



**OPERATIONS COMMITTEE
JULY 16, 2009**

SUBJECT: LINE BREAKERS

ACTION: AWARD CONTRACT FOR LINE BREAKERS

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price contract under Bid No. 09-0030 to Eaton Corp., the lowest responsive and responsible bidder, for 10 Line Breakers for an amount not to exceed \$299,000.

RATIONALE

The Metro Red Line (MRL) fleet has reached its mid-life overhaul life-cycle period. Because of the fleet's age, the fleet needs to be rehabilitated to current industry configurations that are necessary to avoid disruptions in service. The projected and planned useful revenue life of the MRL heavy rail vehicles is thirty years provided there is a sustained and on-going maintenance program to repair and/or upgrade all operating and safety systems to ensure adequate performance, passenger comfort, and passenger safety.

The line breaker is one of the critical components in the MRL rail car that must be renovated in order to ensure the car continues to operate at peak performance. The line breaker is an electro-mechanical device which supplies power to the traction motor. It also provides overload protection of the traction motor power circuit.

To facilitate the overhaul of line breakers for the entire fleet, the ten new line breakers under this procurement are needed to serve as replacement spares as the existing line breakers are cycled out of the cars and sent out for renovation.

FINANCIAL IMPACT

The funding of \$4,166,728 for this procurement is included in the FY10 budget in Rail cost center 3960, Transit Services Engineering under project number 206034 (Heavy Rail Mid-life Overhaul), Line Item 50316, Professional Services. In FY09, there were no expenditures for MRL line breakers.

Financial Impact to Bus and Rail Operating and Capital Budget

The funding for this acquisition will come from the Proposition A 35% Rail Funds. These funds are eligible to be used for rail operating and capital projects. No other sources of funds were considered for this procurement because the LRTP has designated Prop A 35% for all rail rehab projects. By proceeding with the purchase of these 10 Line Breakers and reconditioning the 74 Line Breakers per manufacturer's recommendations then operating costs will remain neutral.

ALTERNATIVES CONSIDERED

The alternative is not to award this contract and procure the line breakers on an as-needed basis, using the traditional "min/max" replenishment system method. This strategy is not recommended since it does not provide for commitment from the supplier to ensure availability, timely delivery, continued supply and a guaranteed fixed price for the line breakers. If the spare line breakers are not available to install in the railcars when they are overhauled, it will cause an interruption in service.

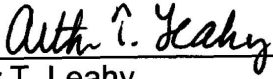
ATTACHMENT(S)

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

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Richard Bachman, Contract Administration Manager



Michael J. Cannell
General Manager, Rail Operations



Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

LINE BREAKERS

1.	Contract Number: 09-0030		
2.	Recommended Vendor: Eaton Corp.		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$299,000	Recommended Price: \$299,000	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: May 4, 2009		
	B. Advertised: May 11, 2009		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: June 1, 2009		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0% No goal recommended	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: 0% No DBE Anticipated Level of Participation (DALP) was recommended.		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 23	Bids/Proposals Picked up: 23	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Eaton Corp. GE Transportation Parts	<u>Bid/Proposal Amount:</u> \$299,000 \$675,660	<u>Best and Final Offer Amount:</u> N/A
	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: TBD		
	C. Disposition of Protest Date: TBD		
10	Contract Administrator: Otto Ojong	Telephone Number: 213-922-1454	
11	Project Manager: Suresh Shrivavle	Telephone Number: 323-224-4076	

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

LINE BREAKERS

A. Background on Contractor

Eaton Corporation is based in Cleveland, Ohio, and has been in business since 1916. Eaton is a diversified power management company with 2008 sales of \$15.4 billion. Eaton is a global technology leader in electrical components and systems for power quality, distribution and control; hydraulics components, systems and services for industrial and mobile equipment; aerospace fuel, hydraulics and pneumatic systems for commercial and military use; and truck and automotive drive train and power train systems for performance, fuel economy and safety. Eaton has approximately 75,000 employees and sells products to customers in more than 150 countries.

Eaton does business with all government agencies under the GSA contract, including the City of Los Angeles. In the past, Eaton has provided satisfactory service and delivery to us.

B. Procurement Background

Invitation for Bid (IFB) No. 09-0030 was released on May 4, 2009 and advertised on May 5, 2009. The bid deadline was June 1, 2009. Two firms submitted a bid prior to the stated deadline.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a DALP goal for this procurement. Based on industry practice, the Prime (Eaton Corp.) is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if Eaton utilizes the services of subcontractors, they are encouraged to afford maximum opportunities to DBE firms in available subcontracting and supply services areas throughout the life of the contract.

C. Evaluation of Proposals

In accordance with our Procurement Policy Manual, staff performed an evaluation of the bids that were received. Eaton Corp., the lowest responsive and responsible bidder was found to be in full compliance with the bid specifications.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$299,000 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**

LINE BREAKERS

PRIME CONTRACTOR – Eaton Corp.

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0.0%

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION

Bid No: 090030 Line Breakers

Bids Out: 05/04/09 Total 23
 Bids Opened: 06/01/09 Total 2
 Advertisement Date(s): 05/05/09
 Newspaper: Daily News, Chinese Daily News
 L.A. Opinion and L.A. Watts Times

Item No.	Description	Qty	UM	Eaton Corporation		GE Transportation Parts	
				Unit Price	Total Price	Unit Price	Total Price
1	Line Breakers	10	EA	\$29,900.00	\$299,000.00	\$67,566.00	\$675,660.00
Total					\$299,000.00		\$675,660.00

I hereby certify **Eaton Corp.** as being the lowest responsive, responsible bidder and recommend the award to them for a total price of **\$299,000.**

Date

Signature

