



**OPERATIONS COMMITTEE
NOVEMBER 17, 2005**

SUBJECT: MASTER CONTROLLERS FOR METRO RED LINE CARS

**ACTION: APPROVE SINGLE SOURCE CONTRACT AWARD FOR UPGRADE OF
MASTER CONTROLLERS FOR METRO RED LINE CARS**

RECOMMENDATION

A. The Board finds that there is only a single source of procurement for upgrading the Master Controllers and purchase is for the sole purpose of upgrading Metro's fleet of 104 Red Line cars already in use. The Board hereby authorizes the procurement of upgrading the Master Controllers pursuant to Public Utilities Code 130237.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to award a single source, firm fixed price contract to Transmed Systems to upgrade 120 Master Controllers including spares for the Metro Red Line fleet for an amount not to exceed \$306,480.

RATIONALE

There is only a single source of procurement to upgrade the Metro Red Line Master Controllers. Only the original equipment manufacturer can overhaul and upgrade the controllers because of the special nature of electronic hardware incorporated in the controllers. There are currently no alternate controllers available and the controllers cannot be repaired in house. Transmed Systems (formerly known as Anello Corp) designed and manufactured the original master controllers on the Red Line cars.

Each Metro Red Line Car has a Master Controller located in the driver's cab. This device controls all operations of the rail vehicles such as acceleration, braking, coasting and reversing. The controller is designed to have unique intelligence for train controls.

The original Master Controllers have provided over 10 years of service for the Metro Red Line cars but now these units have started failing at an increasing rate. To ensure uninterrupted revenue service, these Master Controllers must be upgraded for continuous vehicle operation. A Metro Red Line car cannot operate in service if the Master Controller fails.

The primary upgrade will be to replace parts that have been failing including the handle pin and shaft assembly, replace worn gears, clean and repair circuit boards, add a fuse in the event of an electrical short and replace the cover to protect internal contacts.

It was determined that there is only a single source capable of upgrading the Master Controllers already in use on the Metro Red Line fleet. Transmed Systems designed and manufactured the original master controllers on the Red Line cars. They are the only known source at this time that can overhaul and upgrade the controllers.

ALTERNATIVES CONSIDERED

The first alternative considered is to not upgrade the master controllers and continue operating the Metro Red Line cars with the existing controllers. This option is not recommended since it does not provide for uninterrupted service for the Metro Red Line. The second alternative is to purchase 120 new Master Controllers for the Metro Red Line cars at a cost of approximately \$1,260,000. This option is not recommended since it is more cost effective to upgrade the existing controllers at a substantially lower cost.

FINANCIAL IMPACT

Funding of \$306,480 is included in the FY06 budget under Cost Center 3940, Project Number 300009, Account Numbers 50441 Revenue Parts and 50308 Maintenance Services.

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.

ATTACHMENTS

- A Procurement Summary
- A-1 Procurement History

Prepared By: Dave Kubicek, Deputy Executive Officer, Rail Operations
Richard Bachman, Contract Administration Manager



for John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

UPGRADE MASTER CONTROLLERS

1.	Contract Number: TBD		
2.	Recommended Vendor: Transmed Systems		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$306,480	Estimated Amount: \$	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: N/A		
	E. Pre-Qualification Completed: Yes		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: No goal recommended	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Transmed Systems	<u>Bid/Proposal Amount:</u> \$306,480	<u>Best and Final Offer Amount:</u> N/A \$306,480
	B. Evaluation Methodology: Cost Analysis		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10	Contract Administrator: Richard Bachman	Telephone Number: 213/922-1016	
11	Project Manager: Nick Madanat	Telephone Number: 213/922-3163	

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

UPGRADE MASTER CONTROLLERS

A. Background on Contractor

Transmed Systems (formerly Annelo Corporation) has provided engineering and manufacturing services to the Mass/Rapid Transit Industry for over 40 years. Services have been provided to San Francisco BART, Atlanta MARTA, Chicago CTA, Boston MTA and most other large transit agencies, as well as private industry including General Motors, Bombardier, Breda and General Electric. In the past, Transmed Systems has provided satisfactory parts and services to Metro.

B. Procurement Background

Pursuant to Section 11.2.A.1.a of the Metro's Policies and Procedures, a sole source procurement is warranted if the item is only available from a single source. Only the original equipment manufacturer, Transmed Systems, can overhaul and upgrade the controllers because of the special nature of electronic hardware incorporated in the controllers. Transmed Systems designed and manufactured the original master controllers on the Red Line cars.

The Diversity and Economic Opportunity Department did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement.

C. Evaluation Criteria

Sole source award based on cost analysis.

D. Cost/Price Analysis Explanation of Variances

The Cost/Price Analysis Section performed a cost analysis in accordance with the Metro's Policy and Procedures covering a non-competitive procurement. The Transmed Systems price of \$306,480 is considered fair and reasonable based on cost analysis.