



**OPERATIONS COMMITTEE
JANUARY 15, 2004**

SUBJECT: OVERHAUL OF MRL HRV BRAKE SYSTEM EQUIPMENT

**ACTION: AWARD A FIVE-YEAR FIXED-PRICE UNIT-RATE CONTRACT TO
WABCO TRANSIT DIVISION (WABTEC)**

RECOMMENDATION

Authorize the Chief Executive Officer to award a five-year fixed-price unit-rate contract, Contract Number OP39402523, to WABTEC Corporation's WABCO Transit Division for the overhaul of Metro Red Line Heavy Rail Vehicle Brake System Equipment, which includes 54 fleet car sets, in an amount not to exceed \$1,226,340.

RATIONALE

The Metro Red Line Fleet is in its eleventh year of operation. To ensure a continued level of safety and reliability, the MTA overhauls the brake system equipment consistent with the Original Equipment Manufacturer's (OEM) suggested overhaul every five years. Wear and tear on these units in normal service requires both ongoing maintenance and periodic overhaul. Currently, ongoing maintenance of the brake system equipment is performed by MTA personnel. MTA is not staffed or equipped to perform periodic overhauls of this kind in-house.

In support of the ongoing fleet overhaul program, MTA Rail Fleet Services Engineering developed an equipment overhaul specification based upon OEM recommendations and MTA requirements, which is designed to provide safe and reliable Heavy Rail Vehicle (HRV) operation, prolong equipment life, and increase the Mean Miles Between Failures (MMBF). The contractor will perform services in accordance with MTA's specifications and Rail Fleet Services Maintenance Department's schedule requirements.

The brake overhaul will cover system components that are pneumatic, mechanical, electrical, and electronic in nature and are required to operate a safe braking system. The scope of work requires replacement of specific valves

and components and refurbishment of other components per MTA's specifications. The present overhaul program will be completed over a five-year period, at a rate of one to two car-set units per month. The contractor warrants all material and workmanship to be free from defects for a period of one year from installation on rail car, or two years from acceptance by MTA.

FINANCIAL IMPACT

Funding of \$216,750 for this service is included in the FY04 budget in Cost Center number 8510, Rail Fleet Services, under Project 200009, Breda Rail Car Brake Overhauls Task 04.11.01. Since this is a multi-year contract, the Cost Center Manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in future years. In FY03, no funds were expended on this line item.

ALTERNATIVES CONSIDERED

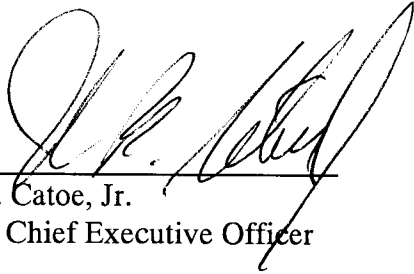
One alternative is to perform this overhaul in-house utilizing Rail Fleet Services personnel. In-house overhauls would require the procurement of special tooling, fixtures, and hiring of additional staff. The lead-time for staffing and expenses to set up an in-house brake system overhaul is not feasible at this time.

Another alternative is not to perform the overhauls. This would compromise the safety and reliability of the rail cars. Unscheduled maintenance repairs for these systems on a component per component level per assembly will result in higher expenditures for the agency versus a scheduled and planned maintenance program.

ATTACHMENT

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- A-3 Bid Tabulation

Prepared by: Dave J. Kubicek, Deputy Executive Officer of Rail Operations Fleet Services
Gerald Francis, General Manager, Rail Operations



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

1.	Contract Number: OP39402523		
2.	Recommended Vendor: WABCO Transit Division (Wabtec Corporation)		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,226,340	Recommended Price: \$1,226,340	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Unit Rate		
5.	Procurement Dates:		
	A. Issued: November 3, 2003		
	B. Advertised: November 3, 2003		
	C. Pre-bid/proposal Conference: November 13, 2003		
	D. Bids/Proposals Due: December 5, 2003		
	E. Pre-Qualification Completed: December 19, 2003		
	F. Conflict of Interest Form Submitted to Ethics: December 12, 2003		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: No goal recommended	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 81	Bid/Proposals Picked up: 7	Bid/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: WABCO	<u>Bids/Proposals Amount:</u> \$1,226,340	<u>Best and Final Offer Amount:</u> N/A
	Evaluation Methodology: Lowest responsive and responsible bidder & Price Analysis		
9.	Protest Information:		
	A. Protest Period End Date: January 20, 2004		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: James A. Nolan	Telephone Number: 922-1033	
11.	Project Manager: Dave Kubicek	Telephone Number: 922-3340	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

A. Background of Contractor

Westinghouse Air Brake Technologies Corporation is a manufacturer of rail vehicle brake system equipment, which has been providing rail equipment and services in the United States for 125 years, and in California for 5 years.

