

Date: June 23, 2021

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 21-06-29 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) TO AUTHORIZE THE EXERCISE OF OPTIONS TO A CONTRACT WITH SIEMENS MOBILITY, INC. FOR THE PURCHASE OF ADDITIONAL LRVs FOR THE MAX RED LINE EXTENSION AND RELIABILITY IMPROVEMENTS PROJECT

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the Interim General Manager or his designee to exercise options (Contract Options) to an existing contract with Siemens Mobility, Inc. (Siemens) for the purchase of four additional LRVs to serve the MAX Red Line Extension and Reliability Improvements Project (Project).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source) _____

4. Reason for Board Action

Board approval is required to exercise Contract Options that increase the contract authority beyond that originally authorized by the Board.

5. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. Background

In Resolution 19-03-21, the Board authorized TriMet to enter into a contract with Siemens in the amount of \$147,100,000 for the procurement of 26 Type 6 Light Rail Vehicles (LRVs), spare parts, manuals and training to replace the Type 1 LRVs. The Type 1s are the oldest LRVs in TriMet’s fleet, are nearing the end of their useful life and are the only high floor rail vehicles used by TriMet.

In addition to the purchase of the initial 26 LRVs, Resolution 19-03-21 anticipated that TriMet could exercise Contract Options to purchase as many as 46 additional LRVs, which would include provide additional LRVs for the expanded MAX Red Line service when the MAX Red Line Extension and Reliability Improvements Project is completed.

However, in order for TriMet to exercise Contract Options to purchase additional Type 6 LRVs, Resolution 19-03-21 required TriMet to obtain further Board authorization. The manufacture of the four additional LRVs also will require the extension of the existing June 30, 2024 contract expiration date to June 30, 2025.

7. Diversity

As reported in Siemens' November 30, 2020 Federal Equal Employment Opportunity report, Siemens' Sacramento, California, manufacturing facility has a workforce of 1,322, which consists of 710 (54%) minorities and 178 (14%) women.

8. Financial/Budget Impact

The \$147,100,000 amount for the initial 26 LRV order is included in the FY 2022 Capital Program budget and is forecast in the FY 2023-2024 budgets. The cost of \$19,439,000 for the additional four Type 6 LRVs will be included in capital budget for the Project.

9. Impact if Not Approved

When the Board approved Resolution 19-03-21, TriMet anticipated that it would need additional Type 6 LRVs for the MAX Red Line improvements, so Contract Options to acquire an additional 60 LRVs were secured from Siemens. The Type 6 LRV manufacturing for the initial 26 LRVs is currently underway and it is cost-effective to continue production and add four option Type 6 LRVs to the existing order.

If the Board decides not to approve this Resolution, TriMet would need to repeat the solicitation via an RFP for the additional LRVs to support the expansion of MAX Red Line service for the Project. Resoliciting via an RFP for the additional four Type 6 LRVs is not likely to yield a better price or superior manufacturer. Further, Siemens is well-qualified to perform this additional work and has met TriMet's expectations to date under the existing contract.

RESOLUTION NO. 21-06-29

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WHEREAS, TriMet has authority under ORS 267.200 to exercise options under an existing contract with Siemens Mobility, Inc. (Siemens), for four additional Type 6 Light Rail Option Vehicles (Contract Options); and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring it to authorize goods and services contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total cost of exercising the Contract Options exceeds \$1,000,000; and

WHEREAS, Resolution 19-03-21 required TriMet to obtain Board authorization to exercise Contract Options under the Siemens contract to purchase additional Type 6 LRVs;

NOW, THEREFORE, BE IT RESOLVED:

1. That the exercise of the Contract Options shall conform with applicable law.
2. That the Interim General Manager or his designee is authorized to execute the Contract Options in the amount of not more than \$19,439,000, and to extend the existing contract expiration from June 30, 2024 to June 30, 2025.

Dated: June 23, 2021

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department