



Board Report

File #: 2022-0527, File Type: Contract

Agenda Number: 32.

REVISED
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
SEPTEMBER 15, 2022

SUBJECT: P3010 AUXILIARY CONVERTER SPARES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a 24-month firm fixed unit price Contract No. SP88119000, to Powertech Converter Corporation (Powertech) for the purchase of ten (10) new Auxiliary Converters in support of the P3010 Light Rail Vehicle (LRV) fleet for a total contract amount of \$977,586.52, ~~inclusive of sales tax~~; and
- B. FINDING that there is only a single source of procurement for the item(s) set forth in Recommendation A above and that the purchase is for the sole purpose of duplicating or replacing supply, equipment, or material already in use.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

This single source procurement is for the acquisition of ten (10) P3010 spare auxiliary converters. These auxiliary converter assemblies will be used as float units to support the overhaul and repairs of the P3010 fleet. PUC §130237 allows use of a single source of supply for the sole purpose of duplicating or replacing equipment, material or supplies. Powertech owns proprietary software and hardware design and is the Original Equipment Manufacturer (OEM) of these auxiliary converter assemblies on the P3010LRV. Powertech is the only recommended contractor for this single source procurement.

BACKGROUND

On August 7, 2012, Kinkisharyo International, LLC was awarded the P3010 LRV Contract for a base order of 78 LRVs. Four options, for an additional 157 LRVS, were subsequently exercised, for a total of 235 vehicles.

This Board Action is to approve Contract SP88119000 in support of Metro’s P3010 Light Rail Vehicle

(LRV) to procure ten (10) P3010 Auxiliary Converter units required to facilitate the overhaul and maintenance of the fleet. The existing auxiliary converter on the Kinkisharyo (KI) P3010 LRV was designed and built by Powertech Converter Corporation (Powertech). It was determined by Metro's engineering and operations teams that Powertech possesses rights and control over proprietary data, equipment, and software necessary to ensure full operational capability of the auxiliary converter units. Therefore, the spare units must be obtained from the Original Equipment Manufacturer (OEM), Powertech.

DISCUSSION

The P3010 LRVs are Metro's newest and largest fleet. To support maintenance and maintain vehicle availability, spare auxiliary converter assemblies are required. The auxiliary converter, or auxiliary power supply, converts high voltage DC to low voltage AC and DC to power various onboard train systems and equipment. The auxiliary converter is specially designed for the vehicle and is vital to the operation of the vehicle. Spare units were not procured with the vehicle.

Spare auxiliary converters are required to maintain vehicle availability in the case of an auxiliary converter failure on the P3010 fleet and will act as a float for the upcoming overhaul cycle of the equipment. The unit is integrated to work with the P3010 LRVs and has been designed, tested, and verified for the P3010.

DETERMINATION OF SAFETY IMPACT

This board action will ensure that safety is preserved by ensuring that auxiliary converters are available to support the availability of the P3010 LRVs.

FINANCIAL IMPACT

Funding of \$977,586.52 for the Contract is included in the FY23 Budget in Cost Center 3947, Project 300066, and Account 50441.

Impact to Budget

Funding for this effort includes operating eligible sources like Fares, Prop A 35, Measure M, and STA. Using these funding sources maximizes the project funding allocations allowed by approved provisions and guidelines.

EQUITY PLATFORM

This procurement serves to maintain the availability of the P3010 LRV fleet. The P3010 fleet is Metro's largest and operates on nearly all operating routes that serve Equity Focus Communities. Approval of this procurement ensures riders of all of Metro's light rail lines will not suffer from vehicle availability due to a lack of spare auxiliary converters.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro Strategic Plan Goal No. 5 to "provide responsive, accountable,

and trustworthy governance within the Metro organization". New auxiliary converter assemblies will ensure fleet reliability, support vehicle overhaul and maintenance activities, and provide safety for Metro's passengers in all operational modes. Contract Modification Authority and Contract extension safeguards overhaul production continuance while meeting passenger safety and fleet reliably.

ALTERNATIVES CONSIDERED

The system has been designed and proven to work on the P3010 fleet. To purchase this unit from another source will require extensive design work, including integration of proprietary hardware and software with other vehicle systems and requalification of the unit for performance and electromagnetic interference (EMI). This will significantly increase the time and cost of acquiring this unit and perhaps make the procurement infeasible.

NEXT STEPS

Upon Board approval, the procurement of spare auxiliary converters will move forward.

