
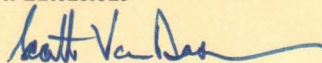
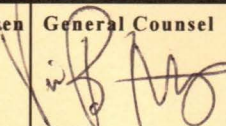
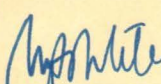
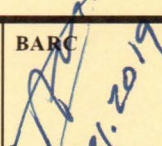




EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  DATE: 12/17/2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 12/17/2019		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Scott Van Dussen Dept: Extensions  Signature/Date: 12/30/2019	General Counsel  12/30/19 []	Controller/Treasurer  12/30/19 []	District Secretary []	BART  12.31.2019 []
Status: Routed		Date Created: 12/17/2019		

AWARD OF CONTRACT NO. 49GH-120 FOR TRAIN CONTROL PERFORMANCE SUPPORT SERVICES

PURPOSE:

To request Board Authorization for the General Manager to award Contract No. 49GH-120 for Train Control Performance Support Services to Hitachi Rail STS USA, Inc. for the amount of \$8,630,000 and authorize the General Manager to exercise Option A and Option B for two, 5-year extensions for the amount of \$3,150,000 each.

DISCUSSION:

In an effort to improve reliability, maintainability, reduce costs, and increase the frequency of trains through the Transbay Tube (TBT), the Board directed staff to undertake a Train Control Modernization Program (TCMP) using a Communications Based Train Control (CBTC) technology on December 3, 2015. The Board authorized the General Manager to issue solicitation documents for a CBTC System using the Design-Build method of procurement, pursuant to Public Contract Code Section 22160 et seq. As discussed further below, this led to issuance of the Request for Qualifications and Proposals (RFQ/P) for both Contract No. 49GH-120 for Train Control Performance Support Services (TCPSS) and Contract No. 49GH-110 for the Design-Build of a CBTC System on August 17, 2017.

The TCPSS Contract provides support services to BART to ensure that after the new CBTC System is installed, it performs as defined per the CBTC Contract; the District efficiently and effectively operates and maintains the CBTC System; the District has a secure supply of replacement parts for those supplied under the CBTC Contract; and the District has support for modifications (hardware/software) to the CBTC System the District deems necessary. The TCPSS Contract is for a term of 10 years, with two 5-year Option

extensions.

On March 13, 2017, the District issued the Advance Notice to Proposers of the District's RFQ/P to prospective CBTC Design-Build Entities. The same Advance Notice was issued to the small business community. On March 15, 2017, the District advertised the RFQ/P in the following publications: San Francisco Examiner, Inter-City Express, Progressive Railroading, Gazette Rail International, and the American Public Transportation Association (APTA) newsletter.

In total throughout the procurement process, the Office of Civil Rights hosted three (3) Networking / Matchmaking Sessions for potential Third Parties on March 30, 2017, September 6, 2017, and May 30, 2018.

Due to the vital safety features of the CBTC System, the RFQ/P is designated as a Security Sensitive Information (SSI) Contract. Accordingly, prospective firms completed the SSI Clearance prior to being issued the RFQ/P Documents on August 17, 2017.

On October 17, 2017, the District received Qualification Statements from seven (7) Design-Build Entities and commenced the Qualification evaluation.

The District's Evaluation Committee, chaired by Procurement/Contract Administration, included representatives from the Planning, Development, and Construction (PD&C), Maintenance and Engineering (M&E), Operations Planning, Rolling Stock and Shops (RS&S), Transportation, Risk and Insurance Management, Office of Civil Rights (OCR), and Performance and Audit Departments who evaluated the Qualification Statements and the Proposals including Best and Final Offers (BAFOs).

On January 5, 2018, the General Manager notified the BART Board of Directors of the Preliminary Notice of Approved Prequalified Proposers which included Thales Transport & Security, Inc. (Thales), Alstom Signaling, Inc. (Alstom), and Ansaldo STS USA, Inc. (subsequently known as Hitachi Rail STS USA, Inc. (Hitachi)). The Final Notice of Approved Prequalified Proposers was sent to the Prequalified Proposers on May 1, 2018.

On May 30, 2018, a Pre-Proposal Conference and Site Tour were conducted for Pre-Qualified Proposers and Systems Equipment Installers.

On March 19, 2019, Technical and Price Proposals were received from Alstom and Hitachi. Due to ongoing commitments, Thales chose to withdraw prior to the Proposal Due Date. The Evaluation Committee, [with the addition of representatives from two (2) peer agencies], completed reviews of the Technical and Price Proposals and determined both Proposals to be in the Competitive Range. A series of clarification and negotiations meetings with both Alstom and Hitachi were held in June and July 2019.

Proposal Evaluation Methodology and Criteria

The RFQ/P required the District to evaluate Proposals based on a best value method of procurement to determine the Proposals that are the best value to the District. The best value methodology allows the Evaluation Committee to evaluate price in combination with other criteria listed below consistent with the Design-Build statute, and in accordance with the District's Source Selection Plan (SSP).

The RFQ/P listed the technical evaluation criteria in the following descending order of importance:

1. Migration Plan.
2. Systems Performance Analysis.
3. System Design / Specifications Compliance.
4. Management Approach.
5. Train Control Performance Support Services Approach.
6. Reliability, Availability and Maintainability (RAM) Analysis.

The Technical Proposals were rated in accordance with a descriptive method: 1) Exceptional, 2) Good, 3) Acceptable, 4) Potential to Become Acceptable, and 5) Unacceptable. A proposal would be excluded from the Competitive Range if it was rated Potential to Become Acceptable or Unacceptable.

