

# 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.