



Board Report

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REVISED
SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JUNE 15, 2017

SUBJECT: P2550 LIGHT RAIL VEHICLE COMPONENT OVERHAUL

ACTION: ESTABLISH A LIFE OF PROJECT BUDGET

RECOMMENDATION

CONSIDER:

- A. ESTABLISHING a Life-Of-Project (LOP) Budget for the implementation of a Component Overhaul Program for the P2550 Light Rail Vehicle (LRV) fleet, capital project number 214001 in the amount of \$35,007,546; and
- B. AUTHORIZING the Chief Executive Officer to award a 60 month indefinite quantity/indefinite delivery Contract No. MA27585 to ORX for the overhaul of 103 Ansaldo Breda P2550 light rail vehicle powered axle assemblies for a not-to-exceed amount of \$4,952,654, subject to resolution of protest(s), if any.

ISSUE

The Original Equipment Manufacturer (OEM) establishes a timeline for vehicle maintenance and major system overhauls in order to maintain the safety and level of performance of their vehicles. The P2550 fleet is due for a major system overhaul per the OEM's and Metro engineering's recommendations.

Implementation of this program helps ensure the P2550 fleet remains in a constant State of Good Repair (SGR) by overhauling multiple systems on the vehicles including the friction brake, propulsion, doors, truck and suspension, auxiliary power, and coupler systems. Completing this scheduled overhaul on time will ensure equipment safety, performance and longevity of the cars.

DISCUSSION

The P2550 LRV fleet was placed in revenue service in March 2008 to support the opening of the Gold Line Eastside line extension. Since 2008 the fleet has accumulated over 30 million miles; an average of 600,000 miles per car. The cars have a consistent performance, and a reliable safety

record.

The Component Overhaul Program consists primarily of the removal of aged components and the replacement with overhauled components, and may be performed several times during the life of the car. The Mid-life overhaul is performed only once, at approximately 15 years. Metro staff will perform the removal, testing and reinstallation of the overhauled components. Various vendors will perform the component teardown and overhaul. This contracted work requires specialized equipment, tooling, and training; and shall meet Federal Transit Administration (FTA), Association of American Railroads (AAR), California Public Utilities Commission (CPUC) and Metro's Corporate Safety standards.

Metro's Rail Vehicle Engineering unit along with the Rail Fleet Services unit performed a maintenance review and condition assessment of the systems to be overhauled and then identified technical specifications to be prepared. It is expected that nine separate vendor contracts will be awarded to complete this component overhaul. The staff will return to the Board for approvals.

The Component Overhaul Program is coordinated with the Mid-life Rehabilitation Program and involves significant teardown and inspection of the car, truck and major assemblies, including system upgrades integration as obsolete systems are replaced with current technologies. Detailed planning for the Mid-life overhaul is expected to start in FY18. The OEM identifies the Mid-life Overhaul Program to be performed at the 15 year life cycle so that the vehicles achieve a design life of 30 years.

DETERMINATION OF SAFETY IMPACT

Safety is of the utmost importance to Metro; therefore, it is imperative to maintain the P2550 fleet. This program ensures that the fleet is overhauled in accordance with regulatory standards, the car builder prescribed maintenance cycles, and Metro's internal standards, policies and procedures.

FINANCIAL IMPACT

Adoption of the overhaul program establishes an LOP Budget in the amount of \$35,007,500 ~~\$35,007,546~~ through FY23. Since this is a multi-year project, the cost center Director and Sr. Executive Officer, Rail Fleet Services will ensure that the balance of funds is budgeted in future years.

Impact to Budget

Budget in the amount of \$2.7 million has already been included in FY17 annual budget under CP 214001. The planned source of funds for this project comes from local funding source TDA Article 4 which is eligible for Bus and Rail Operating or Capital Projects.

ALTERNATIVES CONSIDERED

The P2550 Fleet is one of Metro's most reliable rail fleets and in order to continue with consistent

reliability, availability, and safety record the component overhaul is an integral program to continue the positive trend. An alternative is to defer the component overhaul program; however, this is not recommended as it may negatively impact safety, which may result in service delays, exposure to risk of fines during regulatory audits, and impact equipment and vehicle design life.

NEXT STEPS

Upon Board approval, staff will execute Contract No. MA27585 to ORX for the overhaul of 103 Ansaldo Breda P2550 light rail vehicle powered axle assemblies. There will be an additional eight overhaul contracts that will be brought to the Board for approval to complete this LOP Budget over the next 12 months.

