



Board Report

File #: 2023-0499, File Type: Contract

Agenda Number: 38.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 21, 2023

SUBJECT: PURCHASE OF OCS WIRE INSTALLATION TRUCK

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a firm fixed price contract, Contract No. DR97819000, to ZAGRO Bahn-und Baumaschinen GmbH, for one (1) Overhead Contact System (OCS) Wire Installation Truck for a firm fixed price of \$2,387,340.00, inclusive of sales tax, subject to resolution of any properly submitted protest(s) if any; 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, as defined under Public Utilities Code Section 130237.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

This procurement is to purchase a specialized OCS wire installation truck to be used for regular maintenance of the OCS wires along Metro's light rail system and for upcoming overhaul of the OCS systems on the C Line, A Line (north of Union Station), and E Line.

The current method of OCS wire replacement uses hand tools and manual labor to replace heavy gauge copper wire. Utilizing this new OCS wire installation truck will significantly speed up the wire replacement process, potentially reducing the length of service disruptions for patrons.

BACKGROUND

Metro currently maintains over 200 miles of Overhead Contact Wire System (OCS) wires for all light rail train lines. This OCS wire truck will be deployed to all light rail lines to maintain the OCS system and improve reliability. Since Metro currently does not have an OCS wire truck in its fleet., Traction Power crews presently use a bucket truck, crane truck, and hand tools to manually replace OCS

contact wire. The OCS wire truck improves work productivity and efficiencies by automating the wire removal and installation processes.

DISCUSSION

The OCS wire truck will significantly enhance the maintenance process of our OCS infrastructure by allowing for the simultaneous removal of old wire and installation of new wire with the required tension. This truck will support regular maintenance activities as well as upcoming capital projects to replace the OCS wire along the C Line, A Line (north of Union Station), and E Line, improving reliability and state of good repair of the light rail system. It will allow for the simultaneous removal of old wire and installation of new wire with the required tension so that the maintenance crew can use the truck in part of the C Line OCS replacement project and also can maintain the OCS system effectively and safely.

The truck will also be utilized for all other Light Rail Lines and future OCS wire replacement and maintenance. The existing OCS wires on the Pasadena Gold Line (PGL) and Eastside Extension & Expo Phase-1 are also about due for replacement in the near future.

This truck will have a new type of diesel engine that produces lower emissions, is compliant with the South Coast Air Quality Management District (SCAQMD) emission standards, has improved efficiency in horsepower, and consumes less fuel. Metro staff researched Zero Emission (ZE) electric power trucks for purchase. The option to purchase a ZE electric power drive OCS wire truck is not available in the US market.

A 2/3 vote of the board is required per Public Utilities Code 130237:

"Notwithstanding Section 130232, the commission may direct the purchase of any supply, equipment, or material without observance of any provision in this article regarding contracts, bids, advertisement, or notice upon a finding by two-thirds of all members of the commission that there is only a single source of procurement therefor and that the purchase is for the sole purpose of duplicating or replacing supply, equipment, or material already in use."

DETERMINATION OF SAFETY IMPACT

Metro maintenance crews need to pull the OCS wire to achieve proper tension during wire replacement activities. A new OCS wire truck will provide better efficiency and improved safety and reliability of the light rail system.

FINANCIAL IMPACT

A total of \$2,387,340.00 is needed for this action. The budget is contained in Capital Project 205121 - FY24 Metro Green Line OCS Wire Replacement Project. The Life of Project (LOP) budget is \$38,350,000.00, which is within the project budget.

Since this is a multi-year contract, the Project Manager will be responsible for budgeting resources in future Fiscal Years.

Impact to Budget

The current source of funds for this action is Proposition A. This is eligible for bus and rail operations.

EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) did not recommend an SBE or DVBE participation goal for this procurement due to limited suppliers and only one bid submitted for the OCS wire installation trucks. Approving the award of the OCS wire installation truck permits Metro to replace the end of useful life OCS wires in optimal time. This minimizes rail service disruption for Metro riders who rely on transit services for their mode of transportation.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro's Strategic Plan Goal 5) Provide responsive, accountable, and trustworthy governance within the Metro organization.

A new OCS wire installation truck will improve OCS maintenance and the OCS wire installation process and improve safety by utilizing automated tools to speed up and increase production. With this, Metro is exercising good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

Staff considered not purchasing a new OCS wire installation truck and continue performing the OCS wire replacement process manually using bucket trucks, crane trucks, and hand tools. Replacing the OCS wires without a specialized automation wire truck would take a much longer time to complete, especially for upcoming planned OCS replacement projects for the C Line, A Line (north of Union Station), and E Line.

NEXT STEPS

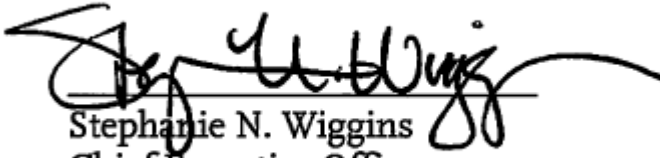
Following the authorization and execution of the contract, the vendor will begin the manufacturing process and provide Metro with a production schedule to identify milestones consistent with the approved schedule.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

Overhead Catenary System (OCS) Wire Installation Truck

CONTRACT NO. DR97819000

1.	Contract Number: DR97819000	
2.	Recommended Vendor: ZAGRO Bahn-und Baumaschinen GmbH	
3.	Type of Procurement (check one): IFB RFP RFP-A&E Non-Competitive Modification Task Order	
4.	Procurement Dates:	
	A. Issued: 2/15/23	
	B. Advertised/Publicized: N/A	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due: 3/15/23	
	E. Pre-Qualification Completed: 6/14/23	
	F. Conflict of Interest Form Submitted to Ethics: 4/7/23	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: 1	Bids/Proposals Received: 1
6.	Contract Administrator: Lorretta Norris	Telephone Number: (213) 922-2632
7.	Project Manager: Kelvin Zan	Telephone Number: (213) 617-6264

A. Procurement Background

This Board Action is to approve a single source Contract No. DR97819000 to ZAGRO Bahn-und Baumaschinen GmbH for the purchase of an Overhead Catenary System (OCS) Wire Installation Truck to be utilized in Metro's C Line OCS wires replacement project. Board approval of contract awards are subject to resolution of any properly submitted protest.

A Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy for single source procurements and the contract type is a firm fixed price. SBE and DVBE goals were not recommended due to the lack of subcontracting opportunities.

Two (2) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 17, 2023, clarified the Scope of Services.
- Amendment No. 2, issued on March 20, 2023, clarified the Schedule of Quantities and Prices, and Evaluation Criteria.

The proposal was received from ZAGRO Bahn-und Baumaschinen GmbH on March 15, 2023.

B. Evaluation of Proposals

The proposal submitted was reviewed by staff from the Metro Operations Department and was deemed responsive and in full compliance with the technical requirements of the RFP.

ZAGRO Bahn-und Baumaschinen GmbH's (ZAGRO) proposal was reviewed for technical approach, pricing, and understanding of the work.

Metro staff engaged in discussions with ZAGRO to address questions and get clarification on the technical specifications, work plan and scope of work to ensure that it aligned with the OCS wires replacement project.

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon fact finding, an independent cost estimate (ICE), technical evaluation, additional justification and cost analysis conducted by staff.

The price variance of 10.5% from the ICE is reflective of the current global market conditions which have been heavily impacted by the COVID-19 pandemic. The market price of steel has fluctuated to almost double of what it was since the last procurement of heavy-duty trucks were purchased. A worldwide semiconductor supply shortage has stalled production within the automotive industry and drastically delayed the delivery timeline of vehicles. In addition, the global logistics landscape of moving goods is heavily burdened by a shortage of manpower combined with an increased cost of fuel driving up the freight cost for this unit. The price variance is also due to supply chain issues and labor cost escalations.

Proposer Name	Proposal Amount	Metro ICE	Agreed Amount
ZAGRO Bahn-und Baumaschinen GmbH	\$2,387,340	\$2,161,000	\$2,387,340

D. Background on Recommended Contractor

The recommended firm, ZAGRO Bahn-und Baumaschinen GmbH, located in Germany, has been in business for 54 years. It merged with ZWEIWEG International GmbH (founded in 1940) and Co. KG and GMEINDER LOKOMOTIVEN GmbH (founded in 1913) to form the ZAGRO Group, a full-range supplier in the field of railroad vehicles and shunting technology. The ZAGRO Group develops, designs, and produces innovative railroad and maneuvering technology. The combined expertise has allowed the group to become a leader in its field by providing its customers optimal solutions.

DEOD SUMMARY

Overhead Catenary System (OCS) Wire Installation Truck
CONTRACT NO. DR97819000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) / Disabled Veteran Business Enterprise (DVBE) goal for this single source solicitation due to lack of subcontracting opportunities. ZAGRO Bahn-und Baumaschinen GmbH Industries (ZAGRO) did not make a commitment. It is expected that ZAGRO will perform the services of this contract with their own workforce.

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 modification/contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.