



Metro

**OPERATIONS COMMITTEE
JULY 17, 2008**

**SUBJECT: CONTRACT OP39600679, METRO GOLD LINE EASTSIDE EXTENSION
SCADA INTEGRATION**

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed unit rate contract, Contract No. OP39600679, to ARINC Incorporated, to upgrade the existing Supervisory Control And Data Acquisition (SCADA) System to include the Metro Gold Line Eastside Extension to the Gold Line in an amount not to exceed \$1,786,897 inclusive of sales tax and a 10% contingency, effective August 1, 2008.

RATIONALE

This contract award is for equipment and services to integrate the new Metro Gold Line Eastside Extension rail line segment into the existing Metro Light Rail SCADA system. This requires installation of additional computer hardware, updates to databases and display, implementation of new functions, as well as updates to documentation and training.

There is only a sole source of procurement to upgrade the existing SCADA system. Only the original system provider ARINC Incorporated can complete the necessary expansion and modifications necessary to meet the overall system configuration and operational and schedule requirements of the Eastside Extension construction project.

The Light Rail SCADA system allows rail operations to be remotely supervised and controlled from a central location. SCADA supports remote supervision and control for the following major functions:

Train Movement	Fire and Gas Detection
Station Electrical Power	Station Elevator and Escalator Operation
Rail Traction Power	Security Systems and Roll-Up Gates
Station and Tunnel Ventilation	

Remote supervision and control satisfies regulatory requirements and is essential to the continuance of safe, effective and efficient rail service.

BACKGROUND

The Metro Gold Line Eastside Extension is currently under construction with a forecast revenue opening date in mid 2009. We issued a Notice of Award on June 1, 2004 to the Eastside LRT Constructors, following the execution of the Full Funding Grant Agreement. On July 1, 2004 the contractor was issued a Notice to Proceed.

In August of 2002, we awarded Contract No. OP33451146 to ARINC Incorporated for a firm fixed price of \$8,718,158 to provide the Light Rail SCADA system for the Blue, Green and Gold lines. The system was designed to accommodate future rail expansion for the Eastside Extension and Exposition Line without the need for total system replacement. This SCADA system went online in July 2003 for the opening of the Pasadena Gold Line and was completely cut-over in 2005 to replace the obsolete Blue and Green Line SCADA system originally delivered by HARRIS Incorporated in 1991.

FINANCIAL IMPACT

The funding of \$1,154,000 for this service is included in the FY09 budget in Cost Center 8510 (Construction Contracts/Procurement) under Project 800088 (Metro Gold Line Eastside Extension) Line Item 53102 (Acquisition of Equipment). The Life of Project (LOP) Budget for Project 800088 is \$898.8 million. Since this is a multi-year contract the Cost Center Manager and Deputy Chief Capital Management Officer will be accountable for budgeting the cost in future years, including any option exercised.

ALTERNATIVES CONSIDERED

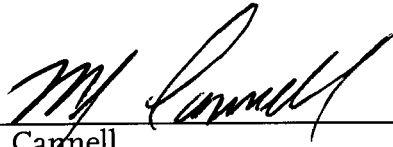
The first alternative is to not expand the SCADA system to include the Eastside Light Rail territory and is not recommended. Pursuant to National Fire Code and California Public Utilities Commission regulations, this would require significant additional manpower to perform regular inspections at all traction power substations and to perform fire/gas watch at stations not at-grade. Additional manpower would also be required to control train movement at local control panels.

The second alternative is to utilize a competitive bid process and is not recommended. This would significantly delay the project completion and increase the cost and not provide the configuration guarantee required for system operations. A competitive bid would necessitate the development of a detailed scope of work, specifications and design information and would require an additional procurement of consultant services. It is anticipated that a competitive non-ARINC Incorporated proposal would require the installation of a new SCADA system just for the Eastside Extension segment. This would complicate operations by requiring staff to be trained on new equipment and utilize two systems to operate the Gold Line.

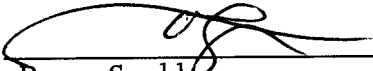
ATTACHMENT(S)

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

Prepared by: Charles Weissman, Supervising Engineer
Joe Marzano, Contract Administrator



Michael J. Cannell
General Manager, Rail Operations



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**METRO EASTSIDE EXTENSION TO THE GOLD LINE (ELRT) SCADA
INTEGRATION**

