

Exhibit 'A'

**CENTRAL CITY STREETCAR
VEHICLE BUDGET**

Original Budget	\$ 9,758,400
Additional Budget	<u>\$ 2,250,000</u>
Total Budget	\$12,008,400

Expenses

Streetcar Vehicles (5 x \$1,350,000)	\$ 6,750,000
Support System Costs	\$ 2,164,000
Spare Parts	\$ 942,000
Vehicle Upgrades (5 x \$100,000)	<u>\$ 500,000</u>
Subtotal	\$10,356,000

Design and Management Services

Initial Maximum Compensation	\$ 683,890
Additional Services	\$ 230,000
Project Management	<u>\$ 150,000</u>
Subtotal	\$ 1,063,890

Contingency	<u>\$ 588,510</u>
Total Expenses	\$12,008,400

Resolution 99-1
1/5/99

RESOLUTION No.

35757

Accept the recommendation from Portland Streetcar, Inc , that the City of Portland negotiate a contract with Inekon for the construction of the Astra Streetcar Vehicle manufactured by Skoda in Pilzen, Czech Republic, for the Central City Streetcar Project (Resolution)

WHEREAS, on October 2, 1997, the City of Portland (City) and Portland Streetcar, Inc (PSI) entered into Agreement No 31428 for Final Engineering of the Central City Streetcar Phase I Project, which services are scheduled to be completed by April 1, 1999, and

WHEREAS, the selection of a manufacturer to fabricate and supply streetcar vehicles was anticipated in the budget, scope of services and schedule set out in Agreement No 31428, and

WHEREAS, on February 11, 1998, Council passed Ordinance No 171994 that adopted findings, approved an alternative contracting process and created an exemption to the competitive bidding of ORS Chapter 279 for Streetcar Vehicle Procurement, and

WHEREAS, on February 11, 1998, Council passed Ordinance No 171995 authorizing an amendment to Agreement No 31428 that provided for PSI to act on behalf of the City to carry out an impartial alternative selection process for the Streetcar Vehicle Procurement Contract, and

WHEREAS, PSI has subcontracted with LTK Engineering, Inc , to provide professional services related to the procurement of streetcar vehicles, and

WHEREAS, on February 12-16, 1998, PSI sent to six manufacturers a Request for Letters of Interest to supply four to six low-floor streetcars for Phase I of the new Central City Streetcar system and received favorable replies from four of those manufacturers, and

WHEREAS, on February 19, 1998, PSI solicited from those four manufacturers an industry review of the preliminary Central City Streetcar design criteria, information from which was considered in finalizing the Request for Proposals, and

WHEREAS, on April 3, 1998, PSI delivered to three manufacturers the Request for Proposals for low-floor streetcars for Central City Streetcar – Phase I, and

WHEREAS, in April, 1998, PSI appointed a Vehicle Selection Committee, representing the City, Tri-Met, PSI and Central City neighborhoods to oversee the selection of a streetcar vehicle manufacturer, and

WHEREAS, PSI received a single response to the vehicle Request for Proposals that did not meet the budget requirements for four to six streetcar vehicles as established in the Central City Streetcar Capital Finance Plan adopted by Council on June 25, 1998, in Amended Resolution No 35708, and

WHEREAS, PSI and the City directed LTK to contact those and other potential streetcar manufacturers in Europe to determine which companies might reconsider or consider manufacturing an appropriate vehicle for Central City Streetcar Phase I Project, and

WHEREAS, in October, 1998, representatives of the Vehicle Selection Committee, the City, Tri-Met and PSI visited the Czech Republic and Germany to inspect the manufacturing facilities of Skoda, AdTranz and Siemens and, where possible, to see representative streetcars in revenue service, and

WHEREAS, on November 16, 1998, PSI issued a revised Request for Proposals (RFP) for streetcar vehicles to Skoda, AdTranz and Siemens, and

WHEREAS, on December 7, 1998, proposals were received from Inekon (Skoda), AdTranz and Siemens, and

WHEREAS, the Vehicle Selection Committee met to receive a summary of a detailed technical review and evaluation of the three proposals completed by LTK Engineering, Inc , and to discuss and evaluate elements of the three proposals, including cost, appearance, management structure and other factors, and

WHEREAS, the Vehicle Selection Committee ranked the Inekon (Skoda) proposal the highest of the three proposals received and recommended that the Inekon (Skoda) proposal be accepted, subject to Inekon satisfactorily addressing a series of relatively minor design and contracting issues, and

WHEREAS, on December 22, 1998, PSI forwarded questions to Inekon regarding the design and contracting issues raised by the Vehicle Selection Committee and technical team during the review of their proposal, and

WHEREAS, on January 4, 1999, Inekon forwarded a response satisfactorily answering the key questions in the December 22, 1998, correspondence from PSI, and

