

## PROCUREMENT SUMMARY

## P3010 FRICTION BRAKE OVERHAUL/MA78165000

1.	<b>Contract Number:</b> MA78165	
2.	<b>Recommended Vendor:</b> KNORR BRAKE COMPANY	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 10-26-21	
	<b>B. Advertised/Publicized:</b> N/A (sole source)	
	<b>C. Pre-Bid Conference:</b> 11-4-2021	
	<b>D. Bids Due:</b> 12-23-21	
	<b>E. Pre-Qualification Completed:</b> 01-23-22	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 02-01-22	
	<b>G. Protest Period End Date:</b> August 17, 2022	
5.	<b>Solicitations Picked up/Downloaded:</b> 1	<b>Bids Received:</b> 1
6.	<b>Contract Administrator:</b> Robert Pennington, Sr. Manager	<b>Telephone Number:</b> 213/922-5527
7.	<b>Project Manager:</b> Richard Lozano, Sr. Director	<b>Telephone Number:</b> 323/224-4042

**A. Procurement Background**

This Board Action is to approve Contract No. MA78165000 in support of Metro's P3010 Light Rail Vehicle (LRV) to procure services required for the complete overhaul and repair of the friction brake system components, including air compressor. The existing brake system components, and air compressor on the Kinkisharyo (KI) P3010 LRVs were designed and built by the original equipment manufacturer (OEM), Knorr Brake Company (KBC). It was determined by Metro's engineering and operations teams that KBC possesses rights and control over proprietary data, supplies, and equipment necessary to ensure full operational capability of their friction brake system. Therefore, the overhaul of the P3010 LRV friction brake systems must be overhauled by the OEM. KBC

The non-competitive Request for Proposal (RFP) was issued to the KBC on October 26, 2021, in accordance with Metro's Acquisition Policy and Procedures and the contract type is a Firm Fixed Unit Price Indefinite Delivery, Indefinite Quantity (IDIQ).

Seven (7) amendments were issued during the solicitation phase of this RFP as follows:

- Amendment No. 1 was issued on November 2, 2021, to extend the proposal due date and revise the critical dates.
- Amendment No. 2 was issued on December 3, 2021, to provide changes to the RFP requirements.
- Amendment No. 3 was issued on December 8, 2021, to further extend the proposal due date.
- Amendment No. 4 was issued on December 14, 2021, to provide changes to the technical specifications and RFP requirements.

- Amendment No. 5 was issued on May 5, 2022, to provide changes to the RFP Schedule of Quantities & Prices Form.
- Amendment No. 6 was issued on July 06, 2022, to provide changes to the technical specifications and;
- Amendment No. 7 was issued on July 15, 2022, to provide changes to the RFP requirements and technical specifications.

## **B. Evaluation of Proposals**

This is a single source non-competitive 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.

A Procurement Evaluation Team (PET) consisting of Metro staff from Transit Vehicle Engineering and Rail Fleet Services-Maintenance performed an evaluation of the technical proposal in accordance with the RFP. The PET conducted technical fact-finding meetings and a full technical evaluation of the technical proposal. The technical evaluation consisted of reviews of the proposer's key personnel, management, quality assurance plans, and proposed facility. The proposal was found to be technically acceptable and in compliance with requirements of the RFP. Metro and the proposer mutually negotiated selected terms and conditions, specification requirements and warranty.

The firm recommended for award; Knorr Brake Company was found to be in compliance with the RFP 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 the proposer's corporate policy, KBC 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 negotiations, market research, and independent cost estimate and historical price comparisons for similar purchases. Based on staff's Price Analysis, it was determined that the total proposed price of \$29,427,487 was best attainable and deemed fair and reasonable.

<b>Item</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
P3010 Friction Brake & Air Compressor Overhaul	\$35,192,320	\$25,348,096	\$29,427,487

The final negotiated price is approximately 16.1% higher than the ICE. The price difference is attributed to proposed elements in KBC's price that were not considered in the ICE. The ICE did not include shipping costs, nor did it account for the replacement of rusted components as a result of the excessive moisture in the

compressor oil. These work scope elements were determined essential to the overhaul by the PET and therefore the costs were retained in the evaluation.

Another factor that was not considered in the ICE is the market risk given current economic conditions. KBC proposed a firm fixed price on a multi-year program with an expected period of performance of five (5) years. Continued uncertainties in the market and higher inflation forecasts can account for some measurable portion of the gap between the ICE and the negotiated firm fixed price amount from KBC.

Reconciling the ICE with the above factors results in the determination that the proposed price from KBC is best attainable, fair and reasonable.

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

Knorr Brake Company (KBC) founded in 1971 is a subsidiary of Knorr Bremse AG. Knorr Bremse, an international group of industrial companies, is a manufacturer of braking systems and supplier of additional sub-systems for rail and commercial vehicles for over 110 years. KBC located in Westminster, MD is the North American Mass Transit brake division of Knorr Bremse and the principal engineering and manufacturing facility. KBC is the OEM of the braking systems for Metro's P2020 Nippon Sharyo Blue Line LRVs; Metro Breda P2550 Gold Line LRVs and Metro P3010 Kinkisharyo Expo Line rail cars. KBC currently has brake overhaul contracts with Metro for P2550 Gold Line LRVs; San Diego MTS, and Sound Transit, in Seattle, WA, all expected to be completed in 2025. The firm completed contracts with Valley Metro Brake in Phoenix, AZ, TriMet in Portland, OR, and Tucson Brake, in Tucson, AZ.