



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

42

**OPERATIONS COMMITTEE
JUNE 18, 2009**

SUBJECT: CONTRACT OP34342339, HI-RAIL TOW VEHICLE FOR TRAIN CARS

ACTION: RECOMMENDATION FOR CONTRACT AWARD

RECOMMENDATION

A. The Board finds that there is only a single source of procurement for Hi Rail Tow Vehicles for train cars and purchase is for the sole purpose of replacing an existing Hi Rail Tow Vehicle already in use. The Board hereby authorizes the purchase of one Hi Rail Tow Vehicle for Train Cars pursuant to Public Utilities Code section 130237;

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to award a firm fixed price contract under RFP No. OP34342339 with Brandt Road Rail Corporation, for one Hi-Rail Tow Vehicle for train cars in an amount not-to-exceed \$866,957, inclusive of sales tax, pursuant to Public Utilities Code 130237.

ISSUE

We require a Hi-Rail Tow vehicle that has the ability to operate on public roads and active railways. This is a specialty truck that has the capability of recovering six car trains from our rail lines that cannot move under their own power. We currently have other smaller rail car movers that are only capable of moving a single car.

An extensive search of the industry was conducted on the internet as well as by contacting several other end users including Burlington Northern, Amtrak, Union Pacific and Metrolink. It was found that there are no other manufacturers that currently produce a vehicle of this type that can meet the towing needs of our rail systems. The posting of a bid solicitation was not performed due to the known absence of other manufacturers at this time.

POLICY IMPLICATIONS

Sole sourcing for this vehicle provides the only opportunity for procuring a vehicle that meets our specification capabilities and the equipment can perform as required when our multi-car trains need recovery. The cost has been found to be fair and reasonable and this determination insures that we procure this vehicle at a comparable rate as compared to other recent rail properties.

OPTIONS

The alternative is to not purchase this Hi-Rail Tow Vehicle for train cars and continue using the current vehicle. This alternative is not desirable due to the age of the equipment and the California Air Resource Board's requirement of modifying the exhaust system to include an after treatment device. This would require a financial investment for the parts and labor for a vehicle that has matured in age and value

FINANCIAL IMPACT

The funding of \$866,957 for this action is included in the budget in Cost Center 3434, Non-Revenue Operations and project #208017 Rail System Support Replacement and line item 53106, Acquisition Service Vehicle. This purchase is within the Board approved scope and life-of-project budget for this capital project. .

Impact to Enterprise Fund Bus and Rail Operating Budget

The budgeted amount of \$866,957 will be charged to the Enterprise Fund (EF) bus and rail operating budget under capital projects. The project is funded with Prop A35% rail funds which are eligible for all rail operating and capital expenditures. The amount is based on the cost of buying the new replacement vehicle from the manufacturer. The preventative maintenance cost will be the same as the vehicle that is being replaced. Some savings will be realized due to newer equipment having minimal breakdowns.

DISCUSSION

This procurement is for the replacement of one Hi-Rail tow vehicle. This truck is used to recover trains that have broken down and require towing back to the main yard when they cannot do so under their own power. This truck is operable on both our light and heavy rail lines. When a train failure occurs, either from breakdown, power failure or accident, this truck is dispatched to recover the vehicle. This is a replacement vehicle that has met the GEN-16 replacement guidelines of seven years or 125,000 miles.

This truck can be driven on the highways with the added equipment of being able to drive on our tracks via its Hi-Rail gear. This mobility allows Fleet Services to drive the vehicle to the closest crossing or entry point and recover the trains. This decreases the response time in getting to the trains and returning them back to their repair facility.

NEXT STEPS

Upon approval of the recommendation we will issue a notice to proceed to Brandt Railroad Company and pre-award and pre-production communications will start for the purpose of reviewing details of the specification and establishing production timelines.

ATTACHMENT(S)

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

Prepared by: Harold Torres, Assistant Equipment Maintenance Manager
Joe Marzano, Contract Administrator

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

HI-RAIL TOW VEHICLE FOR TRAIN CARS

1.	Contract Number: OP34342339		
2.	Recommended Contractor: Brandt Road Rail Corporation		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$866,957	Recommended Price: \$866,957	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: March 4, 2009		
	B. Advertised: N/A		
	C. Pre-Proposal Conference: N/A		
	D. Proposals Due: March 17, 2009		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: April 9, 2009		
6.	Small Business Participation:		
	A. Proposal Goal: MBE: 0% WBE: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Request for Proposal Data:		
	Notifications Sent: 1	Proposals Picked up: 0	Proposals Received: 1
8.	Evaluation Information: See Bid Tabulation		
	<u>A. Proposers Names:</u>	<u>Proposal Amt:</u>	<u>Best and Final Offer Amt:</u>
	1) Brandt Road Rail Corporation	\$866,957	N/A
	B. Evaluation Methodology: Procurement is in compliance with Procurement policies and procedures.		
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: Harold Torres	Telephone Number: 562-658-0231	

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

HI-RAIL TOW VEHICLE FOR TRAIN CARS

A. Background on Contractor

Brandt Road Rail Corporation, located in Saskatchewan, Canada, has been in business for 16 years and its principal business is material handling equipment for the rail industry. Brandt Road Rail Corporation has successfully provided us with Hi Rail Tow Vehicles in addition to providing Hi Rail Tow Vehicles to other Rail Companies like Burlington Northern, Amtrak, Union Pacific and Metrolink. To date, we are satisfied with the Hi Rail Tow Vehicle purchased in 1997 from Brandt Road Rail Corporation as the vehicle is still being used today.

B. Procurement Background

Pursuant to Public Utility Code 130237, sole-source procurement is warranted if the item is only available from a single source and it is for the purpose of duplicating or replacing existing equipment. Based on information provided by Rail Fleet Services Engineering, the purchase of one specialized Hi-Rail Tow Vehicle, meets these requirements.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a MBE/WBE Voluntary Anticipated Level of Participation (VALP) goal for this procurement due to lack of subcontracting opportunities.

C. Evaluation Criteria

Brandt Road Rail Corporation provided a responsive and responsible proposal in accordance with our Procurement Policies and Procedures for a sole source award. Staff determined that Brandt Road Rail Corporation is a responsive, responsible and qualified firm to provide the required goods based on the Request for Proposal's minimum requirements, past performance, and the Project Manager's technical evaluation.

D. Cost/Price Analysis

The recommended price of \$866,957 (inclusive of sales tax), has been determined to be fair and reasonable based upon recent comparable sales to several other Rail Companies including Burlington Northern, Union Pacific, Amtrak and Metrolink. Three of the sales occurred in 2008, while the fourth vehicle was sold to Metrolink in 2006. In comparing sales occurring in 2008 we received the lowest price for the same base vehicle. Specifically, we are being offered a price that is \$16,789 or 2.52% lower than the average base vehicle price offered to other Rail Companies during 2008. Metrolink received a lower price only because the 2008 vehicle being offered to us received significant performance upgrades in horsepower and vehicle emission controls compared to the 2006 model sold to Metrolink. Based on this data, Contract Administration has determined that the price proposed by Brandt Road Rail Corporation is both fair and reasonable and in our best interest.

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

HI-RAIL TOW VEHICLE FOR TRAIN CARS

PRIME CONTRACTOR: Brandt Road Rail Corporation

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment 0%

