

## PROCUREMENT SUMMARY

## P3010 LIGHT RAIL VEHICLE COMPONENT OVERHAUL BATTERY KITS

MA101202000

1.	<b>Contract Number:</b> MA101202000	
2.	<b>Recommended Vendor:</b> SAFT America, Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input 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.	<b>Procurement Dates :</b>	
	<b>A. Issued:</b> June 22, 2023	
	<b>B. Advertised/Publicized:</b> N/A (sole source)	
	<b>C. Pre-proposal Conference:</b> N/A	
	<b>D. Proposal Due:</b> August 11, 2023	
	<b>E. Pre-Qualification Completed:</b> August 22, 2023	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> October 31, 2023	
	<b>G. Protest Period End Date:</b> January 22, 2024	
5.	<b>Solicitations Picked up/Downloaded:</b> 1	<b>Proposals Received:</b> 1
6.	<b>Contract Administrator:</b> Andrew Coppolo	<b>Telephone Number:</b> (213) 922-1067
7.	<b>Project Manager:</b> Richard Lozano	<b>Telephone Number:</b> (213) 792-8047

**A. Procurement Background**

This Board Action is to approve Contract No. MA101202000 in support of Metro's P3010 Light Rail Vehicle (LRV) to procure services required for the complete overhaul and replacement of the P3010 Battery Kits. The existing battery kits on the Kinkisharyo (KI) P3010 LRV's were designed and built by the original equipment manufacturer (OEM), SAFT America, Inc. (SAFT). It was determined by Metro's engineering and operations team that SAFT possesses rights and control over proprietary data, supplies, and equipment necessary to ensure full operational capability of their battery kits. Therefore, the overhaul of the P3010 LRV battery kits must be overhauled by OEM, SAFT. Board approval of contract award is subject to resolution of any properly submitted protest(s).

On June 22, 2023, the non-competitive Request for Proposal (RFP) No. MA101202 was issued to SAFT in accordance with Metro's Acquisition Policy and Procedures. The contract type is Firm-Fixed Unit Price Indefinite Delivery, Indefinite Quantity (IDIQ). The Diversity and Economic Opportunity Department (DEOD) recommended a 2% Disadvantaged Business Enterprise (DBE) goal.

The sole source proposal was received on August 11, 2023.

**B. Evaluation of Proposal**

This is a non-competitive sole source procurement that is consistent with Public Utility Code 130237 for the duplication or replacement of existing equipment already in use. This solicitation was evaluated in compliance with Metro’s Acquisition Policy and Procedures.

Metro’s Project Manager (PM) performed a technical evaluation of the proposal in accordance with the RFP. The technical evaluation consisted of proposed direct material and proposed transportation. The proposal was found to be technically acceptable and fully responsive to all the RFP requirements. Metro and the Proposer mutually negotiated selected terms and conditions, delivery schedule, and unit pricing.

The firm recommended for award, SAFT America, Inc. was found to be in compliance with the RFP requirements.

**C. Cost Analysis**

In accordance with Metro’s Acquisition Policy and Procedures for a non-competitive acquisition, a price analysis is required. Metro performed a price analysis which consisted of negotiations, market research, an independent cost estimate (ICE), and historical price comparisons for similar purchases. Based on staff’s price analysis, it was determined that the total proposed price of \$3,513,278 was best attainable and deemed fair and reasonable.

<b>Firm</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
SAFT America, Inc.	\$3,604,715	\$3,335,825	\$3,513,278

The final negotiated price is approximately 5.32% higher than the ICE. The price difference is attributed to proposed elements in SAFT’s price that were not considered in the ICE. The ICE did not consider the market risk or inflationary economic conditions on the price of the metals, such as nickel, and raw materials used in the battery kits. Continued uncertainties in the market and higher inflation forecasts can account for some measurable proportion of the gap between the ICE and the negotiated firm-fixed price amount from SAFT. Additionally as a result of negotiations, staff realized a cost savings of \$91,437, or 2.54%, over the period of performance of 24 months from the original proposal amount to the recommended award amount.

Reconciling the ICE with the above factors results in the determination that the proposed price from SAFT is fair and reasonable.

**D. Background on Recommended Contractor**

SAFT America, Inc. (SAFT), founded in 1918, is a subsidiary of Saft Groupe SA, who is a subsidiary of TotalEnergies SE. TotalEnergies SE is a multinational integrated multi-energy company that produces and markets energies on a global scale. SAFT located in Cockeysville, MD, is the manufacturer of lithium and thionyl chloride unit cells and multi-cell batteries that are used in three-quarters of all metro systems, including more than 100 rail networks. Additionally, SAFT's products and services are used in commercial, industrial, medical, military, and transportation industries. SAFT is the OEM of the battery kit for Metro's P3010 Kinkisharyo Expo Line rail cars and to date, SAFT has provided satisfactory products and services to Metro on previous purchases.