementation services for the Central Subway, and this Contract 1266-2 is necessarily therefore a sole source contract; and

WHEREAS, HNTB-B&C Joint Venture, the Central Subway trackway and systems designer, under Contract CS-155-3, provided preliminary Central Subway ATCS designs; and

WHEREAS, The SFMTA procured certain proprietary ATCS equipment under SFMTA Contract 1266-1, a separate agreement with Thales; and

WHEREAS, The ATCS infrastructure has been constructed and installed in the Central Subway by Tutor Perini Corporation (Tutor), the general contractor engaged by the SFMTA to construct the stations, trackways and systems under Contract 1300; and

WHEREAS, Approval for this Implementation Contract was obtained under Civil Service Commission Notice of Action for Contract No. 1266-2 on December 2, 2013; and

WHEREAS, As planned, on July 7, 2014, the SFMTA assigned Contract 1266-2 to the Central Subway construction contractor, Tutor, so that Thales would be a subcontractor to
Tutor under Contract No. CS-1300, but that arrangement proved to be unworkable, and the
City on February 28, 2019, exercised its rights under Contract 1300 to re-assign Contract
1266-2 back to the SFMTA, so that Thales will provide ATCS equipment, software and related
services directly to the City to implement the ATCS for the Central Subway; and
WHEREAS, This Contract 1266-2 has previously been amended twice: Contract
Modification No. 1, dated December 3, 2019, affirmed the reassignment of the contract back
to the SFMTA from Tutor; Contract Modification No. 2, dated February 19, 2021, corrected the
contract language to clarify the contractual relationship between Thales and the SFMTA, and
to modify the scope of work, which increased the Contract Amount $589,342.80; and
WHEREAS, This Third Modification to Contract 1266-2 will (1) apply design changes to
automate train movements in accordance with NFPA 130 Tunnel Ventilation requirements; (2)
apply corrected track speeds according to TC-Series drawings (3) apply the final stationing of
installed wayside equipment (4) reduce the number of Portal Intrusion Devices; (5) provide
two independent circuits for Platform Emergency Stop Buttons; and (6) rearrange equipment
in CTS Train Control Room to accommodate separate LSMC and ACE racks, and accelerate
implementation of ATCS Substantial Completion so that the ATCS will be fully safety certified
and ready to be placed in revenue service on or before April 29, 2022; and
WHEREAS, This Third Modification to Contract 1266-2 compensates Thales
$12,831,743.60, which amount includes $10,340,349.60 for performance of additional work
and to accelerate completion of remaining ATCS work, and $2,491,394 to compensate Thales
for costs and impacts it incurred due to Central Subway Project construction delays, for a
modified Contract Amount of $27,730,300.40; and
WHEREAS, This Third Modification to Contract 1266-2 will extend the term of the
Contract 670 calendar days, so that ATCS Substantial Completion will be achieved on or
before April 29, 2022, at which point the ATCS will be ready for revenue service, and the term
of the Contract will then extend an additional three years of Warranty Period; and

WHEREAS, In light of the SFMTA’s intention to commence final testing on or before
April 29, 2022 and commence revenue service in the Summer of 2022, Modification No. 3
requires Thales to pay the SFMTA liquidated damages of $15,000 per calendar day for each
day of delay to completing the ATCS after May 1, 2022, and $50,000 per calendar day of
delay after July 31, 2022, where Thales is solely responsible for such delay; and

WHEREAS, On April 6, 2021, the SFMTA Board of Directors adopted Resolution No.
210406-043 which authorized the Director of Transportation to execute Contract Modification
No.3 to SFMTA Contract No. 1266-2: Agreement for Design Review, Software,
Implementation and Testing Services for an Advanced Train Control System (ATCS) for the
Central Subway Project, with Thales Transport & Security Inc., to modify ATCS software and
designs to conform to national fire codes, correct track speed limits, modify installation
requirements, and accelerate completion of work, extend the term to April 29, 2022, and
compensate Thales for costs it incurred arising from delay to the Project, for a modified
contract amount of $27,730,300.40; and

WHEREAS, A copy of the said contract is on file with the Clerk of the Board of
Supervisors in File No. 210338, which is hereby declared to be part of this resolution as if set
forth fully herein; now, therefore, be it

RESOLVED, That the Board of Supervisors approves Modification No. 3 to Contract
CN 1266-2, Design Review, Software, Implementation and Testing Services for an Advanced
Train Control System (ATCS) for the Central Subway Project, with Thales Transport &
Security Inc., to modify ATCS software and designs to conform to national fire codes, correct
track speed limits, modify installation requirements, accelerate completion of work, and
compensate Thales for costs and impacts it incurred arising from delay to the Project,
increasing the contract amount $12,831,743.60 for a modified contract amount of $27,730,300.40; and to extend the substantial completion of the ATCS 670 days to April 29, 2022, to extend the contract warranty period to April 29, 2025; and requesting the Board of Supervisors to approve this Modification No. 3.; and be it

FURTHER RESOLVED, That within 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

File Number: 210338  Date Passed: April 27, 2021

Resolution approving Modification No. 3 to Contract CN 1266-2, Design Review, Software, Implementation and Testing Services for an Advanced Train Control System (ATCS) for the Central Subway Project, with Thales Transport & Security Inc., to modify ATCS software and designs to conform to national fire codes, correct track speed limits, modify installation requirements, accelerate completion of work, and compensate Thales for costs and impacts it incurred arising from delay to the Project, increasing the contract amount by $12,831,743.60 for a modified contract amount of $27,730,300.40; to extend the substantial completion of the ATCS by 670 days for a total contract term of December 3, 2013, through April 29, 2022, and to extend the contract warranty period to April 29, 2025, to commence upon approval by the Board of Supervisors.

April 21, 2021 Budget and Finance Committee - RECOMMENDED

April 27, 2021 Board of Supervisors - ADOPTED
  Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210338

I hereby certify that the foregoing Resolution was ADOPTED on 4/27/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved 4-30-21