



Metro

Metropolitan Transportation Authority

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**REGULAR BOARD MEETING
JULY 24, 2008**

SUBJECT: RAIL CAR RECOVERY

ACTION: AWARD A CONTRACT FOR REPAIR OF RAIL CAR

RECOMMENDATION

A. The Board finds that there is only a single source of procurement for repair of a Siemens P2000 Light Rail Vehicle and purchase is for the sole purpose to repair Metro Gold Line Car 243 already in use. The Board hereby authorizes repair of Rail Car 243 pursuant to Public Utilities Code section 130237.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to award a single source firm fixed price contract to Siemens Transportation Systems, Inc. to repair Metro Gold Line Car 243 for an amount not to exceed \$250,000, which represents our insurance deductible portion.

ISSUE

On September 21, 2007 a Siemens P2000 Metro Gold Line rail car # 243 was involved in a serious accident with an automobile (SUV). The SUV collided with our light rail car at a grade crossing, and immediately upon impact, fire resulted, severely damaging the rail car's:

- Interior operator's compartment
- Numerous electrical equipment and controls
- Coupler and Under-car wiring
- Exterior paint
- Under-frame structure (due to the intensity and duration of the fire the integrity of the main under-frame structure has been compromised resulting in major metal rework).

After careful inspection by staff it was determined that it is in the best interest of the Authority to contract with the Original Equipment Manufacturer (OEM), Siemens Transportation Systems (STS), as they have the technical expertise and facilities for these types of repairs. The OEM will certify that the repairs are properly made, install new equipment, warrant the repairs and equipment, and test the entire car systems in accordance with ours and CPUC standards.

Staff is working with Risk Management regarding recovery of all costs and liabilities from the insurance carrier.

The total estimated proposed cost to repair the vehicle is \$1,013,590. The \$250,000 amount is the insurance deductible portion which we are required to pay directly to STS.

POLICY IMPLICATIONS

It is in our best interest to recover Car 243 as soon as possible in order to place it back into revenue service.

OPTIONS

Repair In-house - This alternative is not recommended because we do not have the technical expertise or staff to perform this type of major rework. Damage to the car under-frame is extensive requiring specialized equipment (i.e.: jigs, stands & tools) and because the electrical wiring raceways are in the damaged area all electrical systems require rework (i.e.: new wiring harness and connections, new equipment installed, system test to ensure system functionality). The OEM will perform the required electrical tests and commission the electrical systems and vehicle to ensure that the repaired systems are as new or in a safe and reliable condition to return the car to revenue service.

FINANCIAL IMPACT

Funds for this action are included in the FY09 budget under Cost Center 3944, Account Code 50320, Project 300055 and Task 5.2.

BACKGROUND

On the morning of September 21, 2007 an automobile (SUV) broadsided Metro Gold Line car #243 resulting in severe damage to the left front corner of the operator's cab and undercarriage. The accident set the SUV on fire for at least 10 minutes and car #243 was engulfed in the fire all the way to the first passenger door, including all under car equipment.

Delays in repairing the cars are due to a number of major issues that have need to be resolved, including: determining the extent of the damage to the vehicle, the repair procedure, and the extent of testing required; the selection of the contractor and location where the repair work can be performed; and the determination of who is responsible for the accident and for payment of all costs and liabilities.

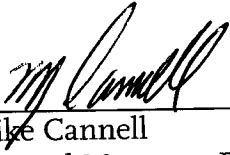
NEXT STEPS

STS is working with our insurance carrier to proceed with the recovery of Car 243. The car is scheduled to be completed by the end of November 2008 and back in revenue service shortly thereafter.

ATTACHMENTS

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

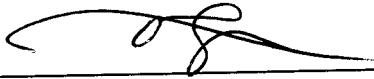
Prepared by: George Kennedy, Director of Rail Vehicle Acquisition and Maintenance
Richard Bachman, Contract Administration Manager



Mike Cannell
General Manager, Rail Operations

Roger Snoble
Chief Executive Officer

Mike Cannell
General Manager, Rail Operations



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

RAIL CAR 243 REPAIR

1.	Contract Number: 08-0014		
2.	Recommended Vendor: Siemens Transportation Systems, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,013,590 NTE	Recommended Price: \$1,013,590 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-bid Conference: N/A		
	D. Bids Due: N/A		
	E. Pre-Qualification Completed: N/A		
	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 – No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. <u>Bidders/Proposers Names:</u> Siemens Transportation Systems, Inc.	<u>Bid/Proposal Amount:</u> \$1,013,590 NTE	<u>Best and Final Offer Amount:</u> N/A
	C. 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.	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

RAIL CAR 243 REPAIR

A. Background on Contractor

Siemens Transportation Systems, Inc. (STS) 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 the P2000 rail cars.

STS has provided satisfactory service and products to us. 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

Procurement staff performed an analysis in accordance with our Policies and Procedures covering a non-competitive procurement. It was determined that pursuant with Section 11.5 B.2, Procurement Policies and Procedures, it is in our best interest to meet its requirements through procurement of the specific services, and that the proposed contractor is the only source for the specific repair services.

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

C. Evaluation of Proposals

The proposal submitted by Siemens Transportation Systems, Inc. was found to be responsive for the repairs necessary to meet the needs for placing the car back into service in a reliable and safe condition.

D. Cost/Price Analysis

An Independent Cost Estimate (ICE) was performed by our Estimating Department and it was determined that the repair cost would exceed our insurance deductible. The total estimated proposed cost of \$1,013,590 is covered by our insurance carrier except for the insurance deductible in the amount of \$250,000 which we will pay directly to STS.

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

RAIL CAR 243 REPAIR

PRIME CONTRACTOR

Siemens Transportation Systems

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment: 0%