



Metro

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
SEPTEMBER 17, 2009**

SUBJECT: RAIL CAPACITORS

ACTION: AWARD CONTRACT FOR RAIL CAPACITORS

RECOMMENDATION

Authorize the Chief Executive Officer to award a 24-month, firm fixed price contract under Bid No. 09-0022 to WEI Industries, the lowest responsive and responsible bidder for Rail Capacitors for an amount not to exceed \$364,950.

RATIONALE

This procurement is for the acquisition of propulsion capacitors for the Green and Gold Line Siemens Light Rail Vehicle (LRV) fleet. There are 52 vehicles of this type in service and each vehicle has 96 capacitors.

The capacitor stores an electrical charge for short periods of time, and then returns it to the electrical circuit in the vehicle's propulsion system. The propulsion system consists of the Dynamic and Inverter trays in which the capacitors are installed. The trays are used to convert and provide current to the traction motor enabling the movement of the train. The capacitor draws a constant magnitude of voltages and electrical currents, and wears out during revenue service. As part of the Rail Fleet Services Maintenance Program, propulsion capacitors must be replaced periodically to keep the LRVs running efficiently, and in a safe operating condition ensuring uninterrupted revenue service.

The contract to be awarded is a "requirements type" agreement, in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but with no obligation or commitment for us to order any or all of the capacitors that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

The capacitors will be maintained in inventory and managed by Material Management. The Green Line Rail Operating Division maintains capacitors in its stock room based on its consumption requirements. As the capacitors are issued, the division's budget project number and account is charged.

FINANCIAL IMPACT

The funding of \$182,475 for capacitors is included in the FY10 budget in Rail cost centers 3943 (Green Line) and 3944 (Gold Line) under project numbers 300033 (Green Line), and 300055 (Gold Line), account 50441 (Parts – Revenue Vehicles). Since this is a multi-year contract, the cost center manager and the General Manager, Rail Operations will be accountable for the budget cost in the future fiscal year. In FY09, a total amount of \$42,904 was expended on this category.

Impact to Bus and Rail Operating and Capital Budget

The funding for this acquisition will come from the rail operating budget comprised primarily of fares, Prop A 35%, Federal 5309, and Prop C40%. These funds are eligible to be used for rail operations and rail capital projects. No other sources of funds were considered for this project because these are the designated funds available for rail operations. This procurement is part of the on-going maintenance costs of the rail program.

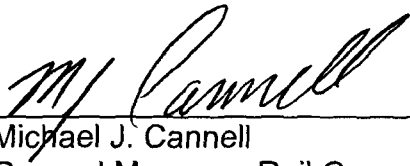
ALTERNATIVES CONSIDERED

The alternative is not to award the contract and procure Rail Capacitors on an as-needed basis. This approach is not recommended since it does not ensure a commitment from the supplier to provide for stock availability and price stability.

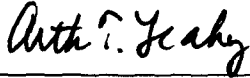
ATTACHMENTS

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

Prepared By: Nick Madanat, Senior Engineer
Richard Bachman, Contract Administration Manager



Michael J. Cannell
General Manager, Rail Operations



Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

RAIL CAPACITORS

1.	Contract Number: 09-0022		
2.	Recommended Vendor: WEI Industries		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$364,950	Recommended Price: \$364,950	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: January 30, 2009		
	B. Advertised: February 2, 2009		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: March 10, 2009		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0% No goal recommended	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: 0% No DBE Anticipated Level of Participation (DALP) was recommended.		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 19	Bids/Proposals Picked up: 19	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	Newark Corp. WEI Industries	\$309,350 \$364,950	N/A
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: 8/26/09		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Juelene Close	Telephone Number: 213-922-1066	
11.	Project Manager: Nick Madanat	Telephone Number: 323-224-4017	

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

RAIL CAPACITORS

A. Background on Contractor

WEI Industries (WEI) is a veteran-owned small business based in Pasadena, California, and has been in business since 1981. WEI is a distributor of high and low voltage electrical/electronics materials and equipment, wire and cable.

WEI does business with other government agencies including the Department of Defense and the City of Los Angeles.

B. Procurement Background

Invitation for Bid (IFB) No. 09-0022 was released on January 30, 2009 and advertised on February 2, 2009. The bid deadline was March 10, 2009. Two firms submitted a bid prior to the stated deadline.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a DALP goal for this procurement. Based on industry practice, the Prime (WEI Industries) is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if WEI 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

In accordance with our Procurement Policy Manual, staff performed an evaluation of the bids that were received.

Bidder #1 Newark Corp. in the amount of \$309,350 is non-responsive because they took an exception to the Contract Requirements Terms and Conditions, and signed the Buy America certificate incorrectly.

Bidder #2 WEI Industries in the amount of \$364,950 is in full compliance to the technical specifications and the bid requirements.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$364,950 has been determined to be fair and reasonable based upon adequate price competition, and selection of the lowest responsive and responsible bidder.

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

RAIL CAPACITORS

PRIME CONTRACTOR – WEI Industries

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0.0%

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: 090022 Rail Capacitor Filter

Bids Out: 01/30/09 Total 19
 Bids Opened: 03/10/09 Total 2
 Advertisement Date(s): 02/02/09
 Newspaper: Daily News, La Opinion and L.A. Watts Times

Item No.	Description	Qty	UM	Newark		WEI Industries	
				Unit Price	Total Price	Unit Price	Total Price
1	Capacitor - Filter	5,000	EA	\$61.87	\$309,350.00	\$72.99	\$364,950.00
Total					\$309,350.00		\$364,950.00

I hereby certify _____ as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of _____.

_____ Date

_____ Signature