WABCO is the Original Equipment Manufacturer (OEM) of MTA's HRV brake equipment and has provided equipment and services for various transit agencies, e.g., Caltrans/Oakland, Caltrans/San Jose and Metrolink/Los Angeles. It has also performed satisfactory work for MTA.

B. Procurement Background

MTA advertised and issued Invitation for Bid No. OP39402523 on November 3, 2003. In addition to newspaper advertising, eighty-one (81) notification cards were sent out by Vendor Relations to companies identified in its database as potential bidders. Seven companies requested and received the IFB package, and one bid was received in a timely manner and opened on December 5, 2003.

The bid was analyzed for responsiveness and responsibility in accordance with the MTA Procurement Policies and Procedures. WABCO's bid was responsive to the terms and conditions of the solicitation; WABCO was determined to be a responsible bidder capable of performing the services per MTA's requirements.

The other potential bidders were contacted to inquire as to why they did not submit bids. Reasons given for not bidding were varied. One company was recently sold and the new management did not feel they were ready to undertake such a project. Another major company determined that their engineering costs in designing and qualifying their parts could not be recovered. Others felt they were capable of performing portions, but not the complete scope of work. Two of the companies misunderstood the requirements when they requested the package.

The Diversity & Economic Opportunity (DEO) Department did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement. Based on industry practice, the prime is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if the awardee utilizes the services of subcontractors, the awardee is expected to afford maximum opportunities to DBEs in all subcontractor and supply services areas throughout the life of the contract.

C. Evaluation of Bids

Bidder # 1 WABCO's bid in the amount of \$1,226,340 is in full compliance with the technical and bid specifications.

D. Price Analysis and Explanation of Variances

Bid/Proposal Amount	MTA Independent Cost Estimate (ICE)	Recommended/Negotiated Amount
\$1,226,340	\$1,720,278	\$1,226,340

The recommended not-to-exceed bid amount of \$1,226,340 is the result of an open competitive bid process, and the bidder prepared its bid in the expectation of adequate price competition. The bid price has been determined to be fair and reasonable based upon price analysis, which compared the bid amount to MTA's Independent Cost Estimate (ICE) for the same scope of work. The estimate and bid price variance could have resulted from differences in market pricing versus discounted pricing offered by OEM.

Another factor coming into play for cost savings is the Statement of Work process now utilized in Rail Fleet Services. The level of detailed information has been increased to cover component-by-component requirements. This permits vendors to better understand and forecast the expectations of the MTA's requirements, as well as protect the interest of the MTA to ensure vendors perform work at levels and standards that are required for successful service to our customers.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

PRIME CONTRACTOR – WABCO Transit Division (Wabtec Corporation)

Small Business Commitment

Other Subcontractors

None

None

Total Commitment: 0% DBE

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: OP39402523 MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

Bids Out: 11/03/03 Total: 7
 Bids Opened: 12/05/03 Total: 1
 Adv. Date: 11/03/03
 Newspaper: Daily News and La Opinion

Item	Description	Qty	UM	Unit Price	Extension
1	Fleet Car Sets Overhaul MRL HRV Friction Brake Kit	52	Kit	\$21,675.00	\$1,127,100.00
2	Spare Kits Overhaul MRL HRV Friction Brake Kit	2	Kit	\$21,675.00	\$43,350.00
Subtotal					\$1,170,450.00
Sales Tax 8.25%					\$55,890.00
Total Bid					\$1,226,340.00

Wabco Transit Division

I hereby certify WABCO Transit Division of Wabtec, Inc. as being the lowest responsible bidder and recommend award to them for a total price, including sales tax, of \$1,226,340.00

