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**OPERATIONS COMMITTEE
JUNE 18, 2009**

SUBJECT: HIGH RAIL CRANES WITH 180 DEGREE ROTATION

ACTION: RECOMMENDATION FOR AWARD

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price contract under IFB No. OP34342282A with SWNG, Inc., the lowest, responsive, and responsible bidder, for two high rail cranes with 180 degree rotation for an amount not-to-exceed \$874,795, inclusive of sales tax.

RATIONALE

This procurement is for the purchase of two specialty rail vehicles that are used to perform track repairs and maintenance. These vehicles are equipped with lifting arms that carry heavy loads such as track segments, ties, crossing plates and switch panels. They are equipped to rotate 180° on a center axis to move the loads from one point to another. These vehicles are used as “working mules” to handle all heavy materials that are required to be transported and worked with on the rail right of ways.

Of the two, one has a 10,000 lb. capacity and is smaller in physical size. This is to accommodate the smaller clearances in the heavy rail tunnels and to insure safe working clearance from the third rail. The second has a 20,000 lb. capacity and it is much larger in physical size. It will be used on all of the light rail lines and they have comparatively less clearance restriction.

The vehicles being replaced are 12 and 16 years of age. Vehicles of this type are required to be in service for a minimum of ten years. Due to the multipurpose nature of these vehicles they are used considerably and they are tasked to perform at their peak limitations.

FINANCIAL IMPACT

Funds for this action are included under Cost Center 3434, Non-Revenue Operations, Account Code 53106 with Project #208017 Rail System Support Replacement Non-Revenue Vehicles and Cost Center 3960 Transit Systems Engineering, Account Code 53106 with Project #205006 MBL Grade Crossing Improvements.

Impact to Enterprise Fund Bus and Rail Operating Budget

The budgeted amount of \$874,795 will be charged to the Enterprise Fund (EF) bus and rail operating budget under capital projects. Both projects are funded with Prop A35% Rail funds and they are available for all rail operating and capital expenditures. These are replacement vehicles that must be purchased to continue to provide effective and efficient operations. There will be maintenance cost savings due to not having to spend operating funds to replace the major components on the existing vehicles.

ALTERNATIVE CONSIDERED

The alternative is to not purchase these and continue using the existing vehicles. This option is not desirable due to the current level of reliability. We continue to repair major components of these vehicles that are experiencing repetitive failures. Because the specialty of these vehicles the cost for repair and replacement parts are high and the time spent out of service has been impacting the productivity of the track department.

ATTACHMENT(S)

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- A-3 Bid Tabulation

Prepared by: Harold Torres, Assistant Equipment Maintenance Manager
David L. Vila, Contract Administration Manager

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

HIGH RAIL CRANES WITH 180 DEGREE ROTATION

1.	Contract Number: OP34342282A		
2.	Recommended Vendor: SWNG, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$874,795	Recommended Price: \$874,795	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: February 10, 2009 (Re-issued)		
	B. Advertised: November 8, 2008		
	C. Pre-bid Conference: N/A		
	D. Bids Due: March 24, 2009		
	E. Pre-Qualification Completed: April 20, 2009		
	F. Conflict of Interest Form Submitted to Ethics: May 19, 2009		
6.	Small Business Participation:		
	A. Bid Goal: MBE: 0% WBE: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 8	Bids/Proposals Picked up: 16	Bids/Proposals Received: 2
8.	Evaluation Information: See Bid Tabulation		
	<u>A. Bidders/Proposers Names:</u> SWNG, Inc. Pettibone / Transverse Lift, Inc.	<u>Bid/Proposal Amt:</u> \$874,795 \$395,856 (Item 1 only)	<u>Best and Final Offer Amt:</u> N/A
	B. Evaluation Methodology: Procurement is in compliance with Procurement policies and procedures.		
9.	Protest Information:		
	A. Protest Period End Date: June 23, 2009		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: David Vila	Telephone Number: 213-922-1028	
11.	Project Manager: Harold Torres	Telephone Number: 562-658-0231	

**BOARD REPORT ATTACHMENT A
PROCUREMENT HISTORY**

HIGH RAIL CRANES WITH 180 DEGREE ROTATION

A. Background on Contractor

SWNG, Inc., located in Melrose, IL, has been in business since 1994 selling and manufacturing specialty derricks and cranes under the Swingmaster name. SWNG, Inc. has previously supplied us with a similar hi-rail crane which these units will replace. SWNG, Inc. has had previous contracts with Burlington Northern / Santa Fe Railway, Union Pacific, BART and a number of commercial construction companies.

B. Procurement Background

IFB No. OP34342282A 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 two (2) bids received.

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

C. Evaluation Criteria

In accordance with our Procurement Policies and Procedures, Non-Revenue Operations of Quality Assurance Department performed a technical evaluation of the two bids received. The bid from Pettibone, Inc. was not in compliance with our specification however, the bid from SWNG, Inc. was fully compliant and is the lowest, responsive, responsible bidder.

D. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition in the marketplace and selection of the lowest, responsive, and responsible bidder.

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

HIGH RAIL CRANES WITH 180 DEGREE ROTATION

PRIME CONTRACTOR

SWNG, Inc.,

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment 0%