



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 T
metro.net

34

OPERATIONS COMMITTEE
MARCH 19, 2009

SUBJECT: METRO RED LINE OVERHAUL PARTS

ACTION: AWARD CONTRACT FOR GE TRANSPORTATION PARTS

RECOMMENDATION

A. The Board finds that there is only a single source of procurement for General Electric A/C Traction Motors, Gearbox Assemblies and repair parts and purchase is for the sole purpose of replacing our existing equipment already in use. The Board hereby authorizes the purchase of General Electric traction motors, gearbox assemblies and repair parts pursuant to Public Utilities Code section 130237.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to award a firm fixed price contract to General Electric Transportation Parts, LLC, for the procurement of 10 A/C Traction Motors, 10 Gearbox Assemblies and 320 Ground Ring Assemblies for an amount not to exceed \$885,426.

ISSUE

The projected and planned useful revenue life of the Metro Red Line heavy rail vehicles is thirty years with a mid-life overhaul to repair and/or upgrade all operating and safety systems to ensure adequate performance, passenger comfort, and passenger safety. The heavy rail vehicle fleet has reached its mid-life overhaul life-cycle period.

The traction motors, gearbox and ground ring assemblies are major components that are necessary in order to support the mid life overhaul program.

POLICY IMPLICATIONS

There are no policy implications. It is in our best interest to purchase and stock the spare traction motors and gearboxes and ground ring assemblies in order to prevent an interruption in service.

OPTIONS

The alternative is not to award this contract and procure the GE parts on an as-needed basis, using the traditional "min/max" replenishment system method. This strategy is not

recommended since it does not provide for commitment from the supplier to ensure availability, timely delivery, continued supply and a guaranteed fixed price for the GE traction motors, gearboxes and ground ring assemblies. If the spare traction motors and gearbox assemblies are not available to install in the railcars when they are overhauled, it will cause an interruption in service.

FINANCIAL IMPACT

Funds for this action are included in the FY09 budget under Cost Center 3910, Transit Operations, Account Code 53102, under Capital Project 206034, Subway Railcar Midlife Overhaul.

BACKGROUND

The current Metro Red Line fleet is past both its mid-life and technology-life cycles. Because of the fleet's age, the fleet needs to be rehabilitated to current industry configurations that are necessary to avoid disruptions in service. Historically, Rail Fleet Services has established a pool of spare traction motors and gearbox assemblies to facilitate the mid-life overhaul program in support of the operating fleet. Currently, we have only two traction motors and no gearbox assemblies in stock.

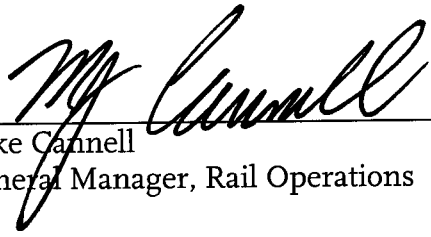
NEXT STEPS

Overhaul of the traction motors and gearbox assemblies on the Breda railcar fleet will be scheduled in accordance with Rail Fleet Services midlife overhaul program.

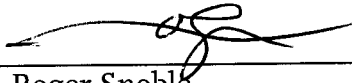
ATTACHMENTS

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Nick Madanat, Acting Engineering Manager
Richard Bachman, Contract Administration Manager



Mike Cannell
General Manager, Rail Operations



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

GE TRANSPORTATION PARTS

1.	Contract Number: TBD		
2.	Recommended Vendor: General Electric Transportation Parts, LLC		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$885,426	Recommended Price: \$885,426	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-bid Conference: N/A		
	D. Bids Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: No Goal Recommended	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A – No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. <u>Bidders/Proposers Names:</u> GE Transportation Parts, LLC	<u>Bid/Proposal Amount:</u> \$885,426	<u>Best and Final Offer Amount:</u> N/A
	C. Evaluation Methodology: Sole Source Procurement. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Otto Ojong	Telephone Number: 213-922-1454	
11.	Project Manager: Nick Madanat	Telephone Number: 323-224-4017	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

GE TRANSPORTATION PARTS

A. Background on Contractor

GE Transportation, formerly known as GE Rail, is a division of General Electric GE Technology Infrastructure (which also includes GE Aircraft Engine). The organization manufactures equipment for the railroad industry as well as other industries requiring large propulsion systems. It is based in Erie, Pennsylvania. It also produces related products, such as railway signals, railway switching networks, and parts for locomotives and railroad cars, as well as providing repair services for GE and other locomotives.

GE Transportation has provided parts for railroad cars to other government agencies including Chicago Transit Authority, New York City Transit Authority and Southeastern Pennsylvania Transportation Authority. In the past, GE Transportation has provided satisfactory service to us.

B. Procurement Background

Procurement staff performed an analysis in accordance with our Procurement Policy Manual covering a non-competitive procurement. It was determined that pursuant to Section 11.2 A.1.a of the Procurement Policy Manual, sole source procurement is warranted if the item is only available from a single source. Only the original equipment manufacturer, GE Transportation, can provide the parts because of the special nature of hardware incorporated in the propulsion system. GE designed and provided the original traction motors, gearbox and ground ring assemblies on the Breda cars.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a goal for this procurement. Based on industry practice, the Prime (GE Transportation) is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if GE Transportation utilizes the services of subcontractors, they are encouraged to afford maximum opportunities to DBE firms in available subcontracting and supply services areas throughout the life of the contract.

C. Evaluation of Proposals

The proposal submitted by GE Transportation was found to be responsive in accordance to our Procurement Policy Manual.

D. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon a price analysis conducted by staff, comparing product pricing with GE published price list.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

GE TRANSPORTATION PARTS

PRIME CONTRACTOR

GE Transportation Parts, LLC

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment: 0%