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Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
MARCH 19, 2009**

SUBJECT: HI-RAIL 360° CRANES

ACTION: AWARD CONTRACT FOR HI-RAIL CRANES

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price, contract under Bid No. OP34342224 with Modern Track Machinery, Inc., the lowest responsive and responsible bidder, for two Hi-Rail 360° Cranes in an amount not to exceed \$1,230,581, inclusive of sales tax.

RATIONALE

This procurement is for the purchase of two specialty rail vehicles configured to operate on our rail lines. These vehicles are equipped with a special lifting arm that provides our track staff the ability to carry track segments, ties, crossing plates and other heavy items. These vehicles are used as “work horses” as they are an instrumental part of Maintenance-of-Way (MOW) track maintenance and repair. We currently have two of these vehicles that have the ability of rotating the fully loaded lifting arm 180°.

The vehicles in this board action are expansion vehicles to our existing fleet. They have the ability of rotating the lifting arm 360°. This provides track staff the ability to work with an unrestricted rotation of the arm which makes working the larger jobs more efficient and safer for the working crews. Working with shoring panels for hillsides and slopes, this equipment is designed for this type of work as well as reducing the production time.

FINANCIAL IMPACT

The funding of \$1,230,581 for this item is included in the budget under cost center 3434, Non-Revenue Operations, under Project 208022, Rail Expansion Non-Revenue Vehicles, Line Item 53106, Acquisition of Non-Revenue Equipment and cost center 3960, Transit Systems Engineering, under project 205006, MBL Grade Crossing Improvements, Line Item 53106, Acquisition of Non-Revenue Equipment.

ALTERNATIVES CONSIDERED

An alternative is to not purchase these 360° cranes and continue operating without. This option is not recommended due to the inability of the existing equipment to carry the heavier loads and their rotational limitations which causes simple tasks to take longer. The short time frame that the track staff has to perform their maintenance and repairs on the MOW limits their ability to minimize impacts to revenue service.

ATTACHMENT(S)

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- B. Bid Tabulation

Prepared by: John Roberts, Deputy Executive Officer,
 Harold Torres, Assistant Equipment Maintenance Manager
 David L. Vila, Contract Administration Manager

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Roger Snoble

Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY
HI RAIL 360° CRANES**

1.	Contract Number: OP34342224		
2.	Recommended Vendor: Modern Track Machinery, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: NTE \$1,230,581	Recommended Price: NTE \$1,230,581	
	B. Details of Significant Variances, if any, are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: July 28, 2008		
	B. Advertised: August 5, 2008		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: November 25, 2008		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: February 27, 2009		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: MBE: 0% WBE: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 15	Bids/Proposals Picked up: 18	Bids/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Modern Track Equipment, Inc. 1415 Davis Road Elgin, Il 60123-1375	<u>Bid/Proposal Amount:</u> NTE \$1,230,581	<u>Best and Final Offer Amount:</u> N/A
	Evaluation Methodology: Procurement is in compliance with Procurement policies and procedures. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: March 24, 2009		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: David Vila	Telephone Number: (213) 922-1028	
11.	Project Manager: Harold Torres	Telephone Number: (562) 658-0231	

**ATTACHMENT A-1
PROCUREMENT HISTORY
HI RAIL 360° CRANES**

A. Background on Contractor

Modern Track Machinery Inc. is a manufacturer and distributor of railway maintenance equipment with two facilities in North America. It is a wholly owned subsidiary of Geismar Corporation of France. The U.S.A. facility, Modern Track Machinery Inc. is located in Elgin, Illinois just outside Chicago. Modern Track Machinery Canada Ltd. is located in Mississauga, Ontario near Toronto.

Geismar Corporation was founded in 1924 in Colmar, France. Geismar and Modern Track Machinery, Inc. offer a full selection of maintenance of way equipment from gas, hydraulic and electric tools, measurement instruments, OHL equipment, tampers, tie-inserters as well as a range of road-rail and steel-wheeled personnel and material transport vehicles. Geismar products are now used worldwide in over 120 countries.

Modern Track Machinery Inc. has had several smaller purchase orders with us and has performed contracts for BART, NJ Transit, US Department of Transportation, MARTA, Metro-Dade Transit Agency and Amtrak totaling \$15.9 million.

B. Procurement Background

IFB No. OP34342224 was conducted as a two-phase “brand name or approved equal” procurement. Phase I provided potential bidders the opportunity to submit their requests for approved equals to the brand named vehicles and in Phase II, sealed bids were due with one bid received.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a MBE/WBE Voluntary Anticipated Level of Participation (VALP) goal for this procurement due to lack of subcontracting opportunities.

C. Evaluation of Proposals

In accordance with our Procurement Policies and Procedures, Non-Revenue Operations Quality Assurance Department performed a technical evaluation of the bid received for compliance with the technical specifications in the solicitation. The bid received from Geismar was determined to be responsive.

D. Cost/Price Analysis Explanation of Variances

The recommended not to exceed price of \$1,230,581 for the two specialized heavy-duty high-rail 360° cranes was determined to be a fair and reasonable based on a price analysis conducted in accordance with our Procurement Policies and Procedures. The price is the same or less than comparable units sold to Dallas Area Rapid Transit and Union Pacific Railroad.

**ATTACHMENT A-2
LIST OF SUBCONTRACTORS
HI RAIL 360° CRANES**

PRIME CONTRACTOR – Modern Track Machinery, Inc.

Small Business Commitment

Total Commitment: 0%

Other Subcontractors

NA

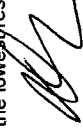
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: OP34342224 Hi Rail 360° Cranes

Bids Out: 07/28/08 Total 14
 Bids Opened: 11/25/08 Total 2
 Advertisement Date(s): 08/05/08
 Newspaper: Daily News and Daily Breeze

Item No.	Description	Qty	Unit	Unit Price	Total Price
Modern Track Machinery Inc.					
1	Multi Purpose Type 360° Hi Rail Crane	1	EA	\$505,150.00	\$505,150.00
2	Maintenance Manuals	3	EA	Included	\$0.00
3	Parts Manuals	3	EA	Included	\$0.00
4	Electrical Schematics Manuals	3	EA	Included	\$0.00
Sub Total					\$505,150.00
Sales Tax 8.25%					\$41,674.88
Total					\$546,824.88
5	Telescopic Type 360° Hi Rail Crane	1	EA	\$631,645.00	\$631,645.00
6	Maintenance Manuals	3	EA	Included	\$0.00
7	Parts Manuals	3	EA	Included	\$0.00
8	Electrical Schematics Manuals	3	EA	Included	\$0.00
Sub Total					\$631,645.00
Sales Tax 8.25%					\$52,110.71
Total					\$683,755.71

I hereby certify Modern Track Machinery as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, Not to Exceed \$1,230,528.1.

3-2-08
Date


Signature