

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
SEPTEMBER 19, 2013****SUBJECT: METRO BLUE LINE TURNOUTS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

- A. Increase the Life-of-Project Budget (LOP) for the Metro Blue Line Turnout Rehabilitation project, CP 205101, by \$650,000 increasing the LOP budget from \$2,350,000 to \$3,000,000; and,
- B. Award a firm fixed price contract under Bid No. 13-0045 with Cleveland Track Material, Inc., the lowest responsive and responsible bidder, for the procurement of 13 right and 13 left hand rail turnout sets for an amount not-to-exceed \$1,739,339.

ISSUE

In May 2013, the Board approved the LOP budget for project 205101, MBL Turnout Rehabilitation. The LOP budget was based on the best available estimate of the cost of the turnout components available at the time of project scope development. When the bid responses for the turnout components were received during the Invitation for Bid (IFB), the actual cost for the components had nearly doubled compared to original estimates. Based on this increase, staff requests approval of a LOP budget increase of \$650,000, revising the LOP from \$2,350,000 to \$3,000,000. Staff is also requesting a contract award to the lowest responsive, responsible bidder to supply all parts and material necessary to rehabilitate 13 right hand and 13 left hand Metro Blue Line rail turnouts.

DISCUSSION

Turnouts enable trains to be guided or switched from one track to another and thus are a vital component of the railroad track. They are in constant use and subject to wear with the passing of every train. In support of the daily rail revenue service requirements, Wayside System Track Maintenance developed an equipment specification based upon the Original Equipment Manufacturer (OEM) recommendations and compliance with

Metro Maintenance of Way standards. Wear and tear in normal service requires ongoing maintenance, which is performed by Metro personnel.

Maintaining the rail system in a State of Good Repair (SGR) is essential to provide safe and reliable service to daily riders as well as minimize service delays, prolong equipment service life and adhere to preventative maintenance requirements and campaigns. These rail turnouts were installed when the Metro Blue Line was initially opened 23 years ago in 1990 and the components are reaching the end of their expected useful life of 25 years of service. These mainline turnouts carry 150 daily trains and experience wear with every passing railcar.

DETERMINATION OF SAFETY IMPACT

Award of contract for the rail turnout material will ensure compliance with the OEM's recommended replacement cycle and continued safe vehicle operations. If rail is not maintained or replaced at the recommended interval specifications, it will impact adherence to established preventative maintenance programs.

FINANCIAL IMPACT

The total contract amount is \$1,739,339. Funding of \$516,000 for this procurement is included in the FY14 budget in Cost Center 3960, Rail Transit Engineering, Line 53102, Acquisition of Equipment and Project 205101, Metro Blue Line Turnouts Replacement.

Since this is a multi-year project, the cost center manager, project manager, and Executive Officer, Wayside Systems will ensure that costs are budgeted in future years.

Impact to Budget

The funding for this acquisition will come from Proposition A 35%. These funds are eligible to be used for rail operating and capital projects. No other sources of funds were considered as these funds are eligible for rail systems safety and enhancement projects.

ALTERNATIVES CONSIDERED

This procurement is part of the on-going Wayside track maintenance program. If this track replacement is not performed, there would be a high probability of greater labor and parts replacement costs as parts fail past the expected preventative maintenance replacement schedule.

Additionally, unscheduled maintenance repair cost on a per component basis will result in higher operating costs versus reduced costs when performing this work as scheduled. Not performing or postponing these overhauls/replacements is not recommended as this assembly is safety sensitive and if not properly maintained, may impact vehicle operations, service reliability, passenger comfort and safety.

NEXT STEPS

Replacement of the rail turnout material will be processed in accordance with the Wayside System Track Maintenance requirements. If approved, this three-year project is scheduled to commence September 30, 2013 and conclude in December 2016.

ATTACHMENTS

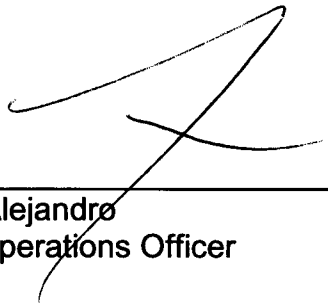
- A. Procurement Summary
- B. Expenditure Plan
- C. Bid Tabulation

Prepared by: Michael Harris-Gifford, Executive Officer, Rail Wayside Systems

Questions: Michelle Stewart, Assistant Administrative Analyst
(213) 922-7270



Michelle Lopes Caldwell
Chief Administrative Services Officer



Frank Alejandro
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

METRO BLUE LINE TURNOUTS

1.	Contract Number: 13-0045	
2.	Recommended Vendor: Cleveland Track Material, Inc., 6917 Bessemer Avenue, Cleveland, OH 44127	
3.	Type of Procurement (check one) : <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP – A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 5/9/13	
	B. Advertised/Publicized: 5/8/13	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 6/20/13	
	E. Pre-Qualification Completed: Yes	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 9/24/13	
5.	Solicitations Picked up/Downloaded: 11	Bids/Proposals Received: 4
6.	Contract Administrator: Juelene Close	Telephone Number: (213) 922-1066
7.	Project Manager: Paul Squires	Telephone Number: (323) 563-9430

A. Procurement Background

Procurement of Rail Turnout Material was conducted as a formal sealed bid, competitive acquisition in support of awarding a contract in order to ensure availability and price stability.

