



Finance, Administration and Oversight Committee

Action Item III-A

December 4, 2008

**Initiate Advertisement of Procurement for
7000 Series Rail Cars**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 100203	Resolution: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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PURPOSE:

To obtain the Board's approval to: (1) add to the Phase 1 Dulles Corridor Metrorail Project procurement of 64 railcars, (a) an option for the Dulles Phase 2 railcar requirements of 64 cars; (b) options for up to 620 railcars to renew the oldest portion of the WMATA fleet, to rehabilitate the 100 Breda 4000 series railcars and satisfy future Metro ridership projections; (2) delegate to the General Manager authorization to approve foreign travel verified as necessary in support of the program with periodic reports to the Board of travel authorized; (3) approve the amendment of the FY2009-2022 CIP budget to include the 7000 Series Railcar Program, which includes up to 25 WMATA staff support positions for project management, engineering and administration for the duration of this program.

DISCUSSION:

The Metropolitan Washington Airports Authority (MWAA) has requested 128 railcars for the Dulles Corridor Metrorail Project but has only provided Phase 1 funding for 64 railcars. The 300 original railcars in the 1000 Series need to be replaced at the end of their 40-year life. The 100 railcars in the 4000 Series require mid-life rehabilitation. An additional 130 railcars are necessary to provide for 75% peak-period 8-car train capability and meet the demands of ridership growth and 90 additional railcars are needed to extend that capability to 100%.

The timing of these needs has provided a unique opportunity that permits delivery of 748 railcars within a five year window and a better means for spending our resources wisely. The consolidated procurement is intended to take advantage of economies of scale, to standardize design over a major portion of the fleet, improve quality control and reduce acquisition time and costs.

The contract is structured with a base order of 64 railcars for Dulles Phase 1. All remaining railcars will be options subject to Board approval and availability of funds. The program will have approximately 24 months after contract award in which to exercise the first option. Costs associated with the Dulles Corridor Metrorail Project are to be reimbursed under the existing agreement with MWAA.

A reimbursable Intergovernmental Agreement (IGA) between MWAA and WMATA was signed on September 14, 2007. It provides funding to WMATA for the design and procurement of 64 railcars and the continued technical assistance for Phase I which will extend Metrorail service from the current Orange Line through Tysons Corner to Wiehle Avenue in Fairfax County, Virginia. Inclusion into the Adopted Regional System (ARS) is contingent upon the awarding of a full-funding grant agreement by the Federal Transit Administration to MWAA and other Board requirements. The Dulles project is part of the approved FY 2008-2013 Capital Improvement Program (CIP).

The following table shows the anticipated delivery schedule for the 7000 Series Railcar Procurement Program, if all options are exercised and the commissioning and warranty facility is functional by FY 2012.

Requirements	Qty	Number of Cars Accepted				
		FY 13	FY 14	FY 15	FY 16	FY 17
Dulles	128	36	92			
Renewals	300		16	144	140	
Growth, 100% 8-car	220				40	180
4000 Series Rehab	100		4	32	48	16
	748	36	112	176	228	196

Sealed bid procedures are not appropriate since it is necessary to conduct discussions with offerors to confirm technical acceptability of each offer. The contract will be awarded under "Best Value" competitive negotiation procedures made on a combination of price and technical related factors.

ALTERNATIVES:

The agreement for the Dulles Phase 1 program has been approved subject to certain Board requirements. Delay in renewal of the original 1000 Series railcars will result in higher equipment failure rates and significantly higher maintenance costs. Delaying the mid-life rehabilitation of the 4000 Series railcars would force them to undergo a fourth (scheduled) major overhaul that would not address the aging of long life cycle components and to incur increased maintenance costs, reduced reliability and require early fleet replacement. Delays in acquisition of the 75% and 100% growth cars would result in overcrowding and the inability to meet forecast passenger demand.

In all cases, delays in procurement will result in significantly higher acquisition costs.

IMPACT ON FUNDING:

Total program funding needs are \$2.064 billion, of which the Dulles component is fully reimbursable. Award of the Dulles Phase 1 railcar base contract is currently scheduled for October 2009.

