

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: APRIL 6, 2011

SUBJECT: PROCUREMENT AUTHORIZATION AMENDMENT:
AUTOMATIC TRAIN CONTROL PROJECT
CONTRACT NO. C31PV08752 – DESIGN & SUPPLY RADIO
BASED ATC/CBTC FOR YUS SUBWAY
CHANGE DIRECTIVE NO. 7

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize Change Directive No. 7 to Alstom Transportation Canada Inc., in the upset limit amount of \$4,903,469.29, for the supply of 21 sets of Automatic Train Control (ATC) on-board equipment, as part of Contract C31PV08752.

FUNDING

Sufficient funds for this expenditure have been included in the years 2012 and 2013 budgets, in Project 2.4 – YUS ATC Resignalling, on pages 399 - 403 of the TTC 2011-2015 Capital Program, as approved by the City of Toronto Council on February 23, 2011.

BACKGROUND

In order to increase capacity, the YUS Line is being resignalled with Automatic Train Control (ATC). The ATC will improve safety, capacity, operating efficiencies and cost effectiveness throughout the length of the line. In order to achieve these benefits the ATC needs to be installed on all the TR Trains as it is planned to run a homogenous fleet of Toronto Rocket Trains on the YUS.

A contract for the Design and Supply of Radio Based ATC/Communications Based Train Control (CBTC), for the YUS Subway, was awarded to Alstom Transportation Canada Inc. (Alstom) on May 1, 2009 pursuant to a publicly advertised Request for Proposal process. The base contract with Alstom provided for the supply of 39 ATC on-board equipment sets required for installation into the base contract with Bombardier Transportation North America (BTNA) for train sets for the YUS subway line. Alstom's contract also included a Specified Option to purchase additional equipment sets in the event of future increase to the train sets purchased. The ATC system is required to be integrated onto all the new trains that will be used to service the YUS line. Alstom's contract included foreign exchange adjustments to a portion of the Specified Option pricing and did not include PST which would be self-assessed and paid directly by the Commission.

DISCUSSION

The original contract awarded to BTNA in 2006, was for the supply of 39 Toronto Rocket Trains for the YUS line. In May of 2010, an amendment to BTNA's contract was issued for an additional 21 Toronto Rockets (TR) to be supplied for the replacement of the 126 H6 Subway cars. Subsequently in July 2010 a contract amendment was issued to BTNA to modify all the TR trains currently on order consisting of the 39 base train sets plus the 21 additional trains in order to accommodate and integrate the on-board ATC equipment to be supplied by Alstom for the YUS trains to run under ATC operation. In May 2009, Alstom was awarded a contract to supply a CBTC system for the YUS which included the provision to equip the base 39 TR trains and options to equip future TR trains not currently on order at the time. With the amendment to BTNA to supply an additional 21 trainsets, the project requires Alstom to supply the ATC equipment for these additional trains.

Request for Quotation No. 7 (RFQ#7) was issued to Alstom to exercise Specified Option No. 4 in the contract which expires on May 1, 2011. This option price is for the supply of ATC equipment from France and is required for the additional 21 train sets of the expanded TR fleet. RFQ#7 also includes additional equipment required for the interface of the ATC equipment with the new trains as well as for shipping costs and HST. The total quoted price of \$4,426,089.21 submitted by Alstom for RFQ#7 confirms the original Specified Option price in their original bid and includes pricing for the additional ATC equipment. An amount of \$4,146,064.14 in the quotation is subject to foreign exchange adjustment and is based on a currency exchange rate of \$1 Canadian = 0.7294 EURO. The total value of the change directive is the upset limit amount of \$4,903,469.29, which also includes an allowance of \$710,000.00 to cover shipping and handling costs and the final impact of currency exchange adjustment as calculated at time of acceptance of the quotation. No work has been started on RFQ#7.

Contract details are as follows:

Original Contract Amount	\$52,056,498.59
Previously Approved Contract Changes	\$4,179,796.58
Amount of this Change Directive	\$4,903,469.29*
Revised Contract Amount	\$61,139,764.46

* Includes an allowance of \$710,000.00 (Canadian) for shipping and handling costs and currency exchange adjustment.

JUSTIFICATION

The installation of the ATC on the TR train sets is necessary to enable the ATC YUS Resignalling Project to support the capacity enhancement necessary to meet the predicted increase in ridership by providing the maximum train throughput capacity, utilizing the latest proven technology.

February 28, 2011
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