ATTACHMENTS

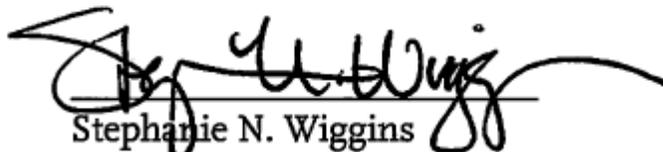
- Attachment A - Procurement Summary
- Attachment B - DEOD Summary

Prepared_by

Prepared by: Bob Spadafora, Senior Executive Officer, Rail Fleet Services (213) 922-3144
Richard M. Lozano, Senior Director, Rail Fleet Services 323)-224-4042
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051
Lilia Montoya, Deputy Chief Operations Officer, Admin & Development, (213) 922-4061

Reviewed by:

Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

P3010 AUXILIARY CONVERTERS SPARES/CONTRACT NUMBER SP88119000

| | | |
|----|---|--------------------------------|
| 1. | Contract Number: SP88119000 | |
| 2. | Recommended Vendor: Powertech Converter Corporation | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: 04.12.22 | |
| | B. Advertised/Publicized: N/A | |
| | C. Pre-Proposal Conference: N/A | |
| | D. Proposal Due: 05.12.22 | |
| | E. Pre-Qualification Completed: 06.09.22 | |
| | F. Conflict of Interest Form Submitted to Ethics: 07.20.22 | |
| | G. Protest Period End Date: 08.19.22 | |
| 5. | Solicitations Picked up/Downloaded: 1 | Proposal Received: 1 |
| 6. | Contract Administrator: Nicole Banayan | Telephone Number: 213-922-7438 |
| 7. | Project Manager: Matthew Hampton | Telephone Number: 213-798-5387 |

A. Procurement Background

This Board Action is to approve Contract SP88119000 in support of Metro's P3010 Light Rail Vehicle (LRV) to procure ten (10) P3010 Auxiliary Converter units required to facilitate the overhaul and maintenance of the fleet. The existing auxiliary converter on the Kinkisharyo (KI) P3010 LRV was designed and built by Powertech Converter Corporation (Powertech). It was determined by Metro's engineering and operations teams that Powertech possesses rights and control over proprietary data, equipment, and software necessary to ensure full operational capability of the auxiliary converter units. Therefore, the spare units must be obtained from the Original Equipment Manufacturer (OEM), Powertech as the single source of supply.

On April 12, 2022, Metro issued a single source, non-competitive solicitation to Powertech Converter Corporation because of its proprietary design and software and received a proposal on May 12, 2022. No amendments were issued under this RFP.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

B. Evaluation of Proposal

This procurement was conducted in accordance, with Metro's Acquisition Policy for a non-competitive solicitation and is consistent with Public Utility Code §130237 for the duplication or replacement of existing equipment already in use. A comprehensive

evaluation of the proposal was conducted by Metro to determine the proposal to be responsive to Metro's requirements.

Metro's project manager from Rail Fleet Services performed an in-depth evaluation of Powertech's technical offer. The project manager's assessment determined that Powertech's proposal meets Metro's technical requirements and complies with the Statement of Work. The Technical Evaluation concluded that the proposed auxiliary converters from Powertech are designed specifically for the P3010 LRV application and meets Metro's requirements.

C. Price Analysis

In accordance with Metro's Acquisition Policy and Procedures for a non-competitive acquisition, a cost analysis is required. Due to corporate policy restrictions, Powertech was unable to provide essential cost supporting data to perform a cost analysis. Therefore, staff performed a Price Analysis in compliance with Metro's Acquisition Policy for non competitive acquisitions. The Price Analysis consisted of a Technical Evaluation, an Independent Cost Estimate (ICE), and negotiations.

Staff conducted a comprehensive evaluation to determine that the final firm fixed price is fair and reasonable. Based on staff's price analysis, the negotiated price of \$977,586.52 is within a reasonable range of approximately 1.3% of the Metro ICE, and has been determined to be fair and reasonable.

| Bidder Name | Bid Amount | Metro ICE | Negotiated Amount |
|--------------------|-------------------|------------------|--------------------------|
| Powertech | \$1,019,362.97 | \$965,000 | \$977,586.52 |

D. Background on Recommended Contractor

The recommended firm, Powertech Converter Corporation (Powertech) located in New Jersey and Germany has been in business since 2019. Powertech emerged from two leading companies in Germany for energy supply systems, PCS Power Converter (established in 1843) and Transtechnik GmbH & Co. (established in 1968) to form Powertech in 2014, which became Powertech Converter Corporation in 2019.

Powertech has over 350 employees with over 100 years of experience in railway technology and has produced more than 30,000 converters for rail vehicles.

Powertech is the Original Equipment Manufacturer (OEM) for Metro's P3010 auxiliary converter system.

DEOD SUMMARY

P3010 AUXILIARY CONVERTERS SPARES/CONTRACT NUMBER SP88119000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this single source solicitation due to lack of subcontracting opportunities. It is expected that Powertech Converter Corporation, the Original Equipment Manufacturer, is providing the services of this contract with their own workforce.

B. Living Wage / 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.