The additional funding needed for the WMATA railcar program is not yet programmed and must be addressed prior to award of any options. Bidders will be requested to provide alternative pricing based on a longer acceptance schedule if the Commissioning and Warranty Facility is not approved and also to provide a private financing alternative. The Board of Directors will be kept informed of the status of the financing options and a final recommendation will be made when approval is sought for award.

Action for Multi-Year Funded Contract	
	Capital – Reimbursable Capital Projects System Expansion Program Dulles Corridor Metrorail Project
	7000 Series Railcar Procurement Program
Budget:	FY 09 – FY 17
	\$0
This Action:	\$1,881,126,230
Prior Approval:	\$0
Remaining Budget:	\$0
Remarks:	The design and procurement of the base contract for the 64 Dulles Corridor Phase 1 railcars is programmed within the approved FY 2008-2013 Capital Improvement Program budget as a reimbursable project. Action to initiate the base contract requires no additional budget authorization. However, funding for the options, including the Dulles Corridor Metrorail Project Phase II, is subject to Board approval, the availability of funding and capital program prioritization.
Operating Budget Impact:	Annual Expense: FY09 - \$0 FY10-22 - \$630.2 million
	As approved by Resolution 2007-27, adopted on June 28, 2007.

The following table shows the projected costs (in millions) for the 7000 Series Railcar Procurement Program, if all options are exercised and the commissioning and warranty facility is functional by FY 2012.

Projected Costs (in millions)	FY07	FY08	FY09	FY10	FY11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Commissioning & Warranty Facility				9.000	51.000												60.000
Dulles	0.483	0.829	9.401	37.890	60.949	72.570	143.973	30.368	10.804	5.760	2.791	4.092	5.802				385.712
Growth, 75% 8-car							39.619	242.714	38.360	9.443	6.589	0.881	4.721	9.842			352.169
Renewals								67.748	339.326	336.227	34.095	19.932	6.887	6.796	10.669	19.521	841.201
Growth, 100% 8-car										134.768	102.319	2.050	10.367	0.873	0.654	10.149	261.180
4000 Series Rehab				0.948	5.076	8.844	14.836	19.446	51.783	47.260	5.848	4.399	3.655	1.894			163.989
Total	0.483	0.829	9.401	47.838	117.025	81.414	198.428	360.276	440.273	533.458	151.642	31.354	31.432	19.405	11.323	29.670	2,064.251

PRIOR APPROVALS:

MEAD 99745 Dulles Intergovernmental Agreement

MEAD 100208 7000 Series Design

AFFIRMATIVE ACTION REQUIREMENTS:

The Contractor will be required to comply with Executive Order 11246, Revised Order #4.

Pursuant to the US DOT's Regulation 49 CFR Part 26, Transit Vehicle Manufacturers must submit the DBE plan along with their proposed goal directly to the FTA.

RECOMMENDATIONS:

WMATA Board of Directors (1) authorizes the addition to the previously approved Dulles Corridor Metrorail Project Phase 1 railcar procurement, as options subject to Board approval, availability of funds and recommendation in the capital prioritization process, the addition of options for the acquisition or rehabilitation of up to 684 railcars:

- 64 – Dulles Phase 2 (option #1);
- 300 Fleet renewal of the 1000 Series (option #2);
- 100 – Mid-life rehabilitation of the 4000 Series (option #3);
- 130 – Growth for 75% peak-period 8-car trains (option #4);
- 90 – Growth for 100% peak-period 8-car trains (option #5);

(2) delegate to the General Manager authorization to approve foreign travel verified as necessary in support of the program with periodic reports to the Board of travel authorized.

