



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE  
JUNE 18, 2009**

**SUBJECT: BALLAST REGULATOR**

**ACTION: RECOMMENDATION FOR AWARD**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a firm fixed price contract under RFP No. OP34342212 to Knox Kershaw, Inc. for one Ballast Regulator in an amount not-to-exceed \$373,565, inclusive of sales tax.

**RATIONALE**

This procurement is for the purchase of one ballast regulator that will be used by Rail Wayside Track to perform ballast maintenance and repair on our light rail lines and heavy rail yard. This is a specialty vehicle that is purpose built specifically for spreading a specific type of crushed rock, or ballast, on the track beds and between the ties to insure proper track stability, load distribution from the ties, proper water runoff and to minimize vegetation growth. This ensures the alignment of the track stays true as designed and the train cars maintain a smooth and level transition along the rails.

This is a replacement for one currently owned by us that is 14 years old. Due to the nature of this type of equipment we require ten years of service before replacement is considered. Due to the age of this vehicle, the cost of repairs has escalated and the frequency of breakdowns has increased. Main components require major overhauls as well as a complete hydraulic system re-plumbing.

**FINANCIAL IMPACT**

The funding of \$373,565 is included in Cost Center 3434, Non-Revenue Operations under Project #208017 Rail Support Replacement and Account Code 53106, Acquisition of Service Vehicle.

**Impact to Enterprise Fund Bus and Rail Operating Budget**

The source of funds for this project is Prop A35% Rail funds and they are available for all rail operating and capital expenditures. This is a replacement vehicle that must be purchased to continue to provide effective and efficient operations. There will be a

maintenance cost savings due to not having to spend operating dollars to replace the major components on the existing vehicle.

**ALTERNATIVE CONSIDERED**

The alternative is to not purchase this Ballast Regulator and continue using the existing one. This alternative is not desirable due to the cost of maintaining this vehicle will continue to escalate. The price for the complete overhauling of the major components will exceed the value of the equipment. Additionally, the decreased reliability severely impacts the rail Wayside Track department's maintenance and repair efforts of working in their relatively short window of non-revenue hours.

**ATTACHMENT(S)**

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

Prepared by: Harold Torres, Assistant Equipment Maintenance Manager  
Joe Marzano, Contract Administrator

*Carolyn Flowers*

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Carolyn Flowers  
Chief Operations Officer

*Arthur T. Leahy*

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Arthur T. Leahy  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**BALLAST REGULATOR**

1.	Contract Number: OP34342212		
2.	Recommended Contractor: Knox Kershaw, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$373,565	Recommended Price: \$373,565	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: July 24, 2008		
	B. Advertised: August 6, 2008		
	C. Pre-Proposal Conference: September 3, 2008		
	D. Proposals Due: December 2, 2008		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: May 6, 2009		
6.	Small Business Participation:		
	A. Proposal Goal: MBE: 0% WBE: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Request for Proposal Data:		
	Notifications Sent: 3	Proposals Picked up: 0	Proposals Received: 3
8.	Evaluation Information: See Bid Tabulation		
	A. Proposers Names:	Proposal Amt:	Best and Final Offer Amt:
	1) Knox Kershaw, Inc.	\$363,555	\$373,565
	2) Plasser American Corporation	\$994,906	
	3) Southern Pacific Rail, Inc. Note: Southern Pacific Rail, Inc. only offered to purchase Metro's used Ballast Regulator for \$46,000.	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: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Joe Marzano	Telephone Number: 213-922-7014	
11.	Project Manager: Harold Torres	Telephone Number: 562-658-0231	

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

**BALLAST REGULATOR**

**A. Background on Contractor**

Knox Kershaw, Inc., located in Montgomery, Alabama, has been in business for eighty-four (84) years and its principal business is railway track maintenance equipment design and manufacturing. Knox Kershaw, Inc. has successfully provided Ballast Regulator's to several other public transit agency's including Metro, New Jersey Transit, Chicago Transit Authority, and Metro North (New York City).

**B. Procurement Background**

RFP No. OP34342212 was conducted as a two step (part) low price technically acceptable RFP where award will be made to the responsible offeror(s) whose part 1, technical offer is found to be acceptable and who submits the best value offer in part 2.

We currently owns an outdated ballast regulator that will no longer be needed as a result of purchasing a new unit. Part of determining the best overall net price for Metro in part 2 proposer's were encouraged to propose trade-in credits for the used ballast regulator or some other form of compensation that provided the best value to Metro.

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 Criteria**

In accordance with Procurement Policies and Procedures, Non-Revenue Operations of Quality Assurance Department performed a technical evaluation of the three proposals received. Only Knox Kershaw, Inc. submitted a proposal that was in full compliance to Metro's technical specification. Plasser American Corporation was disqualified because they did not clearly define whether optional equipment listed on their proposal was included in the price that was offered to Metro. Southern Pacific Rail only offered to purchase our existing used ballast regulator and did not respond to our request for a new ballast regulator.

**D. Cost/Price Analysis**

The recommended price of \$373,565 (inclusive of sales tax), has been determined to be fair and reasonable based upon a price analysis that compares recent contract awards to Knox Kershaw, Inc. by several other rail companies similar to Metro including Chicago Transit Authority (CTA), New Jersey Transit, and Metro North (New York City). In reviewing these contracts procurement staff concludes that the price offered to Metro is

either the same or lower than the prices offered to other transit agency's for comparable units and is considered fair and reasonable. The Best and Final Offer (BAFO) price was adjusted upward to account for an increase in sales tax and freight costs.

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

**HI-RAIL TOW VEHICLE FOR TRAIN CARS**

**PRIME CONTRACTOR**

Knox Kershaw, Inc.

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment 0%

