



## Board Report

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 20, 2018

**SUBJECT: A650 TRACTION GEAR UNIT OVERHAUL (OPTION-BUY FLEET)**

**ACTION: CONTRACT AWARD**

#### **RECOMMENDATION**

AWARD a 74-month indefinite delivery/indefinite quantity Contract No. MA47351000 for the overhaul of up to 296 traction gear units for 74 Breda A650 Option Rail Vehicles to ORX, for a not-to-exceed amount of \$4,925,746, subject to resolution of protest, if any.

#### **ISSUE**

The Original Equipment Manufacturer (OEM) establishes a timeline for vehicle maintenance and major systems overhauls in order to maintain the safety and level of performance of their vehicles.

Implementation of this overhaul program helps ensure the A650 Option-buy fleet remains in a constant State of Good Repair (SGR) by overhauling multiple systems on the vehicles including friction brake, doors, gear units, traction motors, trucks and suspension, auxiliary power and coupler systems. Completing this scheduled overhaul will ensure equipment safety, performance and longevity of the rail cars.

#### **BACKGROUND**

The Breda A650 Option-Buy Heavy Rail Vehicle Fleet is in its 21st year of revenue service operations with an average per car mileage of over 1.4 million miles, accumulated fleet mileage of over 98 million miles with consistent performance, and a reliable safety record. The A650 fleet, consisting of 74 rail cars, is due for traction gear unit overhauls per the original equipment manufacturer (OEM) and Metro engineering's recommendations. The traction gear unit overhaul is one of the fourteen vehicle system overhauls.

#### **DISCUSSION**

The traction gear unit is a main mechanical component connected to a traction motor that transforms electrical energy to mechanical energy to propel the rail car. Should a traction gear unit fail there is an impact to revenue service with catastrophic results and the vehicle will cease to move. Servicing and inspecting a traction gear unit is performed by in-house maintenance personnel but for a major overhaul, which is beyond the level of in-house maintenance capability, performance by a qualified

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vendor is required. The contractor will perform services in accordance with OEM and Metro engineering specifications following production schedule of four traction gear units per month.

The traction gear unit overhaul is one of the fourteen vehicle system overhauls that will require procurement action in the future. The additional systems to be overhauled or modified include car interior renovations, bike area and railing modifications, loop step modification, seat insert replacement, passenger door, friction brake, air compressor, AC evaporator motor upgrade, coupler, semi-permanent drawbar, low voltage power supply, air spring replacement, traction motor, and gear unit overhaul.

### **DETERMINATION OF SAFETY IMPACT**

Passenger and employee safety are of the utmost importance to Metro and, therefore, it is imperative to maintain the A650 option-buy fleet to a constant state of good repair. The traction gear unit overhaul is in support of the complete A650 component overhaul program. This effort will ensure that these vehicles are maintained within OEM recommendations and regulatory standards, according to the defined schedule and technical specification requirements, and within Metro's internal Corporate Safety standards.

### **FINANCIAL IMPACT**

The total contract amount is \$4,925,746. Funding of \$100,000 for this procurement is included in the FY19 budget in cost center 3942, Rail Fleet Services Maintenance, under project number 206034, line item 50316, Professional & Tech Service.

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 current source of funding for this acquisition is Proposition A35%. This funding source maximizes allowable allocations given approved funding provisions and guidelines.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Approval of this recommendation supports the following Metro Strategic Plan Goal: Provide high quality mobility options that enable people to spend less time travelling. This project will improve safety, service, and reliability in an effort to provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.

### **ALTERNATIVES CONSIDERED**

Traction gear units are safety critical systems which are required to be overhauled per the OEM and regulatory requirements to avoid catastrophic events resulting from gear and bearing lock with resultant service delays and customer inconvenience. In addition to equipment failure and service delays, deferring the traction gear unit overhaul is not recommended as Metro could also be subject to penalties mandated by the California Public Utilities Commission.

**NEXT STEPS**

Overhaul of the traction gear unit systems on the A650 heavy rail vehicles will continue in accordance with Rail Fleet Services scheduled requirements. If approved, the project is scheduled to commence in December 2018.