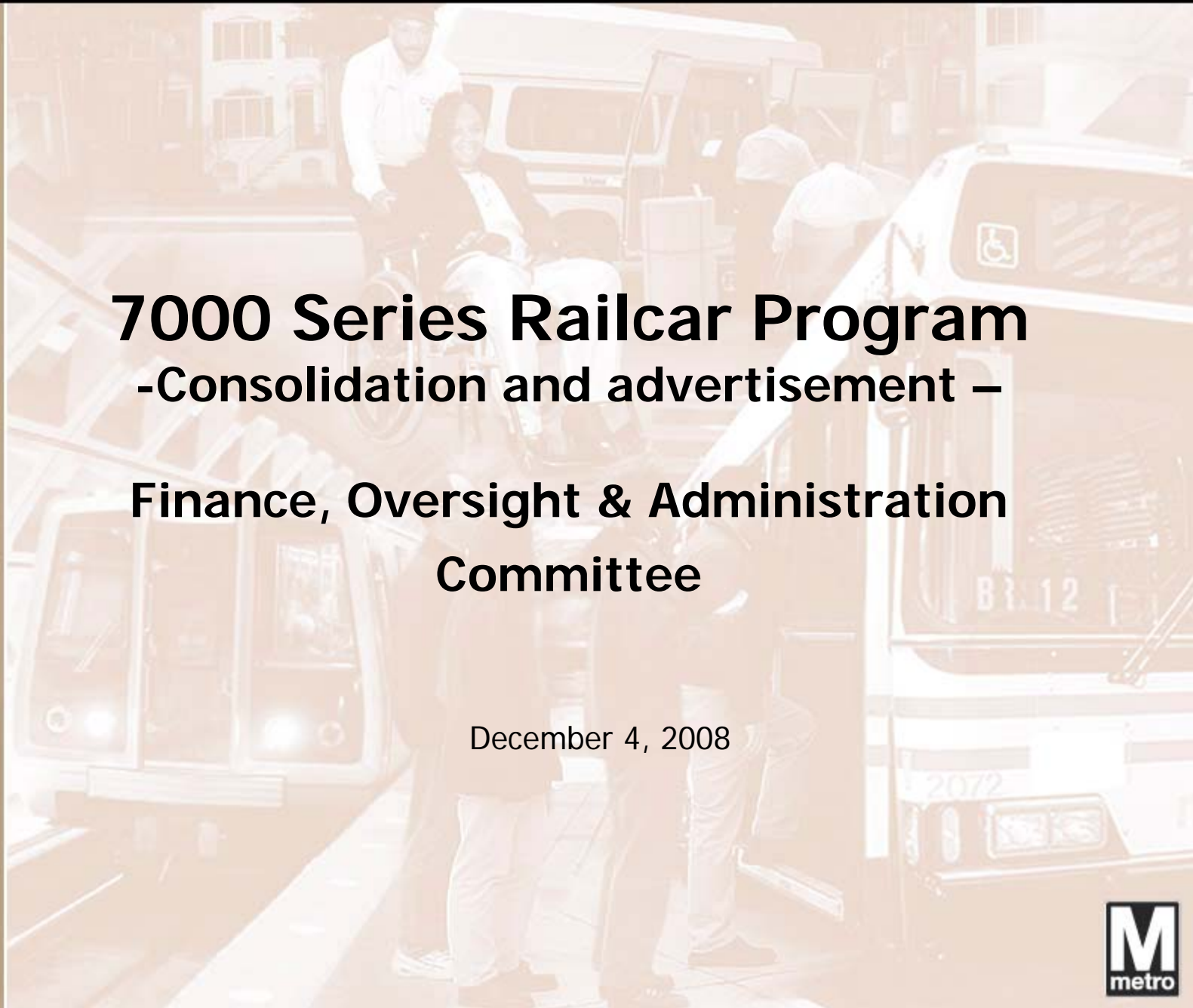
(3) approve the amendment of the FY2009-2022 CIP budget by \$1,881,127,230 subject to the availability of funds to include the 7000 Series Railcar Program, which includes up to 25 WMATA staff support positions for project management, engineering and administration for the duration of this program and increases the FY 2009 On-Call Consultant Work Program; and be it further

All of the above actions are subject to Board approval, the availability of funding and review in the capital prioritization process.



**7000 Series Railcar Program
-Consolidation and advertisement –
Finance, Oversight & Administration
Committee**

December 4, 2008





Purpose

Planning Our Transportation Future.....