Following the completion of the Technical Proposal Evaluation, those Proposals found to be rated Acceptable or better underwent an evaluation of their Price Proposals. Price evaluations include analysis against the Engineer's Estimates.

Evaluation of the Best and Final Offers

A subsequent Modification for a Request for Best and Final Offers (BAFOs) was issued on September 5, 2019. In response, BAFOs were received on October 22, 2019 from both Alstom and Hitachi

Both Alstom and Hitachi's BAFO Technical Proposals (CBTC and TCPSS) were determined to be responsive in that all required forms and certifications, were provided.

The Evaluation Committee evaluated the BAFO Technical Proposals from Alstom and Hitachi as follows:

Alstom's BAFO Technical Proposals were rated Unacceptable regarding three criteria: Management, Migration, and TCPSS. Therefore, in accordance with the Instructions to Proposers, Alstom's BAFO Price Proposals were not opened for review.

Hitachi's BAFO Technical Proposals were rated Good Minus overall. Hitachi provided better than acceptable quality Proposals meeting all of the technical evaluation criteria listed

above, thus instilling confidence of successful Contract performance. Hitachi's BAFO Price Proposals were subsequently opened for review. The TCPSS prices are shown below.

TCPSS BAFO Base Proposal Price Plus Allowances and Options

	Hitachi Price Proposal	Engineer's Estimate	Difference
TCPSS BAFO Base Proposal Plus Allowances (for 10-Year Term)	\$8,630,000	\$6,278,918	\$2,351,082
TCPSS BAFO Option A	\$3,150,000		
TCPSS BAFO Option B	\$3,150,000		
TCPSS BAFO Base Proposal Plus Allowances and Option A and Option B	\$14,930,000	\$10,499,204	\$4,430,796

Hitachi's TCPSS BAFO Base Price Proposal is \$2,351,082 more than the Engineer's Estimate of \$6,278,918. In addition, Hitachi's TCPSS BAFO Price Proposal included Option A and Option B and is \$4,430,796 more than the Engineer's Estimate of \$10,499,204. After a detailed price evaluation of all BAFO price items contained in the BAFO Price Proposal, the Evaluation Committee determined Hitachi's TCPSS BAFO Price Proposal to be fair and reasonable.

The Evaluation Committee determined that Hitachi's BAFO Technical Proposals and approach met the requirements specified in the RFQ/P and that Hitachi is a responsible Proposer based on the requirements of the RFQ/P.

Non-Discrimination Program

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for the TCPSS Contract are 2.2% for Minority Business Enterprises (MBEs) and 1.1% for Women Business Enterprises (WBEs). The Proposer, Hitachi, will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

Small Business Program

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights set a 5% Small Business (SB) Subcontractor Participation Goal for this Contract. Proposers who meet the SB Subcontractor Participation Goal are eligible for a Small Business Preference of 5% of the lowest responsive Proposer's BAFO with a cap of \$150,000. The Office of Civil Rights determined that the Proposer, Hitachi, will not be

subcontracting any portion of the Work. Hitachi did not meet the SB Subcontractor Participation Goal and therefore, is not eligible for the Small Business Preference.

District staff recommends award of the TCPSS Contract No. 49GH-120 to Hitachi.

Separately, staff is recommending that award of the CBTC Contract No. 49GH-110 to Hitachi be made concurrent with the award of the TCPSS Contract No. 49GH-120. This is discussed in more detail in the accompanying EDD for award of the Contract No. 49GH-110.

FISCAL IMPACT:

FUNDING AVAILABLE TO AWARD TCPSS CONTRACT NO. 49GH-120

The TCPSS Contract No. 49GH-120 in the base amount of \$8,630,000 over ten years (\$863,000 per year) starting in Fiscal Year 2027 with two five-year Options (Option A at \$3,150,000 and Option B at \$3,150,000) will be funded as follows:

Funds will be budgeted in the Maintenance & Engineering operating budget (Dept 0802851-M&E Financial Admin, Account 681300-Professional & Technical Svcs) as follows:

Base Contract	
Proposed Funding	
FY27	\$863,000
FY28	\$863,000
FY29	\$863,000
FY30	\$863,000
FY31	\$863,000
FY32	\$863,000
FY33	\$863,000
FY34	\$863,000
FY35	\$863,000
FY36	\$863,000
TOTAL	\$8,630,000

Option A	
Proposed Funding	
FY37	\$630,000
FY38	\$630,000
FY39	\$630,000

FY40	\$630,000
FY41	\$630,000
TOTAL	\$3,150,000

Option B	
Proposed Funding	
FY42	\$630,000
FY43	\$630,000
FY44	\$630,000
FY45	\$630,000
FY46	\$630,000
TOTAL	\$3,150,000

Funding for this maintenance agreement from FY27 to FY46 will be included in the proposed annual Operating Budget, which is subject to Board approval.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves in the current Fiscal Year.

ALTERNATIVES:

Not proceed with award of the Contract at this time and re-advertise the RFQ/P for the TCPSS. This would result in the District assuming responsibility for support of the new CBTC System without the participation of the CBTC System Supplier. In addition, the District would lose the support of the Supplier in providing replacement parts for the CBTC System which would likely increase the District's costs for replacement parts.

RECOMMENDATION:

Adoption of the following motion:

MOTION:

The General Manager is authorized to award Contract No. 49GH-120 for Train Control Performance Support Services to Hitachi Rail STS USA, Inc. for the price of \$8,630,000, (including all taxes) subject to escalation, and subject to the District's protest procedures. The General Manager is further authorized to exercise Option A and Option B to Contract No. 49GH-120, for two 5-year extensions for \$3,150,000 each, subject to escalation, and upon certification by the Controller-Treasurer that funding is available.