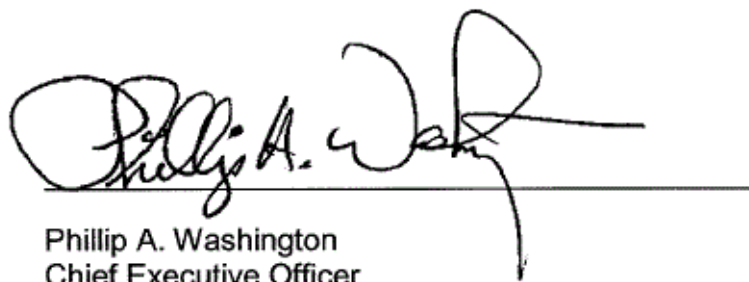
**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

**A650 (OPTION) TRACTION GEAR UNIT OVERHAUL  
/MA47351000**

1.	<b>Contract Number:</b> MA47351000	
2.	<b>Recommended Vendor:</b> ORX	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 11/15/17	
	<b>B. Advertised/Publicized:</b> 11/17/17, 11/18/17	
	<b>C. Pre-Bid Conference:</b> 11/22/17	
	<b>D. Bids Due:</b> 2/16/18	
	<b>E. Pre-Qualification Completed:</b> 5/17/18	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 2/21/18	
	<b>G. Protest Period End Date:</b> 09/22/18	
5.	<b>Solicitations Picked up/Downloaded:</b> 12	<b>Proposals Received:</b> 2
6.	<b>Contract Administrator:</b> Lorretta Norris	<b>Telephone Number:</b> 213/922-2632
7.	<b>Project Manager:</b> Fred Kan	<b>Telephone Number:</b> 213/922-3304

**A. Procurement Background**

This Board Action is to approve Contract No. MA47351000 issued in support of Metro's Red Line A650 Heavy Rail Vehicle (HRV) to procure services required for the complete overhaul of the A650 (Option) traction gear units. A protest was formally lodged by one of the competing bids. That protest and subsequent appeal to the CEO have been reviewed, rejected and fully resolved. Board approval of contract award is subject to resolution of any new properly submitted protest(s), if any.

The Invitation for Bid (IFB) was issued in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery, Indefinite Quantity (IDIQ).

Five amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on November 20, 2017, established the Pre-Bid Conference date.
- Amendment No. 2, issued on December 12, 2017, revised the bid due date.
- Amendment No. 3, issued on January 10, 2018, replaced the Schedule of Quantities and Prices, extended the comments and questions period, and revised the bid due date.
- Amendment No. 4, issued on January 29, 2018, extended the comments and questions period; and revised the bid due date.
- Amendment No. 5, issued on February 22, 2018, replaced the Schedule of Quantities and Prices.

A Pre-Bid Conference was held November 22, 2017, and it was attended by two participants. A total of two bids were received on February 16, 2018.

**B. Evaluation of Bids**

This procurement was conducted in accordance, and complies with Metro’s Acquisition Policy for a competitive sealed bid. The two bids received are listed below in alphabetical order:

1. Gray Manufacturing Industries (GMI), LLC
2. ORX

The firm recommended for award, ORX, was found to be in full compliance with the bid and technical requirements; and was deemed responsive and responsible. Although GMI’s bid price was the lowest, the exceptions contained in its formal bid made their offer non-responsive. GMI’s bid was rejected due to cited exceptions to the IFB requirements. GMI protested Metro’s bid rejection in March 2018. GMI’s protest was rejected by staff and the bid rejection was upheld after appeal to the CEO.

Based on staff’s market research, there are only a few technically qualified firms that can perform the A650 gear unit overhauls. Twelve firms downloaded the IFB, two firms submitted formal bids, and one of the formal bids was rejected due to cited exceptions to the IFB requirements.

Staff took a sample of the total number of firms that downloaded the solicitations to determine their reason(s) for not submitting a formal bid. Our findings were either the firms were not in this specialized overhaul business, or they were not technically qualified to complete the work. Staff found that there were no restrictive elements in the IFB requirements and a competitive environment existed at time of bid.

**C. Price Analysis**

The recommended bid price from ORX has been determined to be fair and reasonable based upon adequate price competition. Although only one bid was responsive and responsible, the recommend bid was offered under a competitive environment.

<b>Proposer Name</b>	<b>Bid Amount</b>	<b>Metro ICE</b>
ORX	\$4,925,746	\$4,185,000

**D. Background on Recommended Contractor**

The recommended firm, ORX, located at One Park Avenue, Tipton, PA, has been in business since 1979 and supplies new and remanufactured wheel set assemblies, axles, combo units, traction gear units and trucks to light rail and heavy rail car builders

to transit agencies and private entities throughout the United States and Canada. ORX has done business with New Jersey Transit and JFK AirTran New York City Transit. ORX is currently overhauling Metro's Blue Line wheel set assemblies and have performed satisfactorily.

DEOD SUMMARY

**A650 (OPTION) TRACTION GEAR UNIT OVERHAUL  
/MA47351000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small/Disabled Veteran Business Enterprise (SBE/DVBE) goal for this solicitation due to lack of subcontracting opportunities. DEOD explored painting and shipping scopes, however the dollar value slated for these tasks was less than 2% and did not justify a goal.

**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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.