.....next equipment lifecycle going beyond 2050

- Request Committee recommendation for Board approval to:
 - Add options for procurement of up to 684 additional railcars to the previously approved RFP for the 64 Dulles program vehicle acquisition.
 - All options subject to Board approval, prioritization and availability of funds.
 - Modify the FY2009 - 2022 budgets accordingly



Program Scope

- Consolidated procurement of five railcar projects
 - Dulles 64 – Phase 1 (base contract)
 - Dulles 64 – Phase 2 (option #1)
 - 300 Fleet Renewal (1000 Series) (option #2)
 - 100 4000 Series Mid-Life Rehabilitation (option #3)
 - 130 Growth 75% Eight-Car Trains (option #4)
 - 90 Growth 100% Eight Car Trains (option #5)



Recommendation

- Request Committee recommendation for Board approval to:
 - Add options for procurement of up to 684 additional railcars to the RFP for the 64 Dulles program vehicles previously approved
 - All options subject to prioritization and availability of funds
 - Modify the FY2009 - 2022 budgets accordingly



7000 Series Railcar Program Next Steps

- Board approval amend the Dulles RFP and initiate the consolidated program subject to availability of funds and review in the capital prioritization process
- December 2008 – Issue RFP
- Spring 2009 – Capital program prioritization



SUBJECT: APPROVAL TO ADD OPTIONS FOR THE ACQUISITION OR REHABILITATION OF UP TO 684 RAILCARS TO THE PREVIOUSLY APPROVED PROCUREMENT OF 64 RAILCARS FOR PHASE I OF THE DULLES CORRIDOR METRORAIL PROJECT; TO AMEND THE WMATA BUDGET AND AUTHORIZE THE ON-CALL CONSULTANT TO PROVIDE SPECIALIZED SUPPORT

PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, WMATA and the Metropolitan Washington Airports Authority (MWAA) have negotiated an Intergovernmental Agreement (IGA) defining WMATA's role on the Dulles Corridor Metrorail Project (Project) providing funding for WMATA personnel and the acquisition of capital equipment for the Project, specifically 64 railcars for Phase 1 of the Project; and

WHEREAS, WMATA has clearly defined needs for replacement and rehabilitation of a major portion of the existing fleet and acquisition of additional railcars to mitigate the impact of forecast ridership growth; and

WHEREAS, The timing of the procurement of the 64 railcars for Phase 1 of the Dulles Corridor Metrorail Project presents an opportunity of financial benefit for the procurement of additional railcars; and

WHEREAS, The staff recommends that the additional railcars shall be included in the Dulles Phase 1 railcar procurement as options subject to Board approval, availability of funds and review in the capital prioritization process; and

WHEREAS, On June 28, 2007, the WMATA Board adopted Resolution #2007-27 approving the final Financial Plan for the Project; and

WHEREAS, On June 28, 2007, the WMATA Board adopted Resolution #2007-26 authorizing the General Manager to execute the WMATA-MWAA Intergovernmental Agreement for Phase 1 of the Project;

RESOLVED, That the WMATA Board of Directors (1) authorizes the addition to the previously approved Dulles Corridor Metrorail Project Phase 1 railcar procurement, as options subject to Board approval, availability of funds and recommendation in the capital prioritization process, the addition of options for the acquisition or rehabilitation of up to 684 railcars:

- 64 – Dulles Phase 2 (option #1);
- 300 Fleet renewal of the 1000 Series (option #2);
- 100 – Mid-life rehabilitation of the 4000 Series (option #3);
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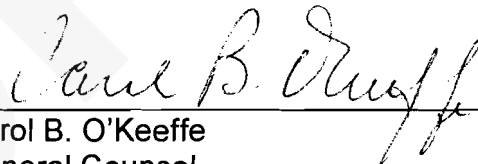
(2) delegate to the General Manager authorization to approve foreign travel verified as necessary in support of the program with periodic reports to the Board of travel authorized.

(3) approve the amendment of the FY2009-2022 CIP budget by \$1,881,127,230 subject to the availability of funds to include the 7000 Series Railcar Program, which includes up to 25 WMATA staff support positions for project management, engineering and administration for the duration of this program and increases the FY 2009 On-Call Consultant Work Program; and be it further

RESOLVED, That all of the above actions are subject to Board approval, the availability of funding and review in the capital prioritization process; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel