

T Transportation Committee

Meeting date: January 24, 2011

Metropolitan Council Meeting: February 9, 2011

ADVISORY INFORMATION

Date:	January 14, 2011
Subject:	2011 Unified Capital Program Amendment
District(s), Member(s):	All
Policy/Legal Reference:	2011 Capital Program and Budget
Staff Prepared/Presented:	Brian Lamb, General Manager Metro Transit (612-349-7510) Edwin D. Petrie, Director of Finance, (612-349-7624) Alan Morris, Principal Financial Analyst (651-602-1446)
Division/Department:	Transportation/Metro Transit

Proposed Action

That the Metropolitan Council:

- Amend the 2011 Authorized Capital Program (multi-year authorization) by adding spending authority as follows:

Metro Transit	\$ 12,813,250
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- Amend the 2011 Capital Budget (annual appropriation) by increasing appropriation as follows:

Metro Transit	\$ 12,813,250
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Background

This proposed amendment programs new federal and regional funding to capital projects in the Metro Transit Transportation Division as detailed in attachment 1.

Metro Transit**New Funding Commitments****3 Car Train Program –Light Rail Vehicles Project 84592**

This amendment will recognize Federal Congestion Mitigation and Air Quality (CMAQ) Funding and Regional Transit Capital (RTC) match for the purchase of ten low floor light rail vehicles for the Hiawatha Light Rail. In August 25, 2010, the Metropolitan Council in Business Item 2010-275 awarded and executed a contract with Siemens Industry Inc. for the production and delivery of 41 low floor light rail vehicles. This order included 31 low floor light rail vehicles for the Central Corridor Light Rail Project and 10 low floor vehicles for the Hiawatha Light Rail. This amendment is for the purchase of the 10 Hiawatha vehicles. The total cost of the Hiawatha Light Rail Vehicles is \$33.0 million and is included in the Council Adopted 2011 Unified Capital Program. The \$12.8M included in this action item is for the 2011 progress payments on the construction of these vehicles. The remaining funds will be included in a later capital amendment.

Rationale

This proposed amendment brings in new RTC authority and federal funds for this new project. These activities will allow the Council to carry out its long-term capital improvement program for transit.

Funding

The proposed amendment adds \$10,250,600 in federal funds and \$2,562,650 in Council RTC Bonding Authority to the Authorized Capital Program for transit projects. There is available, un-programmed regional bonding authority provided by the Legislature to accommodate the additional bonding. The level of regional bonding is consistent with the Council goal to keep the impact of Council property taxes on existing regional taxpayers flat over time.

Known Support / Opposition

None known.

T Transportation Committee
Metropolitan Council meeting: August 25, 2010

ADVISORY INFORMATION

Date August 10, 2010
Prepared:
Subject: Light Rail Vehicle Procurement

Proposed Action:

Authorize the Regional Administrator to:

- Award and execute a contract with Siemens Industry Inc. (Siemens), which provides the best value to the Council for production and delivery of 41 low floor light rail vehicles at a total cost not to exceed \$153,211,516, contingent on satisfactory results from the Pre-Award Buy America Audit.
- Issue a Limited Notice to Proceed to initiate design and engineering in an amount of \$4,000,000.

Summary of Committee Discussion / Questions:

Mark Fuhrmann presented the item. Councilmember Steffen asked whether there was more competition in the bidding than there was for Hiawatha. Fuhrmann stated that there were five vehicle proposals for Hiawatha LRT and four proposals for Central Corridor. Four proposals is considered a competitive field. Councilmember Steffen also asked whether any LRV would work on our system. Fuhrmann responded yes, they are interoperable due to the way we designed our track and systems. However, only cars of the same type can be coupled/married because of the differences in electrical and computer systems. A motion was made by Councilmember Peterson, seconded by Councilmember Hilker and unanimously approved.

T Transportation Committee

Meeting Date: August 9, 2010

Council Meeting: August 25, 2010

ADVISORY INFORMATION

Date: July 30, 2010

Subject: Light Rail Vehicle Procurement

Districts/ Member(s): All

Policy/Legal

Reference: Metropolitan Council Procedure 3-3c

Staff: Brian J. Lamb, General Manager, 612-349-7510

Prepared/Presented: Mark W. Fuhrmann, Deputy Gen Mgr, 651-602-1942

Rich Rovang, CCLRT Project Director, 651-602-1941

Division/Department: Metro Transit / Central Corridor Project Office

Proposed Action/Motion

Authorize the Regional Administrator to:

- Award and execute a contract with Siemens Industry Inc. (Siemens), which provides the best value to the Council for production and delivery of 41 low floor light rail vehicles at a total cost not to exceed \$153,211,516, contingent on satisfactory results from the Pre-Award Buy America Audit.
- Issue a Limited Notice to Proceed to initiate design and engineering in an amount of \$4,000,000.

