



November 9, 2023

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Manufacturing and Delivery of Vehicles for the OC Streetcar Project

Overview

On March 26, 2018, the Orange County Transportation Authority Board of Directors authorized Agreement No. C-6-1445 with Siemens Mobility, Inc. for manufacturing and delivery of eight streetcar vehicles, spare parts and tools, with an option to purchase up to ten additional streetcar vehicles and spare parts, for the OC Streetcar Project. An amendment to the agreement is necessary to purchase additional streetcar spare parts, special tools and test equipment not originally included in the base order and required due to specification requirements unique to the OC Streetcar design.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement No. C-6-1445 between the Orange County Transportation Authority and Siemens Mobility, Inc., in the amount of \$1,725,750, to purchase additional spare parts, special tools, and test equipment. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$54,558,983.

Discussion

On July 24, 2018, the Orange County Transportation Authority (OCTA) entered into Agreement No. C-6-1445 with Siemens Mobility, Inc. (Siemens) for the manufacturing and delivery of eight streetcar vehicles needed to operate service for the OC Streetcar. The vehicles are now substantially complete, and delivery is pending completion of the OC Streetcar maintenance and storage facility.

During the procurement for these vehicles, the spare parts, special tools, and test equipment price lists were developed to uniformly and fairly evaluate price between the proposing firms, although the additional spare parts, special tools,

and test equipment for three unique yet to be designed subsystems, the emergency battery drive, energy absorbing bumper, and wheel lubrication system, were unknown until completion of final design. The final design of these three subsystems is complete, and the manufacturer has provided a proposal for the necessary spare parts, specialty tools, and test equipment necessary to operate and maintain the vehicles. Staff has reviewed and validated the proposal and is requesting authorization to purchase the spare parts, special tools, and test equipment as recommended by the manufacturer.

Maintaining a complete set of all spare vehicle parts supports operational efficiency and the maintenance of all eight vehicles necessary to operate the streetcar system and mitigates risks. These risks include repairs and/or replacement of critical system components that routinely experience lengthy lead times (up to 24 months), industry shortages, and/or inevitable price increases. Maintaining spare parts is a standard industry practice and is also utilized to maintain and operate OCTA's bus fleet.

Procurement Approach

This procurement was handled in accordance with Board of Directors' (Board)-approved procedures for goods and services, which conform to both federal and state laws. On March 26, 2018, the Board approved an agreement with Siemens, in the amount of \$51,527,520, to manufacture and deliver eight streetcar vehicles, spare parts and tools, with an option to purchase up to ten additional streetcar vehicles. This agreement has been previously amended six times (Attachment A).

Staff conducted a price review of the proposed change and deemed Siemens' price proposal to be fair and reasonable when compared to industry norms and the independent cost estimate prepared by the OCTA program management consulting team and staff. Proposed Amendment No. 7 to Agreement No. C-6-1445, in the amount of \$1,725,750, will bring the total contract value to \$54,558,983.

Fiscal Impact

Funding for this effort is included in the OCTA's Fiscal Year 2023-24 Budget, Capital Programs Division, Account No. 0051-9026-TS010-Z77, and is funded with local Measure M2 funds, federal Congestion Mitigation and Air Quality funds, and Federal Transit Administration funds.

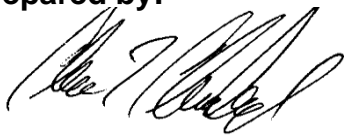
Summary

Staff requests the Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement C-6-1445 between the Orange County Transportation Authority and Siemens Mobility Inc., in the amount of \$1,725,750 to provide for additional spare parts, special tools and test equipment. This will increase the maximum obligation of the agreement to a total contract value of \$54,558,983.

Attachment

A. Siemens Mobility, Inc., Agreement No. C-6-1445 Fact Sheet

Prepared by:



Cleve Cleveland
Department Manager, Local Rail
714-560-5535

Approved by:



Johnny Dunning, Jr.
Chief Operating Officer, Operations
714-560-5710



Pia Veesapen
Director, Contracts Administration and
Materials Management
714-560-5619