



**OPERATIONS COMMITTEE
JULY 16, 2009**

SUBJECT: LIGHT RAIL VEHICLE CARBON STRIPS

ACTION: AWARD CONTRACT FOR LIGHT RAIL VEHICLE CARBON STRIPS

RECOMMENDATION

Authorize the Chief Executive Officer to award a 36-month, firm fixed price contract under Bid Number 09-0019 to Schunk Graphite Technology, the lowest responsive and responsible bidder for Light Rail Vehicle Carbon Strips for an amount not to exceed \$378,162 inclusive of one-year option.

RATIONALE

This procurement is for the acquisition of 42" Carbon Strips (electrical contact-strips) for the Blue, Green, and Gold Line Light Rail fleets. The carbon strips are mounted on the Pantograph Head in pairs as part of the pantograph current collection system which conducts current from the Overhead Catenary System (OCS) for propulsion of the Light Rail Vehicles (LRV).

These carbon strips are exposed to all weather conditions and draw a high magnitude of voltages and electrical currents. Because of constant contact with the OCS wire, carbon strips wear out during revenue service. The wear is mainly due to electric arcing and voltage current transfer from OCS to LRV. As part of the Rail Fleet Services Maintenance Program, every 5,000 miles carbon strips must be inspected and changed out periodically to keep the LRVs running efficiently, and in a safe operating condition ensuring uninterrupted revenue service.

Since the contract to be awarded is a "requirements type" agreement, in which we commit to ordering only from the awardee, up to the specified quantity for a specific duration of time, but with no obligation or commitment for us to order any or all of the carbon strips that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

The carbon strips will be maintained in inventory and managed by Material Management. Each of the Rail Operating Divisions maintain carbon strips in their stock rooms based on their individual consumption requirements. As the carbon strips are issued, the appropriate division's budget project number and accounts are charged.

FINANCIAL IMPACT

The funding of \$126,054 for Blue, Green and Gold Line carbon strips are included in the FY10 budget in Cost Center Numbers 3941, 3943 and 3944 Blue Line Rail Fleet Services, Green Line Rail Fleet Services, and Gold Line Rail Fleet Services, Project Numbers 300022, 300033, and 300055 under Line Item 50441, Parts. Since this is a multi-year contract, the cost center manager and the General Manager, Rail Operations will be accountable for budgeting the costs in future fiscal years. In FY09, a total amount of \$63,409 was expended in this category.

Impact to Bus and Rail Operating and Capital Budget

The funding for this acquisition will come from the rail operating budget comprised of fares, Prop A 35%, Federal 5309, and Prop C40%. These funds are eligible to be used for rail operations and rail capital projects.

No other sources of funds were considered for this project because these are the designated funds available for rail operations. This procurement is part of the on-going maintenance costs of the rail program.

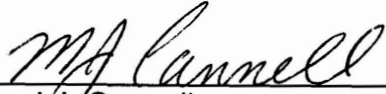
ALTERNATIVES CONSIDERED

The alternative is not to award the contract and procure Carbon Strips on an as-needed basis at a higher cost. This approach is not recommended since it does not ensure a commitment from the supplier to provide for stock availability and price stability.

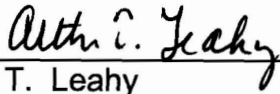
ATTACHMENT(S)

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

Prepared By: S. Jackson, Procurement Planning Administrator
S. Shrivavle, Rail Fleet Services Manager



Michael J. Cannell
General Manager, Rail Operations



Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

LIGHT RAIL VEHICLE CARBON STRIPS

1.	Contract Number: 09-0019		
2.	Recommended Vendor: Schunk Graphite Technology, W146 N9300 Held Drive, Menomonee Falls, WI 53051		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$378,162	Recommended Amount: \$378,162	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: February 5, 2009		
	B. Advertised: February 2, 2009		
	C. Pre-bid Conference: February 18, 2009		
	D. Proposals/Bids Due: April 23, 2009		
	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:	
	Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 11	Bids/Proposals Picked up: 11	Bids/Proposals Received: 4
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	Schunk Graphite Technology	\$378,162	N/A
	Transtech of SC, Inc	\$505,113	
	Ansaldobreda, Inc	\$944,136	
	National Electric Carbon Product	\$224,190	
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: 7/22/09		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10	Contract Administrator: Sherri Jackson	Telephone Number: 213/922-1025	
11	Project Manager: Suresh Shrimavle	Telephone Number: 323/224-4076	

