

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel.
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
NOVEMBER 21, 2013****SUBJECT: LIGHT RAIL VEHICLE TIRE KITS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

Award a 36-month, firm fixed price contract under Bid No.13-0043 to Globe Electric Company, Inc. the lowest responsive and responsible bidder for Tire Kits for an amount not-to-exceed \$1,296,210.

ISSUE

This procurement is for the acquisition of tire kits for Blue and Green Line cars which are required for maintaining the safe and reliable operation of the Nippon Sharyo P865/P2020 and Siemens P2000 rail fleets.

DISCUSSION

There are 69 P865/P2020 and 23 P2000 cars at the Blue Line and 29 P2000 cars at the Green Line. Each vehicle is equipped with 12 steel tires. The steel tire rides on the rail and is the outside part of the wheel assembly. The tires are replaced based on mileage in accordance with Rail Fleet Service's maintenance schedule and when they no longer meet the tolerance/size requirements. On average, the tire kits are changed every 500,000 miles under normal conditions. All the tires on each vehicle are changed at the same time so that the propulsion system is not adversely affected by wheels of various dimensions.

If this work is not performed according to the specified schedule, 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.

DETERMINATION OF SAFETY IMPACT

Award of contract will ensure the Blue and Green Line Divisions have adequate inventory to repair and maintain the rail cars according to Metro Maintenance standards.

FINANCIAL IMPACT

The total contract amount is \$1,296,210. Funding of \$200,000 for this procurement is included in the FY14 budget in Rail Cost Center 3941 - Rail Fleet Services Maintenance Blue Line, line item 50441 - Parts - Revenue Vehicle, project 211018 – P865/P2020 Component Overhaul.

Since this is a multi-year contract, the cost center manager, project manager, and executive officer will ensure that the balance of funds are budgeted in future fiscal years.

Impact to Budget

The FY14 funding for this acquisition will come from Measure R. This procurement is part of the on-going LRV preventative maintenance program.

ALTERNATIVES CONSIDERED

Staff considered not awarding the subject contract. However, postponing the award is not recommended as the tire kits are a vital component to the rail car operation and to avoid impact on rail car operations, service reliability, customer comfort and safety.

NEXT STEPS

Replacement of the steel tires on the applicable light rail vehicles will proceed under the provisions of the contract.

ATTACHMENTS

- A. Procurement Summary
- B. Bid Tabulation

Prepared by: Richard Lozano, Executive Officer Rail Vehicle Maintenance
Nick Madanat, Director Rail Vehicle Maintenance & Engineering


Questions: Christopher Reyes, Senior Administrative Analyst
(213) 922-4808



Michelle Lopes Caldwell
Chief Administrative Services Officer



Debra A. Johnson
Interim Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

**PROCUREMENT SUMMARY
LIGHT RAIL VEHICLE TIRE KITS**

1.	Contract Number: 13-0043	
2.	Recommended Vendor: Globe Electric Company Inc.	
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: May 8, 2013	
	B. Advertised/Publicized: May 7,, 2013	
	C. Pre-proposal/Pre-Bid Conference May 15, 2013:	
	D. Proposals/Bids Due: June 25, 2013	
	E. Pre-Qualification Completed: Yes	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: October 23, 3013	
5.	Solicitations Picked up/Downloaded: 6	Bids/Proposals Received: 2
6.	Contract Administrator: Sherri Jackson	Telephone Number: 213-922-1025
7.	Project Manager: Nick Madanat	Telephone Number: 213-922-3340

A. Procurement Background

Procurement of Tires and Tire Kits for the Metro Blue Line and Metro Green Line rail cars was conducted as a formal sealed bid, competitive acquisition, in support of awarding a Master Agreement contract in order to ensure availability and price stability.

IFB 13-0043 was issued on May 8, 2013 and advertised on May 7, 2013. Contract type is firm-fixed price and no Amendments were issued during the solicitation phase of this IFB.

A total of two bids were received on June 25, 2013.

B. Evaluation of Proposals/Bids

A total of two bids were received on June 25, 2013. The firm recommended for award, Globe Electric Company Inc., was found to be in full compliance with the bid requirements.

	Bidder/Proposer Name	Bid/Proposal Amount
1.	Globe Electric Company Inc	\$1,296,210
2.	Penn Machine Company LLC	\$1,296,216

C. Cost/Price Analysis

The recommended bid price of \$1,296,210 has been determined to be fair and reasonable based on adequate price competition and selection of the lowest responsive, responsible bidder.

D. Background on Recommended Contractor

Globe Electric Company is based in Houston, Texas and has been in business since 1980. Globe is a wholesale distributor of Bus and Rail parts and supplies along with electrical and electronic equipment and supplies. Globe Electric supplied various parts and supplies for both Metro’s Bus and Rail divisions.

Globe Electric does business with various other transit agencies including Chicago Transit Authority (CTA), Massachusetts Bay Transportation Authority (MBTA), and Metropolitan Transit Authority of Harris County (METRO Houston). Globe Electric has provided satisfactory service and delivery to Metro.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5 percent Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this solicitation. Globe Electric Company, Inc., a DBE Prime, will perform 100 percent of the work with its own work force. However, as a DBE firm only 60 percent of the cost for material/supplies can be counted toward the DALP commitment.

SMALL BUSINESS GOAL	DBE	SMALL BUSINESS COMMITMENT	
	5%		60%

	DBE Subcontractors	% Committed
1.	Globe Electric Company, Inc. – DBE Prime	60%
	Total Commitment	60%

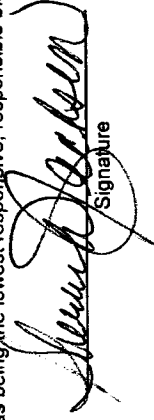
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: 13-0043 Light Rail Vehicle Tire Kits

Bids Out: 05/08/13 Total 6
 Bids Opened: 06/25/13 Total 2
 Advertisement Date(s): 05/07/13
 Newspaper: L.A. Daily News

Item No.	Description	Qty	Unit	Globe Electric Co. Inc.		Penn Machine Company LLC	
				Unit Price	Extended Price	Unit Price	Extended Price
1	Tire Kit, P865/P2020, consist of 1 tire and 19 rubber blocks	216	PK	\$2,117.99	\$457,485.84	\$2,118.00	\$457,488.00
2	Tire Kit P2000, consist of 1 tire and 19 rubber blocks	396	PK	\$2,117.99	\$838,724.04	\$2,118.00	\$838,728.00
TOTAL					\$1,296,209.88		\$1,296,216.00

I hereby certify Globe Electric Company, Inc. as being the lowest responsive, responsible bidder and recommend the award to them for total price, excluding sales tax, of \$1,296,209.88.

October 14, 2013
 Date


 Signature