



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

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**OPERATIONS COMMITTEE
FEBRUARY 17, 2005**

SUBJECT: EMBEDDED RUBBER CONCRETE GRADE CROSSINGS

ACTION: AWARD CONTRACT FOR EMBEDDED RUBBER CONCRETE GRADE CROSSINGS

RECOMMENDATION

- A. Reject all bids received under IFB No. OP39201613 for Embedded Rubber Concrete Grade Crossings.
- B. The Board finds that the bids received for Embedded Rubber Concrete Grade Crossings under Public Utilities Code section 130232 have been rejected and the Embedded Rubber Concrete Grade Crossings may be purchased at a lower price on the open market. The Board hereby authorizes purchase of those Embedded Rubber Concrete Grade Crossings on the open market pursuant to Public Utilities Code section 130233.

Requires Two-Thirds Vote

- C. Authorize the Chief Executive Officer to award a three and a half year, indefinite quantity and indefinite delivery contract with economic price adjustment, Contract No. OP-39201613, to Omni Products Inc., for Embedded Rubber Concrete Grade Crossings in an amount not to exceed \$2,029,323 inclusive of sales tax.

RATIONALE

The Metro Blue Line grade crossings are constantly and gradually deteriorating after serving their useful life and are required to be replaced with modified rubber embedded concrete grade crossing panels for proper operation of the train on the tracks. This concrete tie and track system will provide the longest life and lowest maintenance option amongst the available grade crossing systems. This project will replace 50 existing highway and street crossings in the Metro Blue Line's Mid-Corridor Section between Wardlow and Washington stations, and will span nearly a 4-year period. These existing grade crossings are in constant use by the vehicle and train traffic and are a highly visible point of public interaction. The grade crossings have been in place over 15 years and are reaching the end of their anticipated service life. In order to avoid repetitive procurements for the same items and to ensure standardization along the entire Blue Line, staff issued an Invitation for Bid for the entire estimated quantities of grade crossings with 1503 track feet of such grade crossings to

be delivered in FY05 and additional 2520 track feet planned in FY06, FY07 and FY08 combined. Only one bid was received, from Omni Products Inc., and a price analysis concluded that the bidder's price is 30% higher than the Metro engineering estimate.

ALTERNATIVES CONSIDERED

The alternative is to not purchase these grade crossings and continue using the existing grade crossings. This alternative is not desirable due to the deterioration and present unsafe condition of the existing grade crossings identified for replacement. This deterioration accelerates with age and use of these crossings. These grade crossings are constantly used on the rail tracks and require an excessive amount of repairs to keep them operating safely and reliably. The investment of further monies in maintenance will far exceed the cost of replacement and will impact vehicle and train movement without providing a long-term remedy. To not procure these Grade crossings will severely affect the rail service on Metro Blue line and eventually impact public safety.

Note: Metro in-house staff will do the installation of these grade crossings.

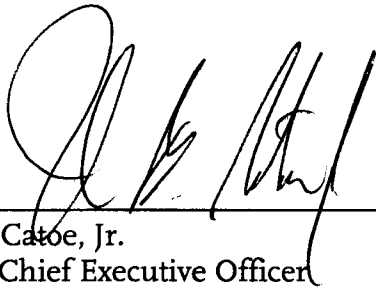
FINANCIAL IMPACT

The funding of \$624,035 for the purchase of 1503 track feet is included in the FY05 budget in cost center 3920, under Capital Project number 2000013 and line item 51302, task 06.01.01 identified in CP# 205006. Since it is a multi year contract, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in future years.

ATTACHMENTS

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Gerald Francis, General Manager, Rail Operations
Rob Chappell, Deputy Executive Officer, Rail Operations
Keith Kranda, Project Manager
David Vila, Contract Administration Manager
Sudhir Agrawal, Project Engineer



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

EMBEDDED RUBBER CONCRETE GRADE CROSSINGS

1.	Contract Number: OP-39201613		
2.	Recommended Vendor: Omni Products Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$ 624,035 For FY05 + additional \$ 1,405,288 for FY06, FY07 & FY08 combined.	Recommended Price: Not to exceed (NTE) \$ 624,035 For FY05 + additional \$ 1,405,285 for FY06, FY07 & FY08 combined. (additional after verifying the price indices at that time)	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm-Fixed Price with economic price adjustment based on market price index for steel in the contract.		
5.	Procurement Dates:		
	A. Issued: October 28, 2004		
	B. Advertised: November 2, 2004		
	C. Pre-proposal Conference: None		
	D. Proposals Due: December 10, 2004		
	E. Pre-Qualification Completed: N/A – Commercial Item		
	F. Conflict of Interest Form Submitted to Ethics: February 1, 2005		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed: September 28, 2004	
	Small Business Commitment: 0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 11	Bids/Proposals Picked up: 8	Bids/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Omni Products Inc.	<u>Bid/Proposal Amount:</u> \$2,029,323	<u>Best and Final Offer Amount:</u> \$N/A
	B. Evaluation Methodology: Award to the lowest responsive and responsible bidder		
9.	Protest Information:		
	A. Protest Period End Date: February 22, 2005		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Procurement Manager / Senior Buyer: David Vila/ Otto Ojong	Telephone Number: (213) 922 1028/ (213) 922 1454	
11.	Project Manager / Project Engineer: Keith Kranda/ Sudhir Agrawal	Telephone Number: (213) 922 3279 / (213) 922 3110	

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

EMBEDDED RUBBER CONCRETE GRADE CROSSINGS

A. Background on Contractor

Omni Products Inc. located in Portland, Oregon, has been selling grade crossing systems to the rail industry for over 20 years. Omni Products Inc. supplied concrete grade crossing systems to the design builder on the Metro Gold Line and to the original construction contractors on the Metro Blue Line. Their performance was satisfactory.

B. Procurement Background

In accordance with Metro Procurement Policies and Procedures, project team has performed a technical evaluation of the bids received. The low bid submitted by Omni Products Inc. was determined to be in full compliance with the specifications.

Base contract Concrete Grade Crossings are scheduled to be delivered in early April 2005, after the contract award and shop drawings approval. The warranty is for a period of one year. Metro in-house staff will install the Grade Crossings.

Under this recommendation, the Board is being asked to reject the bid received from Omni Products, Inc. because the bidder included excessive price escalation to protect itself against continuing increases in material costs. Upon approval, staff will conclude negotiations on terms and at a price that is fair to Metro.

C. Evaluation Criteria

Technical review and selection of the lowest responsive, responsible bidder.

Bidder #1 Omni Products Inc. was found to be responsive and in full compliance with the technical specification.

D. Cost/Price Analysis Explanation of Variances

Metro Estimating Dept. staff is performing a price analysis of the Omni bid to ensure that the price is no higher than other rail and transit customers have paid under similar market conditions.

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

EMBEDDED RUBBER CONCRETE GRADE CROSSINGS

PRIME CONTRACTOR: U.S. Energy Systems, Inc.

Small Business Commitment

Other Subcontractors

0% Bid Goal

None

Total Commitment 0%