IFB 13-0045 was issued May 9, 2013 and advertised May 8, 2013. Contract type is Firm-Fixed Price (FFP).

One amendment was issued during the solicitation phase of this IFB:

- Amendment No. 1 issued on May 31, 2013, provided a response to a clarification question from a potential bidder and extended the bid opening to June 20, 2013.

Four bids were received and opened on June 20, 2013.

B. Evaluation of Proposals/Bids

A total of four bids were received and opened on June 20, 2013. The firm recommended for award, Cleveland Track Material, Inc, was found to be in full compliance with the bid requirements. The recommended bid amount is the result of an open competitive bid process in a competitive environment and was determined to be fair and reasonable based on a 6% differential between the first and second low bidders. Refer to attached bid tabulation for detailed pricing.

	Bidder Name	Bid Amount
1.	Cleveland Track Material, Inc.	\$1,739,339
2.	Progress Rail Services	\$1,857,999
3.	Voestalpine Nortrak, Inc.	\$2,106,796
4	China Railway Materials Trade Anhui Energy Co., LTD	\$2,377,408

C. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$1,739,339 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

D. Background on Recommended Contractor

Cleveland Track Material, Inc. (a subsidiary of Vossloh) was incorporated in 1983 and is based in Cleveland, Ohio. Cleveland Track Material Inc. manufactures railway track work products and components. Cleveland Track Material Inc. offers joint bars, compromise joints, bridge joints, paneled turnouts, crossing diamonds, frogs, switch points, slip switches, lap turnouts and hook flange guard rail products. The company serves Class I railroads, industrial and regional railroads, and transit in the United States, Canada, and Mexico.

Cleveland Track Materials, Inc. does business with other transit agencies including New York City Transit Authority, Norfolk Southern Railway, Long Island Railroad, and Metro-North Railroad.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE) goal for this solicitation. Cleveland Track Material, Inc. did not list any SBE subcontractor(s) nor commit to any SBE participation. Achieving the SBE goal established for this procurement is encouraged but it is neither a condition of award nor an issue of responsiveness.

ATTACHMENT B

FUNDING/EXPENDITURE PLAN

CP 205101 MBL Turnout Rehabilitation						
Uses of Funds	FY14	FY15	FY16	FY17	Total	% of Total
Project Administration/ Metro Labor	\$373,042	\$373,670	\$247,609		\$994,320	33%
Materials	\$1,819,339	\$80,000	\$40,000		\$1,939,339	65%
Advertising	\$3,000				\$3,000	0%
Contingency				\$63,341	\$63,341	2%
Total Project Cost	\$2,195,381	\$453,670	\$287,609	\$63,341	\$3,000,000	100%
Sources of Funds						
Prop A 35%	\$2,195,381	\$453,670	\$287,609	\$63,341	\$3,000,000	100%
Total Project Funding	\$2,195,381	\$453,670	\$287,609	\$63,341	\$3,000,000	100%

ATTACHMENT C

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: 13-0045 Rail Turnout Material

Bids Out: 05/09/13 Total 12
 Bids Opened: 06/20/13 Total 4
 Advertisement Date(s): 05/08/13
 Newspaper: L.A. Daily News and La Opinion

Item No.	Description	Qty	Unit	Cleveland Track Material, Inc.		Progress Rail Services		Voestalpine Nortrak Inc.		China Railway Materials Trade Anhui Energy Co., LTD	
				Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
1	Left Hand Turnouts for 115 Pound #10 Turnout Package	13	PK	\$61,374.00	\$797,862.00	\$65,561.00	\$852,293.00	\$74,340.00	\$966,420.00	\$83,888.80	\$1,090,554.40
2	Right Hand Turnouts for 115 Pound #10 Turnout Package	13	PK	\$61,374.00	\$797,862.00	\$65,561.00	\$852,293.00	\$74,340.00	\$966,420.00	\$83,888.80	\$1,090,554.40
Sub Total				\$1,595,724.00		\$1,704,586.00		\$1,932,840.00		\$2,181,108.80	
Sales Tax 9%				\$143,615.16		\$153,412.74		\$173,955.60		\$196,299.79	
Grand Total				\$1,739,339.16		\$1,857,998.74		\$2,106,795.60		\$2,377,408.59	

I hereby certify Cleveland Track Material, Inc. as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$1,739,339.16.

8/12/13
Date

R.A. Bachman
Signature