



**OPERATIONS COMMITTEE
JULY 16, 2009**

SUBJECT: LINE BREAKERS RECONDITIONING

**ACTION: AWARD A CONTRACT FOR BREDA A650 LINE BREAKERS
RECONDITIONING**

RECOMMENDATION

Authorize the Chief Executive Officer to:

- 1) Award a single source firm fixed price service contract to Eaton Corp., to recondition 74 Breda A650 (Option) heavy rail vehicle DC Line Breakers for an amount not to exceed \$555,000; and
- 2) Execute future contract modifications in an amount not to exceed \$111,000 to offset unanticipated replacement of damaged or worn parts.

RATIONALE

The Breda A650 (Option) Heavy Rail Vehicle (HRV) fleet is in its twelfth year of operation. To ensure a continued level of safety and reliability, we overhaul the line breaker 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 requires that the part be sent out to a qualified source to be restored to its original condition. The line breaker serves a very critical function in the rail car's propulsion system. This component is an electro-mechanical device which supplies power to the traction motor. It also provides overload protection of the traction motor power circuit.

In support of the daily rail revenue service requirements, Rail Fleet Services Engineering developed an equipment overhaul specification based upon OEM recommendations and our requirements. It is designed to provide safe and reliable HRV 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 \$555,000 for this procurement is included in the FY10 budget in Rail cost center 3960, Transit Services Engineering under project number 206034 (Heavy Rail Mid-life Overhaul), Line Item 50316, Professional Services. Since this is a multi-year contract, the cost center manager and the General Manager, Rail Operations will be accountable for the budget cost in the future fiscal years. In FY09, no funds were expended on this category for repairs.

Financial Impact to Enterprise Fund

The funding for this acquisition will come from the Proposition A 35% Rail Funds. These funds are eligible to be used for rail operating and capital projects. No other sources of funds were considered for this procurement because the LRTP has designated Prop A 35% for all rail rehab projects. By proceeding with the overhaul of these Line Breakers per manufacturer's recommendations then the operating costs will remain neutral.

ALTERNATIVES CONSIDERED

An alternative is not to perform the reconditioning and 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.

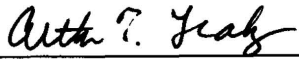
ATTACHMENT(S)

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

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Richard Bachman, Contract Administration Manager



Michael J. Cannell
General Manager, Rail Operations



Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

LINE BREAKERS RECONDITIONING

1.	Contract Number: 09-0035		
2.	Recommended Vendor: Eaton Corp.		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$666,000 NTE	Recommended Price: \$666,000 NTE	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0% No goal recommended	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: 0% No DBE Anticipated Level of Participation (DALP) was 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. Bidders/Proposers Names: Eaton Corp.	<u>Bid/Proposal Amount:</u> \$666,000	<u>Best and Final Offer Amount:</u> N/A
	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	Contract Administrator: Otto Ojong	Telephone Number: 213-922-1454	
11	Project Manager: Suresh Shrivavle	Telephone Number: 323-224-4076	

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

LINE BREAKERS RECONDITIONING

A. Background on Contractor

Eaton Corporation is based in Cleveland, Ohio, and has been in business since 1916. Eaton is a diversified power management company with 2008 sales of \$15.4 billion. Eaton is a global technology leader in electrical components and systems for power quality, distribution and control; hydraulics components, systems and services for industrial and mobile equipment; aerospace fuel, hydraulics and pneumatic systems for commercial and military use; and truck and automotive drive train and power train systems for performance, fuel economy and safety. Eaton has approximately 75,000 employees and sells products to customers in more than 150 countries.

Eaton does business with all government agencies under the GSA contract, including the City of Los Angeles. In the past, Eaton has provided satisfactory service and delivery to us.

B. Procurement Background

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

The Diversity & Economic Opportunity Department (DEOD) did not recommend a DALP goal for this procurement. Based on industry practice, the Prime (Eaton Corp.) is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if Eaton 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 Proposals

The proposal submitted by Eaton Corp. was found to be responsive in accordance to our Procurement Policy Manual.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon a price analysis conducted by staff. The price analysis compared the price

offered by Eaton to the historical pricing on a previous procurement to recondition the DC Line Breaker.

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

LINE BREAKERS RECONDITIONING

PRIME CONTRACTOR – Eaton Corp.

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0.0%