Background

As part of the Central Corridor Light Rail Project, 31 low floor light rail vehicles are required in order to provide for two car operations at the start of revenue operations in 2014. In addition, ten low floor light rail vehicles are included in the base order of 41 for Hiawatha LRT. Up to 58 option vehicles are included for future fleet expansion for Central Corridor, Hiawatha and future Southwest LRT should the need and funding be identified.

On September 15, 2009 an RFP was issued requesting interested car builders to submit proposals. Proposals were received on January 28, 2010 and evaluated by a panel utilizing a best value approach which considers both technical and cost considerations. After initial evaluations, four car builders were invited to meet with the evaluation panel and further explain their proposals.

After meeting with each proposer, a request for Best and Final Offer (BAFO) was issued on June 23, 2010. Final proposals were received on July 27.

The evaluation panel first considered the technical merits of each proposal and then analyzed the overall cost proposals from each car builder. During the panel evaluation, Siemens was found to provide the strongest technical proposal along with proposing the lowest cost. Therefore the panel unanimously recommended Siemens for production of these vehicles.

Rationale

Siemens' overall cost proposal of \$153,211,516 is within the contract budget of \$154,094,820 and is fair and reasonable. The Siemens' cost per base vehicle is \$3,297,714 which compares favorably to peer system's Light Rail Vehicle base unit costs ranging from \$3,348,796 to \$3,924,095.

Engineering and testing of these vehicles requires approximately two years prior to arrival of the first vehicle with delivery expected at a rate of two to four cars per month thereafter. Awarding the contract at this time allows for timely delivery of the vehicles necessary for start up and acceptance testing prior to revenue operations for the Central Corridor project.

The execution of a contract in excess of \$250,000 requires Council approval.

Funding

Sufficient funding commitment from local sources is available to award the contract and to issue a Limited Notice to Proceed for design and engineering in the amount of \$4 million. These expenditures are eligible for Federal funding participation upon execution of the Full Funding Grant Agreement (FFGA). The full Notice to Proceed is currently planned to be granted under authorization by the Council upon execution of the FFGA.

The CCLRT LRV budget of \$119.1 million compares with Siemens' cost proposal of \$120.2 or less than one percent over budget. Separate funding in the amount of \$35.0 million for the purchase of the ten Hiawatha vehicles compares with the Siemens' cost proposal of \$33.0 million.

Known Support/Opposition

Local funding partners have been consulted and support the project, the contract award and issuance of a Limited Notice to Proceed.

2011 Capital Program & Budget Amendment

Transportation Committee - January 24, 2011

Management Committee - February 9, 2011 - Same Week

Metropolitan Council - February 9, 2011

ATTACHMENT 1

ITEM # 2011 - 41

Original Adopted 2011	\$ 258,257,046	\$ 1,924,759,085
After Prior 2011 Amendments	\$ 258,257,046	\$ 1,924,759,085
After This Amendment	\$ 271,070,296	\$ 1,937,572,335

METRO TRANSIT		CURRENTLY AUTHORIZED					PROPOSED CHANGE					AMENDED					2011 Budget	Multi-Year Authorization
		Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total		
INCREASING FUNDING COMMITMENTS																		
84592	3 Car Train Program - Light Rail Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,250,600	\$ -	\$ -	\$ 2,562,650	\$ 12,813,250	\$ 10,250,600	\$ -	\$ -	\$ 2,562,650	\$ 12,813,250	\$ 12,813,250	\$ 12,813,250
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Section Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,250,600	\$ -	\$ -	\$ 2,562,650	\$ 12,813,250	\$ 10,250,600	\$ -	\$ -	\$ 2,562,650	\$ 12,813,250	\$ 12,813,250	\$ 12,813,250
METRO TRANSIT TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,250,600	\$ -	\$ -	\$ 2,562,650	\$ 12,813,250	\$ 10,250,600	\$ -	\$ -	\$ 2,562,650	\$ 12,813,250	\$ 12,813,250	\$ 12,813,250