

## PROCUREMENT SUMMARY

## P3010 LRV COMPONENT OVERHAUL OF TRUCK SYSTEMS (POWER AND NON-POWER AXLE) ASSEMBLIES

|    |                                                                                                                                                                                                                                                                     |                                            |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1. | <b>Contract Number:</b> MA101250000                                                                                                                                                                                                                                 |                                            |
| 2. | <b>Recommended Vendor:</b> ORX Railway Corporation                                                                                                                                                                                                                  |                                            |
| 3. | <b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E<br><input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order |                                            |
| 4. | <b>Procurement Dates:</b>                                                                                                                                                                                                                                           |                                            |
|    | <b>A. Issued:</b> 03-23-2023                                                                                                                                                                                                                                        |                                            |
|    | <b>B. Advertised/Publicized:</b> 03-24-2023                                                                                                                                                                                                                         |                                            |
|    | <b>C. Pre-Proposal Conference:</b> 04-05-2023                                                                                                                                                                                                                       |                                            |
|    | <b>D. Proposals Due:</b> 07-31-2023                                                                                                                                                                                                                                 |                                            |
|    | <b>E. Pre-Qualification Completed:</b> 03-05-2024                                                                                                                                                                                                                   |                                            |
|    | <b>F. Conflict of Interest Form Submitted to Ethics:</b> 08-08-2023                                                                                                                                                                                                 |                                            |
|    | <b>G. Protest Period End Date:</b> 05-23-2024                                                                                                                                                                                                                       |                                            |
| 5. | <b>Solicitations Picked up/Downloaded:</b> 27                                                                                                                                                                                                                       | <b>Bids/Proposals Received:</b> 4          |
| 6. | <b>Contract Administrator:</b><br>Aniza Wan Nawang                                                                                                                                                                                                                  | <b>Telephone Number:</b><br>(213) 922-4677 |
| 7. | <b>Project Manager:</b><br>Richard Lozano                                                                                                                                                                                                                           | <b>Telephone Number:</b><br>(323) 224-4042 |

**A. Procurement Background**

This Board Action is to approve the award of Contract No. MA101250000 to transport, inspect, overhaul, and test two hundred fifty-seven (257) P3010 car kits including eighty-eight (88) individual gear units. Each car kit consists of two (2) non-powered axle assemblies, four (4) powered axle assemblies with four (4) gear units, and four (4) traction motors. The contract type is Firm Fixed Price, and the work is expected to be completed by August 1, 2028. Board approval of contract award is subject to the resolution of any properly submitted protest(s), if any.

On March 23, 2023, Request for Proposals (RFP) No. MA101250 was issued as a competitive procurement in accordance with LACMTA's Acquisition Policy. A total of twenty-seven (27) firms downloaded the RFP and were included in the planholders' list. A pre-proposal conference and site visit was held on April 5, 2023. During the solicitation phase of this RFP, LACMTA issued eight (8) amendments, and two (2) sets of clarifications, answering a total of forty-four (44) questions received from the proposers.

Eight (8) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on April 11, 2023, revised critical dates, and extended the proposal due date.

- Amendment No. 2, issued on April 12, 2023, revised the Race Conscious Disadvantaged Business Enterprise (RC-DBE) goal from 28% to 2%.
- Amendment No. 3, issued on May 16, 2023, revised critical dates, and extended the proposal due date.
- Amendment No. 4, issued on June 7, 2023, extended the proposal due date, and changed the Contracting Officer
- Amendment No. 5, issued on June 27, 2023, extended the proposal due date, and changed the Contracting Officer
- Amendment No. 6, issued on July 12, 2023, revised the Technical Specifications, and included a new Exhibit 2 – Schedule of Quantities of Prices
- Amendment No. 7, issued on July 19, 2023, revised the Technical Specifications, and included the Form 60 Pricing Form
- Amendment No. 8, issued December 8, 2023, revised the Technical Specifications and issued a Best and Final Offer (BAFO)

Four (4) proposers responded to the RFP by the due date on July 31, 2023, listed herein in alphabetical order: Pamco Machine Works, Inc (Pamco), UTCRAS, Penn Machine Company LLC (Penn Machine) and ORX Railway Corporation (ORX).

## **B. Evaluation of Proposal**

This procurement was conducted in accordance with LACMTA's Acquisition Policy and Procedure. A Proposal Evaluation Team (PET) consisting of staff from Rail Fleet Services and Transit Vehicle Engineering was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |                        |     |
|------------------------|-----|
| • Proposed Work Scope  | 30% |
| • Technical Capability | 20% |
| • Price                | 20% |
| • Past Performance     | 15% |
| • Project Management   | 15% |

The evaluation criteria are appropriate and consistent with criteria developed for similar projects. Several factors were considered in developing these weights, giving the greatest importance to the understanding of the scope of services and technical capability of proposers.

