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**OPERATIONS COMMITTEE
JUNE 19, 2008**

SUBJECT: SIEMENS P2000 BRAKE SYSTEM OVERHAUL

ACTION: AWARD A CONTRACT FOR SIEMENS P2000 BRAKE SYSTEM OVERHAUL

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed-price unit rate contract under Bid No. 08-0011 with Wabtec Passenger Transit, the single responsive and responsible bidder, for the overhaul of the Siemens P2000 light rail vehicle brake system for an amount not-to-exceed \$1,808,560.

RATIONALE

The Siemens P2000 Light Rail Vehicle (LRV) fleet is in its seventh year of operation. To ensure a continued level of safety and reliability, we overhaul the friction brake system equipment consistent with the Original Equipment Manufacturer's (OEM) suggested overhaul interval. Wear and tear on these units in normal service requires both ongoing maintenance, which is performed by our personnel, and periodic overhaul, which is beyond the level of in-house maintenance capability.

In support of the daily rail revenue service requirements, Metro Rail Fleet Services Engineering developed an equipment overhaul specification based upon OEM recommendations and our requirements. It is designed to provide safe and reliable LRV operation, prolong equipment life, and increase the Mean Time Between Failures (MTBF). The contractor will perform services in accordance with our specifications and the Rail Fleet Services' scheduled requirements.

FINANCIAL IMPACT

The funding of \$603,000 for this procurement is included in the FY09 budget in Rail cost centers 3943 (Green Line), and 3944 (Gold Line), rail maintenance/operations under project numbers 300033 (Green Line), and 300055 (Gold Line), Line Item 50441. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for the budget cost in the future fiscal years. In FY08, a total amount of \$88,000 was expended on this category for repairs.

ALTERNATIVES CONSIDERED

- A. An alternative to performing this overhaul by an outside vendor is to perform it in-house. An in-house overhaul would require the purchase of special tools, fixtures, and adding additional staff to support the overhaul process. The lead-time for materials and tooling to set up a brake system overhaul in-house is not feasible at this time based on the current service level requirements factoring in the present condition of the equipment.
- B. Another alternative is not to perform the overhaul. This would compromise safety and reliability of the entire rail-car fleet. Unscheduled maintenance repairs for this system on a component per component level per assembly will result in higher expenditures for the agency versus scheduled and planned maintenance.

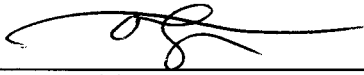
ATTACHMENTS

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

Prepared by: George Kennedy, Director of Rail Vehicle Acquisition and Maintenance
Richard Bachman, Contract Administration Manager



Mike Cannell
General Manager, Rail Operations



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

SIEMENS P2000 BRAKE SYSTEM OVERHAUL

1.	Contract Number: 08-0011		
2.	Recommended Vendor: Wabtec Passenger Transit		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,808,560.00	Recommended Price: \$1,808,560.00	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: February 7, 2008		
	B. Advertised: February 14, 2008		
	C. Pre-bid Conference: N/A		
	D. Bids Due: March 11, 2008		
	E. Pre-Qualification Completed: March 11, 2008		
	F. Conflict of Interest Form Submitted to Ethics: May 13, 2008		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 7	Bids/Proposals Picked up: 11	Bids/Proposals Received: 1
8.	Evaluation Information:		
	A. <u>Bidders/Proposers Names:</u> Wabtec Passenger Transit	<u>Bid/Proposal Amount:</u> \$1,808,560.00	<u>Best and Final Offer Amount:</u> NA
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: June 24, 2008		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Otto Ojong	Telephone Number: 213-922-1454	
11.	Project Manager: Joseph Iskander	Telephone Number: 323-224-4047	

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

SIEMENS P2000 BRAKE SYSTEM OVERHAUL

A. Background on Contractor

Wabtec Passenger Transit Corporation was formed in November 1999 when Westinghouse Air Brake Company merged with Motive Power Industries, Inc. The original Westinghouse Air Brake Co. was founded in 1869. Wabtec is a manufacturer of a vast array of pneumatic, electronic and mechanical devices such as braking equipment, controllers, current collectors and couplers for the transit industry worldwide, and has been providing rail equipment and services in the United States for 130 years.

Wabtec is the Original Equipment Manufacturer (OEM) of the Siemens P2000's LRV brake equipment and has provided equipment and services for various government and transit agencies, e.g., Caltrans and Metrolink/Los Angeles. In the past, it has also performed satisfactory work for the Metro Red Line High Rail Vehicle brake system equipment overhaul.

B. Procurement Background

Invitation for Bid (IFB) No. 08-0011 was issued on February 7, 2008 and advertised on February 14, 2008. The bid deadline was March 11, 2008. In addition to newspaper advertising, seven potential bidders were notified. 11 firms requested and received the IFB solicitation package and one firm 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 (Wabtec Passenger Transit) is expected to complete the entire scope with its own workforce. However, pursuant to the Disadvantage Business Enterprise (DBE) Program, if Wabtec Passenger Transit 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 Bids

In accordance with our Procurement policies and procedures, staff performed an evaluation of the bids that were received. Wabtec Passenger Transit's bid was found to be in full compliance with the terms and conditions of the solicitation. Wabtec was determined to be a responsible bidder capable of performing the services per our requirements.

D. Cost/Price Analysis

The recommended not-to-exceed bid amount of \$1,808,560 is the result of an open competitive bid process, and the bidder prepared its bid in the expectation of adequate price competition. Both we and the supplier anticipated there would be more than one acceptable bid submitted, based on pre-solicitation market research. Pricing reflects this anticipated competition.

The bid price has been determined to be fair and reasonable based upon a price analysis conducted by staff and our Independent Cost Estimate.

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

SIEMENS P2000 BRAKE SYSTEM OVERHAUL

PRIME CONTRACTOR – Wabtec Passenger Transit

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0.0%

**BOARD REPORT ATTACHMENT B
 BID TABULATION**

SIEMENS P2000 BRAKE SYSTEM OVERHAUL

Bids Out: 02/07/08 Total 12
 Bids Opened: 03/11/08 Total 1
 Advertisement Date(s): 02/09/08
 Newspaper: Daily News, La Opinion and L.A. Watts Times

Wabtec

Item No.	Description	Qty	Unit	Unit Price	Total Price
1	Siemens P2000 LRV Brake System Overhaul	52	Kits	\$34,780.00	\$1,808,560.00
Total Bid					\$1,808,560.00

I hereby certify Wabtec Passenger Transit as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$1,808,560.00.

Date _____ Signature _____