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

LIGHT RAIL VEHICLE CARBON STRIPS

A. Background on Contractor

Schunk Graphite Technology (SGT) founded the carbon brush factory, in Germany in 1913. In the following years, the production program broadened to include holders for carbon brushes, carbon products for mechanical uses, and sintered metal components.

Schunk Graphite Technology was established in 1978 as an independent operating division of the Schunk Group, responsible for manufacturing and distribution in the United States and Canada. Schunk Graphite Technology offers its North America clients a complete line of carbon and graphite materials, carbon fiber composites, technical ceramics and specialized processing. SGT has a proven track record of providing the highest quality products, on-time deliveries at competitive prices. Using state-of-the-art manufacturing practices, SGT produces and sells carbon, graphite, ceramic and complementary products for electrical, mechanical and thermal applications.

SGT's manufacturing facilities provide efficient mass-production, as well as, fast-turnaround, cost-effective small lots for end-users and repair shops. Additionally, the laboratories are equipped to meet customer-specific requirements. Stations are available for measuring sound and oscillation levels, as well as radio interference suppression.

Today, the Schunk Group is a global technology conglomerate with a remarkably wide spectrum of product and service offerings.

Schunk Graphite Technology has been a supplier of carbon strips and other products and services to Metro Rail Divisions.

B. Procurement Background

Evaluation of the four bids received was based on the submittal of offers for Light Rail Vehicle Carbon Strips as specified. Three bids was found to be responsive to the bid requirements.

The Diversity and Economic Opportunity Department recommended 0% Disadvantaged Anticipated Levels of Participation (DALP) participation goal for this procurement.

C. Evaluation Criteria

Below is the technical review and selection of the lowest responsive, responsible bidder.

Bidder #1 TransTech of SC, Inc in the amount of \$505,112.76. found to be in full compliance to the technical specification and the bid requirements.

Bidder #2 Schunk Graphite Technology, in the amount of \$378,162 is in full compliance to the technical specifications and the bid requirements.

Bidder #3 Ansaldobreda, Inc., in the amount of \$944,136 is in full compliance to the technical specifications and the bid requirements.

Bidder #4 National Electric Carbon Product (NECP), in the amount of \$224,190 is non-compliant to the bid requirements. NECP's bid submittal was found to be incomplete, since they failed to submit pricing for the option period.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$378,162 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

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

LIGHT RAIL VEHICLE CARBON STRIPS

PRIME CONTRACTOR

Small Business Commitment

Other Subcontractors

Total Commitment 0%

**ATTACHMENT B
BID TABULATION**

Bids Out: 02/05/09 Total 11
 Bids Opened: 04/23/09 Total 4
 Advertisement Date(s): 02/02/09
 Newspaper: Daily News

					TransTech of SC Inc.		Schunk Graphite Technology		Ansaldobreda Inc.		NECP	
Item No.	MTA Part No.	Description	Qty	UM	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
24 MONTH												
1	175472N	Strip Insert, Carbon, LRV, 42"	1128	EA	\$288.90	\$325,879.20	\$223.50	\$252,108.00	\$558.00	\$629,424.00	\$198.75	\$224,190.00
24 Month Total						\$325,879.20		\$252,108.00		\$629,424.00		\$224,190.00
FIRST YEAR OPTION												
1	175472N	Strip Insert, Carbon, LRV, 42"	564	EA	\$317.79	\$179,233.56	\$223.50	\$126,054.00	\$558.00	\$314,712.00	no bid	\$0.00
Option Total						\$179,233.56		\$126,054.00		\$314,712.00		\$0.00
Grand Total (24 Month + Option)						\$505,112.76		\$378,162.00		\$944,136.00		\$224,190.00

I hereby certify Schunk Graphite Technology as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$378,162.