

**Board Report**

File #: 2017-0527, **File Type:** Contract**Agenda Number:** 23.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
SEPTEMBER 21, 2017****SUBJECT: P2550 LIGHT RAIL VEHICLE COUPLER OVERHAUL
ACTION: AWARD PROFESSIONAL SERVICES CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a 60-month, indefinite delivery/indefinite quantity Contract No. MA26495 to Dellner Incorporated, the lowest responsive and responsible bidder, for the overhaul of P2550 Light Rail Vehicle Coupler assemblies, for a not-to-exceed amount of \$2,497,635 for the three year base period; \$24,600 for the first, one year option; and \$24,970 for the second, one year option; for a combined contract total of \$2,547,205, subject to resolution of protest(s), if any.

ISSUE

In June 2017, the Board of Directors approved the implementation of a P2550 Component Overhaul Program. This procurement is for the professional services to complete the overhaul of 107 couplers for the P2550 fleet as recommended by the Original Equipment Manufacturer (OEM) established guidelines. Execution of the overhaul will ensure that the 50 rail car fleet remains in a constant State of Good Repair (SGR) while safeguarding passenger safety, vehicle performance and equipment longevity.

DISCUSSION

The Ansaldo Breda P2550 Light Rail Vehicle (LRV) fleet is in its eighth year of operation. In order to ensure continued safety and reliability the coupler assembly requires overhaul at the eight year or 600,000 mileage intervals as defined by the Original Equipment Manufacturer (OEM). The coupler assembly consists of electrical, mechanical, and pneumatic components that wear out in time. The coupler is an integral system that provides the mechanical connection and electrical communications between vehicles (consist), and, therefore, it is critical to maintain the coupler systems in a constant state of good repair.

The P2550 Component Overhaul Program consists of a total of nine procurements for the overhaul of the major vehicle systems inclusive of propulsion, pantograph, battery, doors, couplers, high voltage and auxiliary power, friction brakes and truck systems. The power axle assembly contract was approved in June 2017 and staff is currently requesting the approval of the coupler assembly contract.

Rail Fleet Services (RFS) Engineering developed an equipment overhaul specification for the coupler

assembly based upon the OEM recommendations and with RFS maintenance experience. The contractor will perform overhaul services in accordance defined schedule and with technical specifications requirements.

DETERMINATION OF SAFETY IMPACT

Safety is of the utmost importance to Metro and, therefore, it is imperative to maintain the P2550 fleet. The coupler assembly overhaul services in support of the complete P2550 overhaul program will ensure that the fleet is overhauled in accordance with regulatory standards, according to the defined schedule and technical specifications requirements, and within Metro's internal standards, policies and procedures.

FINANCIAL IMPACT

The approved Life-of-Project (LOP) for the P2550 Fleet Component Overhaul Program under capital project number 214001 is for the amount of \$35,007,546.

Funding of \$450,967 for this Contract is included in the FY18 budget in cost center 3944, Rail Fleet Services Maintenance, under project number 214001, line item 50441, Parts - Revenue Vehicle.

Since this is a multi-year Contract, the cost center manager, project manager and Sr. Executive Officer, Rail Fleet Services will ensure that the balance of funds is budgeted in future fiscal years.

Impact to Budget

The planned source of funds for this project comes from local funding source TDA Article 4 which is eligible for Bus and Rail Operating or Capital Projects.

ALTERNATIVES CONSIDERED

Deferral of this program is not recommended as the coupler assembly is a safety critical device that if not properly maintained could result in catastrophic events upon accidental decoupling, loss of braking and propulsion signaling between vehicles due to worn mechanical components, electrical contact pins and/or defective wiring, all of which impact vehicle safety and reliability. Should the coupler overhaul be deferred there would be a high risk to passenger safety, negative impact to vehicle availability and reliability and therefore, it is not recommended.

NEXT STEPS

Overhaul of the P2550 Light Rail Vehicle Coupler assemblies will continue in accordance with Rail Fleet Services' scheduled requirements. If approved, the project is scheduled to commence in December 2017.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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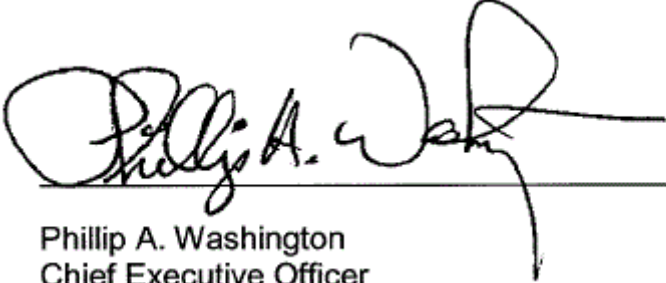
Russell Homan, Director, Rail Fleet Services, (626) 478-7831

Reviewed by:

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

P2550 LIGHT RAIL VEHICLE COUPLER OVERHAUL / MA26495

1.	Contract Number: MA26495	
2.	Recommended Vendor: Dellner, Inc.	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: November 7, 2016	
	B. Advertised/Publicized: November 8, 2016	
	C. Pre-Bid Conference: January 10, 2017	
	D. Bids Due: February 28, 2017	
	E. Pre-Qualification Completed: February 28, 2017	
	F. Conflict of Interest Form Submitted to Ethics: March 14, 2017	
	G. Protest Period End Date: September 15, 2017	
5.	Solicitations Picked up/Downloaded: 9	Bids Received: 1
6.	Contract Administrator: Juelene Close	Telephone Number: 213-922-1066
7.	Project Manager: Russell Homan	Telephone Number: 626-471-7831

A. Procurement Background

This Board Action is to approve Contract No. MA26495 issued in support of Metro's P2550 Gold Line Vehicles to procure complete overhaul services of the Light Rail Vehicle coupler assemblies. The coupler connects the rail vehicles mechanically and electrically. Board approval of contract award is subject to resolution of any properly submitted protest.