The proposals required clarification and discussion but were found to be technically and commercially acceptable and in compliance with the requirements of the RFP. A Best and Final Offer request was issued and the final evaluation scoring is shown as follows:

|   | Evaluation Criteria         | Average Score | Weight Factor | Weighted Score | Rank     |
|---|-----------------------------|---------------|---------------|----------------|----------|
|   | <b>ORX</b>                  |               |               |                |          |
| 1 | Proposed Work Scope         | 91.7          | 30%           | 27.5           |          |
| 2 | Technical Capability        | 97.0          | 20%           | 19.4           |          |
| 3 | Price                       | n.a           | 20%           | 18.9           |          |
| 4 | Past Performance            | 94.5          | 15%           | 14.2           |          |
| 5 | Project Management          | 95.0          | 15%           | 14.3           |          |
|   | <b>Total Weighted Score</b> |               |               | <b>94.3</b>    | <b>1</b> |

|   | Evaluation Criteria         | Average Score | Weight Factor | Weighted Score | Rank     |
|---|-----------------------------|---------------|---------------|----------------|----------|
|   | <b>UTCRA</b>                |               |               |                |          |
| 1 | Proposed Work Scope         | 93.3          | 30%           | 28.0           |          |
| 2 | Technical Capability        | 91.0          | 20%           | 18.2           |          |
| 3 | Price                       | n.a           | 20%           | 18.8           |          |
| 4 | Past Performance            | 91.3          | 15%           | 13.7           |          |
| 5 | Project Management          | 93.4          | 15%           | 14.0           |          |
|   | <b>Total Weighted Score</b> |               |               | <b>92.7</b>    | <b>2</b> |

|   | Evaluation Criteria         | Average Score | Weight Factor | Weighted Score | Rank     |
|---|-----------------------------|---------------|---------------|----------------|----------|
|   | <b>Pamco</b>                |               |               |                |          |
| 1 | Proposed Work Scope         | 87.0          | 30%           | 26.1           |          |
| 2 | Technical Capability        | 86.0          | 20%           | 17.2           |          |
| 3 | Price                       | n.a           | 20%           | 20.0           |          |
| 4 | Past Performance            | 87.3          | 15%           | 13.1           |          |
| 5 | Project Management          | 93.4          | 15%           | 14.0           |          |
|   | <b>Total Weighted Score</b> |               |               | <b>90.4</b>    | <b>3</b> |

|   | Evaluation Criteria | Average Score | Weight Factor | Weighted Score | Rank |
|---|---------------------|---------------|---------------|----------------|------|
|   | <b>Penn Machine</b> |               |               |                |      |
| 1 | Proposed Work Scope | 92.8          | 30%           | 27.8           |      |

|   |                             |      |     |             |          |
|---|-----------------------------|------|-----|-------------|----------|
| 2 | Technical Capability        | 89.0 | 20% | 17.8        |          |
| 3 | Price                       | n.a  | 20% | 15.5        |          |
| 4 | Past Performance            | 91.7 | 15% | 13.8        |          |
| 5 | Project Management          | 100  | 15% | 15.0        |          |
|   | <b>Total Weighted Score</b> |      |     | <b>89.9</b> | <b>4</b> |

One (1) proposer, Pamco, was determined to be non-responsive since it did not meet the Disadvantaged Business Enterprise (DBE) participation goal of two (2%) of the total proposal price. The remaining three (3) proposers (ORX, Penn Machine and UTCRAS) were found to be responsive to the DBE requirement.

### **C. Price Analysis**

In accordance with LACMTA's Acquisition Policy and Procedures for a competitive acquisition, a price analysis is required. Therefore, staff performed a Price Analysis consisting of a comparison of the proposed prices and the Independent Cost Estimate (ICE). The Price Analysis revealed a difference between the ICE and the three (3) proposals, with the ICE being significantly higher than the proposed prices. Further investigation disclosed that the gear unit overhaul component was inadvertently included twice in the ICE calculation. The duplicated cost element of approximately \$95,800 per unit accounts for around \$24,600,000 of the ICE amount. The Price Analysis considered this deductive cost element in conjunction with the ICE to make the determination that the negotiated amount from the highest rated Proposer was fair and reasonable.

The recommended proposal price from ORX at \$39,551,971.00 is lower than, and within a reasonable range of the ICE when factoring out the duplicated cost element in the ICE (with the ICE minus the duplicated cost element totaling around \$41,800,000). The recommended proposal price is determined to be fair and reasonable based on the technical evaluation, negotiations, and price analysis.

|   | <b>Proposer Name</b> | <b>BAFO Proposal Amount</b> | <b>LACMTA ICE</b> |
|---|----------------------|-----------------------------|-------------------|
| 1 | ORX                  | \$39,551,971.00             | \$66,428,964.00   |
| 2 | UTCRA                | \$39,642,449.33             | \$66,428,964.00   |
| 3 | Pamco                | \$37,297,499.00             | \$66,428,964.00   |
| 4 | Penn Machine         | \$48,031,344.52             | \$66,428,964.00   |

### **D. Background on Recommended Contractor**

The recommended firm, ORX Railway Corporation was founded in 1979 and headquartered in Tipton, Pennsylvania. ORX Railway Corporation is a full-service

shop that provides both new and overhauled products for a wide range of rail transportation including freight cars, locomotives, and light rail and heavy rail transit vehicles. Their most recent and on-going contracts include the wheelset assemblies, axles and gearbox builds and overhauls for LACMTA Gold and Red Line and New York City Transit (NYCT).