12/12/03
 Date 
 James A. Nolan



**OPERATIONS COMMITTEE
JANUARY 15, 2004**

SUBJECT: OVERHAUL OF MRL HRV BRAKE SYSTEM EQUIPMENT

**ACTION: AWARD A FIVE-YEAR FIXED-PRICE UNIT-RATE CONTRACT TO
WABCO TRANSIT DIVISION (WABTEC)**

RECOMMENDATION

Authorize the Chief Executive Officer to award a five-year fixed-price unit-rate contract, Contract Number OP39402523, to WABTEC Corporation's WABCO Transit Division for the overhaul of Metro Red Line Heavy Rail Vehicle Brake System Equipment, which includes 54 fleet car sets, in an amount not to exceed \$1,226,340.

RATIONALE

The Metro Red Line Fleet is in its eleventh year of operation. To ensure a continued level of safety and reliability, the MTA overhauls the brake system equipment consistent with the Original Equipment Manufacturer's (OEM) suggested overhaul every five years. Wear and tear on these units in normal service requires both ongoing maintenance and periodic overhaul. Currently, ongoing maintenance of the brake system equipment is performed by MTA personnel. MTA is not staffed or equipped to perform periodic overhauls of this kind in-house.

In support of the ongoing fleet overhaul program, MTA Rail Fleet Services Engineering developed an equipment overhaul specification based upon OEM recommendations and MTA requirements, which is designed to provide safe and reliable Heavy Rail Vehicle (HRV) operation, prolong equipment life, and increase the Mean Miles Between Failures (MMBF). The contractor will perform services in accordance with MTA's specifications and Rail Fleet Services Maintenance Department's schedule requirements.

The brake overhaul will cover system components that are pneumatic, mechanical, electrical, and electronic in nature and are required to operate a safe braking system. The scope of work requires replacement of specific valves

and components and refurbishment of other components per MTA's specifications. The present overhaul program will be completed over a five-year period, at a rate of one to two car-set units per month. The contractor warrants all material and workmanship to be free from defects for a period of one year from installation on rail car, or two years from acceptance by MTA.

FINANCIAL IMPACT

Funding of \$216,750 for this service is included in the FY04 budget in Cost Center number 8510, Rail Fleet Services, under Project 200009, Breda Rail Car Brake Overhauls Task 04.11.01. Since this is a multi-year contract, the Cost Center Manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in future years. In FY03, no funds were expended on this line item.

ALTERNATIVES CONSIDERED

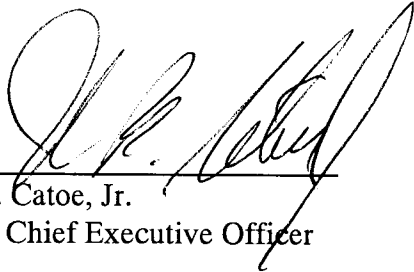
One alternative is to perform this overhaul in-house utilizing Rail Fleet Services personnel. In-house overhauls would require the procurement of special tooling, fixtures, and hiring of additional staff. The lead-time for staffing and expenses to set up an in-house brake system overhaul is not feasible at this time.

Another alternative is not to perform the overhauls. This would compromise the safety and reliability of the rail cars. Unscheduled maintenance repairs for these systems on a component per component level per assembly will result in higher expenditures for the agency versus a scheduled and planned maintenance program.

ATTACHMENT

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- A-3 Bid Tabulation

Prepared by: Dave J. Kubicek, Deputy Executive Officer of Rail Operations Fleet Services
Gerald Francis, General Manager, Rail Operations



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

1.	Contract Number: OP39402523		
2.	Recommended Vendor: WABCO Transit Division (Wabtec Corporation)		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,226,340	Recommended Price: \$1,226,340	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Unit Rate		
5.	Procurement Dates:		
	A. Issued: November 3, 2003		
	B. Advertised: November 3, 2003		
	C. Pre-bid/proposal Conference: November 13, 2003		
	D. Bids/Proposals Due: December 5, 2003		
	E. Pre-Qualification Completed: December 19, 2003		
	F. Conflict of Interest Form Submitted to Ethics: December 12, 2003		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: No goal recommended	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 81	Bid/Proposals Picked up: 7	Bid/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: WABCO	<u>Bids/Proposals Amount:</u> \$1,226,340	<u>Best and Final Offer Amount:</u> N/A
	Evaluation Methodology: Lowest responsive and responsible bidder & Price Analysis		
9.	Protest Information:		
	A. Protest Period End Date: January 20, 2004		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: James A. Nolan	Telephone Number: 922-1033	
11.	Project Manager: Dave Kubicek	Telephone Number: 922-3340	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

A. Background of Contractor

Westinghouse Air Brake Technologies Corporation is a manufacturer of rail vehicle brake system equipment, which has been providing rail equipment and services in the United States for 125 years, and in California for 5 years.