1.	Contract Number: OP39600679		
2.	Recommended Vendor: ARINC Incorporated		
3.	Cost/Price Analysis Information:		
	A. Bid Price: \$1,624,452	Recommended Price: **\$1,786,897 (including 10% contract modification authority)	
	B. Details of Significant Variances are in Attachment A-1		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: February 13, 2008		
	B. Advertised: NA		
	C. Pre-Proposal Conference: NA		
	D. Bids Due: March 13, 2008		
	E. Pre-Qualification Completed: March 25, 2008		
	F. Conflict of Interest Form Submitted to Ethics: May 15, 2008		
6.	Disadvantaged Business Enterprise Anticipated Level of Participation (DALP):		
	A. DALP Proposal Goal: 10% DBE	Date DALP Evaluation Completed: May 19, 2008	
	B. Disadvantaged Business Enterprise Anticipated Level of Participation (DALP): 0%. Details are in Attachment A		
7.	Request for Proposal Data:		
	Notifications Sent: 1	Proposals Picked up: 0	Proposals Received: 1
8.	Evaluation Information:		
	A. Proposers Names: 1) ARINC Incorporated	Proposal Amount: 1) \$1,759,668	Best and Final Offer Amount: *\$1,624,452
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A-Sole Source		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Joe Marzano	Telephone Number: (213) 922-7014	
11.	Project Manager: Charles Weissman Transit Systems Operations Program Manager	Telephone Number: (323) 563-5232	

*** This amount indicates the negotiated price inclusive of 8.25% sales tax.**

**** This amount indicates the Best and Final Offer inclusive of 8.25% sales tax plus a 10% contingency which is the recommended price.**

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

METRO EASTSIDE EXTENSION TO THE GOLD LINE (ELRT) SCADA INTEGRATION

A. Background on Contractor

ARINC Incorporated (ARINC) is a provider of transportation communications and systems engineering solutions for several major industries: aviation, airports, transportation, government and defense. ARINC is a \$558 million company headquartered in Annapolis, Maryland with a local office in Marina Del Rey, California. The Marina Del Rey facility specializes in providing off-the-shelf, fully integrated Supervisory Control and Data Acquisition (SCADA) and Train Control systems. ARINC provides advanced communication solutions to both transit and non-transit railway operators. ARINC has provided systems engineering solutions based on their proposed Advanced Information Management (AIM) platform for the following rail transportation agencies:

- Metropolitan Atlanta Rapid Transit
- Chicago Transit Authority
- Greater Cleveland Regional Transit Authority
- Metro-Dade Transit Authority
- Metro-North Commuter Railroad Company
- Northeast Illinois Regional Commuter Railroad
- New York City Transit 63rd Street
- MTA Baltimore LRT
- Massachusetts Bay Transportation Authority
- New Jersey Transit HB LRT
- New Jersey Transit TMAC
- Southeastern Pennsylvania Transportation Authority
- Edmonton Transit
- Calgary Transit

B. Procurement Background

We awarded ARINC a contract, OP33451146, in August 2002 to design and install the light rail SCADA system for Metro Blue, Green, and Gold Lines. Staff utilized a sole source procurement under Request for Proposal (RFP) No. OP39600679. This type of procurement was chosen because ARINC provided the existing SCADA system; therefore, it is proprietary software that could not be purchased on the open market in a timely and efficient manner in order to have the system available for revenue service by the projected Eastside Extension to the Gold Line (ELRT) revenue service target date of July 1, 2009.

The base firm fixed contract period is for approximately one year. Additionally, equipment and software will be covered under warranty for five years. The contract period of performance is anticipated to begin on or about August 1, 2008.

The Diversity and Economic Opportunity Department (DEOD) recommended Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) of 10% for Disadvantaged Business Enterprises (DBE) is based on the subcontracting opportunities and the availability of DBE firms to provide some of these types of services. After careful review of the Statement of Work and the critical nature of the project, ARINC has determined that there are no subcontracting opportunities suitable for performance by DBE firms for this procurement.

C. Evaluation of Proposals

ARINC provided a responsive and responsible proposal in accordance with our Procurement Policies and Procedures for a sole source award. Staff determined that ARINC is a responsive, responsible and qualified firm to perform the required services based on the Request for Proposal's minimum requirements, past performance, and the technical evaluation by the project manager.

D. Price Analysis and Explanation of Variances

The recommended price of \$1,786,897 (inclusive of sales tax and a 10% contingency), has been determined to be fair and reasonable based upon two estimates from Transit Systems Engineering (TSE), and the Estimating Department. In addition Management Audit Services (MAS) performed an audit of the proposed cost elements.

Staff relied heavily upon a recent (June 2008) audit performed by the Defense Contract Audit Agency (DCAA) to determine price reasonableness for Labor, Overhead and General and Administrative expenses (G&A). Based on the audit of ARINC's proposed Labor, Overhead and G&A rates, the cost elements are considered fair and reasonable. Moreover, ARINC's proposal was less than 10% higher than the Independent Cost Estimate (ICE) provided by the Program Manager.

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

METRO EASTSIDE EXTENSION TO THE GOLD LINE (ELRT) SCADA INTEGRATION

PRIME CONTRACTOR – ARINC Incorporated

Disadvantaged Business Enterprise Anticipated Level of Participation (DALP):

<u>Subcontractor's Name</u>	<u>Commitment</u>
None	0%
TOTAL DALP-COMMITMENT	0%

Comments: Bidder's responsiveness to the DBE DALP established for this project is voluntary.