The IFB was issued in accordance with Metro's Acquisition Policy and the contract type is a not-to exceed Indefinite Delivery, Indefinite Quantity (IDIQ).

Six amendments were issued during the solicitation phase of this IFB: MA26495

- Amendment No. 1, issued on November 15, 2016, revised critical IFB dates;
- Amendment No. 2, issued on November 22, 2016, clarified Workplace Drug and Alcohol Testing Programs and changed the bid due date;
- Amendment No. 3, issued on December 5, 2016, extended the bid due date;
- Amendment No. 4, issued on December 27, 2016, revised critical IFB dates;
- Amendment No. 5, issued on January 17, 2017, revised Technical Specification;
- Amendment No. 6, issued on February 10, 2017, revised Technical Specification.

Nine potential bidders downloaded the solicitation. A Pre-Bid Conference and site visit to view/inspect a coupler assembly was held on January 10, 2017. Two firms

attended the conference and job walk. One bid was received on February 28, 2017. The six month delay in presenting this item to the Board was driven by staff's re-evaluation and confirmation of the project requirements.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with LACMTA's Acquisition Policy for a competitive sealed bid. The single bidder, Dellner Inc., was deemed a responsive responsible bidder, qualified to perform the overhaul services.

Metro conducted a market survey to determine the reasons for only receiving one bid. Several potential bidders indicated there was not adequate time to respond with a formal price bid even though Metro extended the bid due date on multiple occasions via formal Amendments to the IFB. Another potential bidder indicated that other business obligations and the time available to bid were factors in deciding not to make an offer.

None of the firms interviewed expressed any concerns regarding restrictions in Metro's specification or statement of work requirements. Based on the number of firms that received the bid, attended the Pre-Bid Conference and indicated an interest in the project, Metro determined that there was an adequate environment for competition and the single bidder, Dellner Inc. reasonably believed that other firms would likely participate in the solicitation.

C. Price/Cost Analysis

Based on an adequate environment of price competition, confirmed by market survey, the price of the single bid is considered fair and reasonable. Additionally, the price bid compares favorably to Metro's Estimating Department's Independent Cost Estimate (ICE). The bid price is 23.6% lower than the ICE.

Bidder Name	Bid Amount	Metro ICE
Dellner, Inc.	\$2,443,880.00	\$3,195,150.00

D. Background on Recommended Contractor

Dellner, Inc., located in Charlotte, NC, has been in business for 38 years. Dellner Inc. offers full train connection systems including couplers, gangways, hatches, and dampers. Dellner, Inc. offers after sales services based on modernizations, overhauls, repairs, technical support and training as well as maintenance services. Dellner, Inc. recently completed overhaul coupler services for the Port Authority of Allegheny County and has also provided overhaul services on Metro's Red Line P2550 coupler assemblies in the past. Dellner, Inc. has performed satisfactorily for Metro.

DEOD SUMMARY

P2550 LIGHT RAIL VEHICLE COUPLER OVERHAUL / MA26495

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 2% Small Business Enterprise (SBE) goal for this solicitation. Meeting the goal was neither a condition of award nor an issue of responsiveness. Dellner, Inc. did not make an SBE commitment.

Effective January 1, 2017, through Assembly Bill 2690, Metro was authorized to establish SBE/DVBE goals, as a condition of award, on non-federally funded IFBs; however, this procurement was advertised prior to the effective date of the new change. IFBs advertised after January 1, 2017, require bidders to meet or exceed SBE/DVBE goals to be eligible for award.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this Contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.



File Summary

File Number	Title	Current Status
2017-0527	<p>Contract</p> <p>AUTHORIZE the Chief Executive Officer to award a 60-month, indefinite delivery/indefinite quantity Contract No. MA26495 to Dellner Incorporated, the lowest responsive and responsible bidder, for the overhaul of P2550 Light Rail Vehicle Coupler assemblies, for a not-to-exceed amount of \$2,497,635 for the three year base period; \$24,600 for the first, one year option; and \$24,970 for the second, one year option; for a combined contract total of \$2,547,205, subject to resolution of protest(s), if any.</p> <p>Introduced: 7/28/2017</p> <p>Meeting Date: 9/21/2017</p> <p>Department: Operations (Department)</p> <p>Drafter: nazaryn@metro.net</p>	<p>Passed</p> <p>Controlling Body: System Safety, Security and Operations Committee</p> <p>Sponsor(s): Operations (Department)</p>