

**Board Report**

File #: 2017-0629, **File Type:** Contract

Agenda Number: 21.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017**

SUBJECT: PURCHASE OF PRODUCTION RAIL TAMPER

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

CONSIDER:

- A. FINDING the only responsive responsible bid for acquisition of a Production Rail Tamper under Public Utilities Code (PUC) section 130232 has been rejected due to the lack of competition and the equipment may be purchased at a lower price on the open market (PUC §130233); and
- B. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract no. OP42642000 with Plasser American Corporation, on the open market pursuant to PUC §130233, for one Production Rail Tamper in the amount of \$3,378,292, inclusive of sales tax.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

This procurement is for the replacement of a Metro owned and operated rail tamping machine. A rail tamping machine is used to "tamp" stone ballast underneath and around rail track for proper track leveling and support. This equipment is required to support the track maintenance of light and heavy rail track throughout the Metro system. The current machine has been in operation since 1995. In the last several years it has experienced reduced reliability and has now surpassed its useful life and requires replacement.

Staff recommends awarding the rail tamper machine contract through a negotiated process rather than a bid. Although a formal solicitation was attempted, only one bidder made an offer and that bid price was not deemed fair and reasonable. However, through cost analysis and negotiation Metro was able to obtain a significant price reduction from the bid price. Through market survey staff found no evidence that a re-solicitation would result in a better outcome.

DISCUSSION

The new machine is a heavy duty, high performance switch and production tamping machine. It is a multifunctional machine with fully automatic track lifting, lining, and cross leveling capabilities. It is specially designed for high density transit commuter lines with tight radius curves. The production rail tamper is designed to properly align the track and has the capability of lifting the rails to ensure that the ballast beneath the ties is level and compacted for maximum support.

The purchase of the production rail tamper will provide the Metro Track Maintenance Department with the necessary equipment for the consistent, timely and effective maintenance of Metro light and heavy rail track systems for the next 15-20+ years. In addition, Plasser American Corporation will provide training to the Metro employees in order to operate the machine as well as perform preventive maintenance, troubleshooting, inspections and repairs.

DETERMINATION OF SAFETY IMPACT

The purchase of the new equipment will provide Metro with an advanced state-of-the-art system that includes an acoustically insulated, climate controlled and air pressurized cabin to reduce noise and eliminate particulates, thus maximizing operator safety. Finally, the new equipment will facilitate the timely maintenance of rail track to ensure the safe and quiet operation on Metro light and heavy rail trains.

FINANCIAL IMPACT

The recommendation for award is \$3,378,292. The funding is included in Cost Center 3790 Maintenance Administration; Project 208082 and 208091 Rail Equipment; Account 53106, Acquisition of Service Vehicle. The delivery of the equipment is scheduled for up to 16 months after the date of award.

Impact to Budget

The source of funds for this procurement will come from Federal, State and local funding sources including sales tax and fares that are eligible for Rail Operating or Capital Projects. They will maximize fund use given funding allocation provisions.

ALTERNATIVES CONSIDERED

Staff considered leasing equipment and/or contracting out tamping services, but it was found cost prohibitive and therefore not recommended. Production tamping is an in-house task currently performed by ATU contract personnel. Contracting out this service would conflict with the Metro/ATU Collective Bargaining Agreement.

The alternative of retaining the existing rail tamper for primary track tamping is not recommended. Diminished reliability, high maintenance costs, unavailability of spare parts and frequent repairs over the past several years has rendered the use of the existing tamping machine a poor alternative for

continued operation.

Not purchasing the recommended rail production tamper will significantly reduce the ability of the Metro Track Maintenance Department to effectively maintain the Metro light and heavy rail track systems. Further, the expanding maintenance requirements of the Metro track system and the expansion of Metro light rail track requires Metro to purchase a new, reliable and effective piece of equipment to ensure cost-effective, timely maintenance of the Metro system for the next 20 years.

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 scheduled delivery of the equipment 16 months after the award of the Contract.

ATTACHMENTS

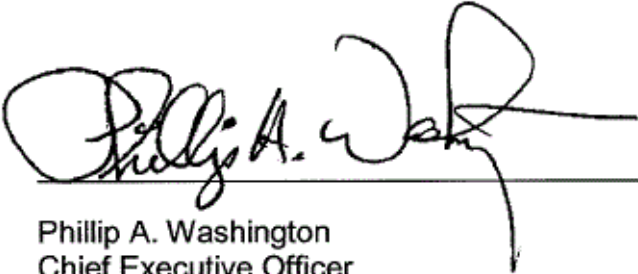
Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Daniel Ramirez, Sr. Director, Non-Revenue Fleet Maintenance, (213) 922-9233

Remi Omotayo, DEO, Wayside Systems Engineering & Maintenance, (213) 922-3243

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief Vendor/Contract Management Officer,
(213) 418-3051



Phillip A. Washington
Chief Executive Officer