WHEREAS, on January 5, 1999, the PSI Board adopted Resolution No 99-1 accepting the Vehicle Selection Committee Report and recommending to the Portland City Council that Inekon supply the Astra Streetcar Vehicle manufactured by Skoda in Pilzen, Czech Republic, and

WHEREAS, Resolution 99-1 also recommends that negotiations continue to resolve the limited number of outstanding design and contracting issues including the streetcar width of 2.46 meters, which PSI prefers to the 2.65 meter width specified, an acceptable bridge plate design, an acceptable sensitive edge mechanism on the doors, appropriate ticket machines and assurance that a performance bond can be delivered from a reliable bank or insurance company as provided for in the specifications, and

WHEREAS, Resolution 99-1 adopted by the PSI Board also recommends that the Central City Streetcar Capital Budget be increased in the amount of \$2,250,000 so that five streetcar vehicles could be purchased, allowing for the provision of consistent accessible 10 minute service on the Phase I alignment, and

WHEREAS, the Portland Development Commission's Five Year Business Plan for 1999-2003, adopted by the Portland Development Commission (PDC) on December 9, 1998, and by the City Council on December 16, 1998, includes incremental resources for the Central City Streetcar Project in the amount of \$7.527 million, and

WHEREAS, the PDC resources are provided from tax increment financing generated by the South Park Blocks Urban Renewal District, through which the Phase I Alignment runs, and are in an amount that represents the District's proportionate share of the Phase I Streetcar project costs which are eligible for tax increment financing, and

WHEREAS, the provision of the incremental tax increment financing allows other streetcar resources to be reallocated to an extension of the Phase I alignment to the new Portland State University Urban Center, for which a fifth streetcar vehicle will be needed to provide for reliable service,

NOW THEREFORE, BE IT RESOLVED, that the Council of the City of Portland, a municipal corporation of the State of Oregon, accept the recommendation from PSI to negotiate a contract with Inekon for the construction of five Astra Streetcar Vehicles manufactured by Skoda in Pilzen, Czech Republic, and

BE IT FURTHER RESOLVED, that the Council requests that PSI include in the negotiations of a contract, to be brought back to Council for its approval, actions that will resolve the issues as set forth above by the PSI Board of Directors, and

BE IT FURTHER RESOLVED, that the Streetcar Vehicle Budget in the Central City Streetcar Phase I Capital Finance Plan be increased in the amount of \$2,250,000 for a new total maximum budget of \$12,008,400, as described in Exhibit 'A' attached to the original of this Resolution, and by reference made a part hereof, and that the Portland Office of Transportation (PDOT) and PSI prepare an amendment to Agreement No 31428 as required to include allowances for vehicle upgrades, increased on-site inspection and project management services, and a 5% contingency for unexpected problems during manufacture, testing and delivery of streetcar vehicles, and

BE IT FURTHER RESOLVED, that the Council requests PSI to prepare for Council consideration a workscope and budget for the extension of the Central City Streetcar Phase I Project to the Portland University Urban Center, and

BE IT FURTHER RESOLVED, that the Council directs PDOT to prepare an Intergovernmental Agreement with PDC, for approval by the Commission and the Council, related to the transfer of the tax increment financing identified in PDC'S Five Year Business Plan for 1999-2003 to the Central City Streetcar Phase I Project

Adopted by the Council,

JAN 13 1999

Commissioner Charlie Hales
Vicky Diede slg
January 7, 1999

BY

GARY BLACKMER
AUDITOR OF THE CITY OF PORTLAND

Britta Olson

DEPUTY

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Accept the recommendation from Portland Streetcar, Inc , that the City of Portland negotiate a contract with Inekon for the construction of the Astra Streetcar Vehicle manufactured by Skoda in Pilsen, Czech Republic, for the Central City Streetcar Project (Resolution)

INTRODUCED BY	Filed	JAN 08 1999
Commissioner Charle Hales		Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER		
Affairs		
Finance and Administration	By <u>Britta Olson</u>	Deputy
Safety <u>Ch H</u>		
Utilities	For Meeting of _____	
Works		
BUREAU APPROVAL		
Bureau Transportation Engineering & Development		
Prepared by <u>VD</u> Date Vicky Diede slg January 7, 1999		
Budget Impact Review		
Completed _____ X Not Required		
Bureau Head <u>Brant</u> Brant Williams, PE		

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS	
		YEAS	NAYS
Consent Regular <input checked="" type="checkbox"/> X	Francesconi	Francesconi ✓	
NOTED BY	Hales	Hales ✓	
City Attorney	Saltzman	Saltzman ✓	
City Auditor	Sten	Sten ✓	
City Engineer Brant Williams	Katz	Katz ✓	
Approved By <u>EW</u>			