



Metro

**OPERATIONS COMMITTEE
AUGUST 17, 2006**

SUBJECT: RECTIFIER TRANSFORMER

ACTION: AUTHORITY TO NEGOTIATE AND AWARD

RECOMMENDATION

A. The Board finds that there is only a single source of procurement for a rectifier transformer for a traction power substation and purchase is for the sole purpose of replacing the rectifier transformer already in use. The Board hereby authorizes purchase of the rectifier transformer pursuant to Public Utilities Code section 130237.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to award a firm fixed price contract to Siemens Transportation Systems, Inc. for one rectifier transformer for an amount not-to-exceed \$120,000, inclusive of sales tax.

ISSUE

Metro must acquire a rectifier transformer to replace the unit borrowed from the traction power substation scheduled for the Gold Line Eastside project. The transformer is a vital, integral subsystem of the AC/DC conversion unit and is proprietary to the vendor/manufacturer of the substation. All rail lines have AC/DC conversion units with rectifier transformers. The design concept and function is the same, however they are not interchangeable. The Red, Blue, Green, & Gold lines each have their own unique physical and/or electrical characteristics.

Siemens Transportation System, Inc is the designer, and vendor of the AC/DC conversion unit. The replacement transformer must be compatible with the existing assembly and must also meet the original design/performance standards. Siemens Transportation Systems, Inc. designed the conversion unit and sold this product to Metro to be used specifically on the Gold Line system.

Public Utilities Code section 130237 allows an exception to the general requirement for sealed bidding where there is only a single source of supply and the item is being purchased solely for the purpose of duplicating or replacing an item already in service.

POLICY IMPLICATIONS

The substation should be restored to its originally designed specification and performance level to ensure that the remaining Gold Line Extension projects are completed on time and under budget.

OPTIONS

It would not be feasible to engage another vendor/manufacturer because this item was custom designed for Metro Gold Line by Siemens Transportation, Inc. Consequently, Metro does not possess the detailed specifications required for a third party to construct an equivalent unit, and no other manufacturer can ensure full compatibility with the existing conversion unit.

If the unit is not procured, there would likely be negative cost and schedule ramifications to the East Side Gold Line Extension project, and it would negate Metro's investment in the Metro-owned conversion unit.

FINANCIAL IMPACT

Funds for this action are included in the FY07 budget under Cost Center 3928, Account Code 50316, Project #300055, Metro Gold Line.

DISCUSSION

On September 12, 2005 an electrical disruption, at the Gold line yard, led to a failure of the sole primary conversion unit transformer. In order to furnish Rail Operations with the ability to reliably maintain their level of daily service on the Gold line, Traction Power arranged a temporary back feed of power from the main line. This failure created a precarious situation at the Gold Line yard, as a loss of the main line power would adversely impact passenger service and most probably requires implementation of a bus bridge from Union Station to Lincoln/Cypress station. Thus, a decision was made by management to borrow a transformer that was in storage, from the new Gold Line Eastside Extension project substation.

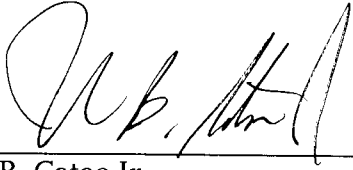
Metro Risk Management has contacted the Los Angeles Department of Water and Power (LADWP) and has filed a claim for the damages caused by the power disruption. The agency hopes to recover the cost to replace this damaged transformer.

There are currently no plans to repair the damaged transformer. The damaged unit will be kept for future salvaging of parts.

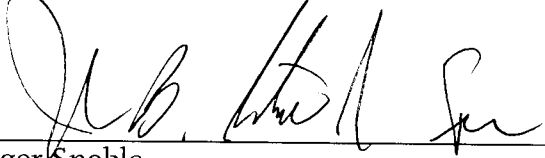
ATTACHMENT (S)

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

Prepared by: Kenneth Arvidson, Wayside Systems Manager
David L. Vila, Contract Administration Manager



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

RECTIFIER TRANSFORMER

| | | | |
|-----|--|--|--|
| 1. | Contract Number: None | | |
| 2. | Recommended Vendor: Siemens Transportation Systems, Inc. | | |
| 3. | Cost/Price Analysis Information: | | |
| | A. Bid/Proposed Price: \$120,000 NTE | Recommended Price: \$120,000 NTE | |
| | B. Details of Significant Variances are in Attachment A-1.D | | |
| 4. | Contract Type: Firm-Fixed Price | | |
| 5. | Procurement Dates: | | |
| | A. Issued: N/A | | |
| | B. Advertised: N/A | | |
| | C. Pre-proposal Conference: N/A | | |
| | D. Proposals Due: N/A | | |
| | E. Pre-Qualification Completed: N/A | | |
| | F. Conflict of Interest Form Submitted to Ethics: July 13, 2006 | | |
| 6. | Small Business Participation: | | |
| | A. Bid/Proposal Goal: N/A | Date Small Business Evaluation Completed: N/A | |
| | B. Small Business Commitment: 0% Details are in Attachment A-2 | | |
| 7. | Invitation for Bid/Request for Proposal Data: | | |
| | Notifications Sent: None | Bids/Proposals Picked up: None | Bids/Proposals Received: None |
| 8. | Evaluation Information: | | |
| | A. Bidders/Proposers Names: Siemens Transportation Systems, Inc. | <u>Bid/Proposal Amount:</u> \$120,000 NTE | <u>Best and Final Offer Amount:</u> \$120,000 NTE |
| | B. Evaluation Methodology: Sole Source Procurement Details are in Attachment A-1.C | | |
| 9. | Protest Information: | | |
| | A. Protest Period End Date: N/A | | |
| | B. Protest Receipt Date: N/A | | |
| | C. Disposition of Protest Date: N/A | | |
| 10. | Senior Buyer: Kitty Jones | Telephone Number: 213-922-1081 | |
| 11. | Project Manager: Winston Dixon | Telephone Number: 213-922-3323 | |

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

RECTIFIER TRANSFORMER

A. Background on Contractor

Siemens Transportation Systems, Inc. is a division of the Siemens organization, which has been in business 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 much of the traction power system for the Pasadena Gold Line.

Siemens Transportation Systems has provided satisfactory service and products to Metro. 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

A Proposal was solicited from the only source of this replacement unit.

C. Evaluation of Proposals

A technical evaluation was performed to ensure the product is identical to the unit being replaced.

D. Cost/Price Analysis Explanation of Variances

The recommended price will be determined to be fair and reasonable based upon comparison with other prices for replacement units sold by Siemens. The price Metro will pay will be no greater than that paid by Siemens' most favored customer(s) for orders of similar size when placed under similar terms and market conditions, and in no event will the price exceed \$120,000.

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

RECTIFIER TRANSFORMER

PRIME CONTRACTOR –

Siemens Transportation Systems, Inc.
Rail Electrification Division
300 Oswego Pointe Drive
Suite 106
Lake Oswego, Oregon 97034

Small Business Commitment

N/A

Total Commitment 0%

Other Subcontractors

N/A

