

15REGULAR BOARD MEETING
DECEMBER 4, 2003**15****SUBJECT: P2000 RAIL CAR AUXILIARY INVERTERS****ACTION: AWARD CONTRACT FOR AUXILIARY INVERTERS**Metropolitan
Transportation
Authority**RECOMMENDATION**

Authorize the Chief Executive Officer to award a firm fixed-price contract under Bid 03-0030 with Siemens Transportation Systems, the lowest responsive and responsible bidder for eight P2000 rail car auxiliary inverters in an amount of \$1,091,852, inclusive of sales tax and one option for five auxiliary inverters.

RATIONALE

This procurement is for the purchase of eight P2000 rail car auxiliary inverters. The base contract for three inverters is based upon building up core stock in order to return out of service units to the original equipment manufacturer. One unit has already been damaged on the Metro Gold Line as a result of an accident. The 5 inverters in the option contract are contingencies in the event of additional out of service units.

Auxiliary inverters provide continued support and safe operating conditions. The function of the auxiliary inverter is to convert the 750 DC current coming from the overhead catenary to 208 AC, which operates the Heating Ventilation Air Conditioning system, lighting, air compressors for brake systems, blower system for the propulsion inverter and charging of the car batteries.

Auxiliary inverters have a 30-year design life. There is one auxiliary inverter located on each car. Typically, circuit boards and components within the inverter can be repaired. However, when those repairs cannot be made or the unit is damaged, the inverter is completely replaced. There are 26 cars that operate on each of the Metro Gold and Green Lines. The original warranty of two years for the inverters has already expired on 20 of the Green Line Cars. The other six Green Line Cars will be out of warranty by the end of this calendar year. The warranty on ten of the Metro Gold Line cars will expire in calendar year 2004. The balance will be out of warranty in 2005. Because these cars are relatively new, there is no failure analysis or data available on the service life of this part.

This is a requirements-type contract, where parts are to be ordered as the need arises. These inverters have a long lead-time, approximately eight months. Therefore, it is

One Gateway Plaza
Los Angeles, CA
90012-2952

necessary to have these items either in stock or ready for delivery to ensure uninterrupted revenue service. The units to be ordered under this procurement will arrive sometime in the fall of 2004.

FINANCIAL IMPACT

Funding of \$545,926 for the auxiliary inverters will be included in the FY05 in Cost Center Number 3940, Rail Equipment Maintenance under Project 300007, Light Rail Purchase Parts. 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.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and procure the rail parts on an as-needed basis using the traditional "min/max" replenishment system method. Staff does not recommend this strategy since it does not provide for a commitment from the supplier to ensure availability, timely delivery and a guaranteed fixed price for the parts.

ATTACHMENTS

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

Prepared By: Sherri Jackson, Senior Buyer



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

P2000 RAIL CAR AUXILIARY INVERTERS

1.	Contract Number: 03-0030		
2.	Recommended Vendor: Siemens Transportation Systems, Inc., Sacramento, California Transtech Corp. USA, Mahwah, NJ		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$1,091,852 –Siemens Transportation \$883,877 –Transtech Corp	Estimated Amount: \$333,672.00	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 7/22/03		
	B. Advertised: 7/08/03		
	C. Pre-bid Conference: 8/6/03		
	D. Proposals/Bids Due: 9/24/03		
	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: 146	Bids/Proposals Picked up: 4	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. <u>Bidders/Proposers Names:</u> 1. Siemens Transportation Systems, Inc. 2. Transtech Corp, USA	<u>Bid/Proposal Amount:</u> \$1,091,852* \$883,877*	<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: 11/25/03		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10	Contract Administrator: Sherri Jackson	Telephone Number: 213/922-1025	
11	Project Manager: Paul Lewicki	Telephone Number: 213/922-5029	

*Includes option price. See Bid Tabulation (Attachment A-3) for details.

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

P2000 RAIL CAR AUXILIARY INVERTERS

A. Background on Contractor

Siemens Transportation Systems, Inc. is a division of the Siemens organization, which has a history spanning over 150 years. Siemens is the world's largest supplier of products, systems, solutions and services for industrial automation. Siemens is the original equipment manufacturer of the P2000 rail cars. The parts under this procurement are supplied by the aftermarket division of Siemens Transportation Systems, known as Siemen's Integrated Services. This division is responsible not only for supplying parts but also for services including refurbishments and overhauls.

Siemens Transportation Systems has provided satisfactory service and products to the MTA. In addition, they have provided satisfactory service and products to San Diego Trolley, Inc., Sacramento Regional Transit, Chicago Transit Authority, San Francisco Municipal Railway and Utah Transit Authority.

B. Procurement Background

On July 7, 2003 the Procurement Department issued and advertised IFB 03-0030 for three Auxiliary Inverters with an option for five additional units. Prices for the option quantity are to remain firm for a one-year period.

In accordance with the MTA's Procurement Policies and Procedures, staff performed a technical evaluation of the bids that were received from Siemens Transportation Systems, Inc. and Transtechnik Corporation, USA. Siemens Transportation Systems was found to be in full compliance with the specifications. Transtechnik Corporation, the apparent low bidder submitted a conditional bid and was not compliant with the specifications.

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

C. Evaluation Criteria

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

Bidder #1 Siemens Transportation Systems, Inc. was found compliant with the specification, and the lowest responsive bidder.

Bidder #2 Transtechnik Corporation was found non-compliant with the specifications.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$1,091,852 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
P2000 RAIL CAR AUXILIARY INVERTERS**

PRIME CONTRACTOR

Siemens Transportation Systems, Inc.

Small Business Commitment

0% Bid Goal

Total Commitment 0%

Other Subcontractors

None

ATTACHMENT A-3

BID TABULATION 03-0031 P2000 Rail Car Auxiliary Inverter

Bids Out: 07/22/03 Total: 4
 Bids Opened: 09/24/03 Total: 2
 Adv. Date: 07/08/03
 Newspaper: Daily News

Item	Description	Qty	Transtechnik Corp, USA		Siemens Transportation Systems	
			Unit Price	Total	Unit Price	Total
1	Auxiliary Inverter	3	\$102,706.25	\$308,118.75	\$126,873.00	\$380,619
2	Option Quantity Auxiliary Inverter	5	\$101,679.18	\$508,395.90	\$125,604.00	\$628,020.00
	Subtotal			\$816,514.65		\$1008,639.00
	Sales Tax 8.25%			\$67,362.46		\$83,212.72
	Total Bid			\$883,877.11		\$1,091,851.72

I hereby certify Siemens Transportation Systems as being the lowest responsible bidder and recommend award to them for a total price, including sales tax and option, of \$1,091,852.

11/6/03
 Date

A. A. Beckman
 Signature