WABCO is the Original Equipment Manufacturer (OEM) of MTA's HRV brake equipment and has provided equipment and services for various transit agencies, e.g., Caltrans/Oakland, Caltrans/San Jose and Metrolink/Los Angeles. It has also performed satisfactory work for MTA.

B. Procurement Background

MTA advertised and issued Invitation for Bid No. OP39402523 on November 3, 2003. In addition to newspaper advertising, eighty-one (81) notification cards were sent out by Vendor Relations to companies identified in its database as potential bidders. Seven companies requested and received the IFB package, and one bid was received in a timely manner and opened on December 5, 2003.

The bid was analyzed for responsiveness and responsibility in accordance with the MTA Procurement Policies and Procedures. WABCO's bid was responsive to the terms and conditions of the solicitation; WABCO was determined to be a responsible bidder capable of performing the services per MTA's requirements.

The other potential bidders were contacted to inquire as to why they did not submit bids. Reasons given for not bidding were varied. One company was recently sold and the new management did not feel they were ready to undertake such a project. Another major company determined that their engineering costs in designing and qualifying their parts could not be recovered. Others felt they were capable of performing portions, but not the complete scope of work. Two of the companies misunderstood the requirements when they requested the package.

The Diversity & Economic Opportunity (DEO) Department did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement. Based on industry practice, the prime is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if the awardee utilizes the services of subcontractors, the awardee is expected to afford maximum opportunities to DBEs in all subcontractor and supply services areas throughout the life of the contract.

C. Evaluation of Bids

Bidder # 1 WABCO's bid in the amount of \$1,226,340 is in full compliance with the technical and bid specifications.

D. Price Analysis and Explanation of Variances

Bid/Proposal Amount	MTA Independent Cost Estimate (ICE)	Recommended/Negotiated Amount
\$1,226,340	\$1,720,278	\$1,226,340

The recommended not-to-exceed bid amount of \$1,226,340 is the result of an open competitive bid process, and the bidder prepared its bid in the expectation of adequate price competition. The bid price has been determined to be fair and reasonable based upon price analysis, which compared the bid amount to MTA's Independent Cost Estimate (ICE) for the same scope of work. The estimate and bid price variance could have resulted from differences in market pricing versus discounted pricing offered by OEM.

Another factor coming into play for cost savings is the Statement of Work process now utilized in Rail Fleet Services. The level of detailed information has been increased to cover component-by-component requirements. This permits vendors to better understand and forecast the expectations of the MTA's requirements, as well as protect the interest of the MTA to ensure vendors perform work at levels and standards that are required for successful service to our customers.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

PRIME CONTRACTOR – WABCO Transit Division (Wabtec Corporation)

Small Business Commitment

Other Subcontractors

None

None

Total Commitment: 0% DBE

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: OP39402523 MRL HRV BRAKE SYSTEM EQUIPMENT OVERHAUL

Bids Out: 11/03/03 Total: 7
 Bids Opened: 12/05/03 Total: 1
 Adv. Date: 11/03/03
 Newspaper: Daily News and La Opinion

						Wabco Transit Division	
Item	Description	Qty	UM	Unit Price	Extension		
1	Fleet Car Sets Overhaul MRL HRV Friction Brake Kit	52	Kit	\$21,675.00	\$1,127,100.00		
2	Spare Kits Overhaul MRL HRV Friction Brake Kit	2	Kit	\$21,675.00	\$43,350.00		
		Subtotal			\$1,170,450.00		
		Sales Tax 8.25%			\$55,890.00		
		Total Bid			\$1,226,340.00		

I hereby certify WABCO Transit Division of Wabtec, Inc. as being the lowest responsible bidder and recommend award to them for a total price, including sales tax, of \$1,226,340.00

12/12/03
Date


James A. Nolan