# T Transportation Committee

**Meeting date: September 12, 2011**

**Metropolitan Council Meeting: September 28, 2011**

## ADVISORY INFORMATION

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| **Date:** | September 2, 2011 |
| **Subject:** | Blue Line (Hiawatha Light Rail Transit): Siemens Light Rail Vehicle Options |
| **District(s), Member(s):** | All |
| **Policy/Legal Reference:** | Minnesota Statutes Chapter 117 and M.S § 473.405 Met Council 3-3 Expenditures Policy |
| **Staff Prepared/Presented:** | Brian Lamb, General Manager, 651-349-7510 Mark Fuhrmann, Deputy Gen Mgr, 651-602-1942 Ed Petrie, Director of Finance, 612-349-7624 Rich Rovang, CCLRT Project Director, 651-602-1941 |
| **Division/Department:** | Metro Transit / Central Corridor Project Office |

## Proposed Action

That the Metropolitan Council authorize the Regional Administrator to exercise the contract option with Siemens Industry Inc. to purchase two light rail vehicles for use on the Blue (Hiawatha) Line for a total cost of $6,710,134.

## Background

Siemens Industry Inc. has the contract to build a base order of 41 light-rail vehicles: 31 for the Central Corridor's Green Line and ten for the Blue Line. Options are included in the contract and must be exercised by September 29, 2011 to take advantage of no cost escalation increase on the base price of $3,355,067 per vehicle. If approved by the Met Council, it is anticipated that 18 light rail vehicles options will be exercised (16 for the Green Line and two for the Blue Line). See business item 2011-238 for Central Corridor Green Line options.

## Rationale

If the two Blue Line light-rail vehicle options are not exercised at the base unit cost by September 29, 2011, contractual escalation will be activated totaling an estimated $428,000 for these two option vehicles. The escalation will continue until the options are exercised.

## Funding

The funding for the two vehicles will be with remaining available Hiawatha Full Funding Grant Agreement (FFGA) funds and Regional Transit Capital (RTC) funds as the local match.

## Known Support / Opposition

No known opposition to this action.