

PROCUREMENT SUMMARY

Overhead Catenary System (OCS) Wire Installation Truck

CONTRACT NO. DR97819000

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| 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.