ATTACHMENTS

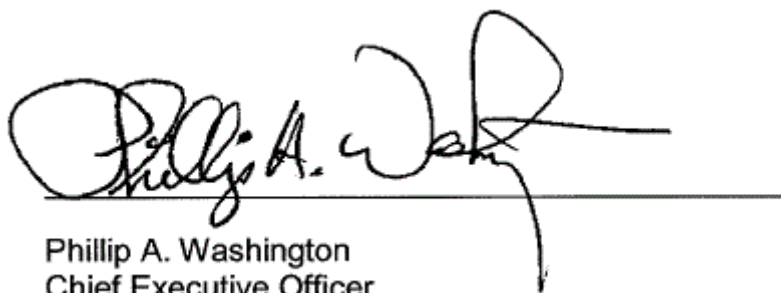
- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - LOP and Budget Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

P2550 LIGHT RAIL VEHICLE COMPONENT OVERHAUL / MA27585

1.	Contract Number: MA27585	
2.	Recommended Vendor: ORX	
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: 11/11/16	
	B. Advertised/Publicized: 11/15/16 – 11/28/16	
	C. Pre-Bid Conference: 12/6/16	
	D. Bids Due: 2/7/17	
	E. Pre-Qualification Completed: 2/2/17	
	F. Conflict of Interest Form Submitted to Ethics: 2/9/17	
	G. Protest Period End Date: 6/01/17	
5.	Solicitations Picked up/Downloaded: 23	Bids Received: 2
6.	Contract Administrator: Jean Davis	Telephone Number: 213/922-1041
7.	Project Manager: Russell Homan	Telephone Number: 626/471-7831

A. Procurement Background

This Board Action is to approve Contract No. MA27585 in support of Metro's P2550 Light Rail Vehicle (LRV) to procure services required for the complete overhaul and repair of the powered axle assemblies. Board approval of contract awards are subject to resolution of any properly submitted protest.

The IFB was issued in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery, Indefinite Quantity (IDIQ).

Four amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on November 18, 2016, to revise the specifications, establish the Pre-Bid Conference date, and extend the bid due date;
- Amendment No. 2, issued on November 23, 2016, to revise the specifications and bid price form;
- Amendment No. 3, issued on December 23, 2016, to revise the price form;
- Amendment No. 4, issued on January 18, 2017, to extend the bid due date.

A Pre-Bid Conference was held on December 6, 2016 and was attended by nine participants representing two firms. A total of two bids were received on February 7, 2017.

B. Evaluation of Bids

This procurement was conducted in accordance, and complies with LACMTA's Acquisition Policy for a competitive sealed bid. The two bids received are listed below:

	Bidder Name	Bid Amount
1.	ORX	\$4,952,654.00
2.	IGW USA, INC.	\$5,204,303.74

The firm recommended for award, ORX, was found to be in full compliance with the bid and technical requirements.

C. Price Analysis

The recommended total bid price from ORX has been determined to be fair and reasonable based upon adequate price competition, in accordance with FTA 4220.1F, Third Party Contracting Guidance, and the selection of the lowest responsive and responsible bid. Based on our market research, there are only a few technically qualified firms that can perform the P2550 powered axle overhaul. The pressing work needs to be performed by Association of American Railroads (AAR) certified companies. AnsaldoBreda is the Original Equipment Manufacturer (OEM), but has since gone out of business. The subcontractors that have performed Metro's previous overhauls on other Metro Rail vehicle powered axles in the past are also included as subs in ORX's bid price. Additionally, staff took a sample of the total number of firms that downloaded the solicitations to determine their reason(s) for not submitting a formal bid. Our findings were either 1) they were not in this specialized overhaul business; or 2) they were not technically qualified; or 3) they were not interested in a small quantity of overhauling four power axles per month.

Bidder Name	Bid Amount	Metro ICE
ORX	\$4,952,654.00	\$5,728,000.00

D. Background on Recommended Contractor

The recommended firm, ORX, located at One Park Avenue, Tipton, PA, has been in business since 1979 and supplies new and remanufactured wheel set assemblies, axles, combo units, gear units and trucks to light rail and heavy rail car builders and operating authorities throughout the United States and Canada. ORX has done business with other transit agencies including New Jersey Transit, JFK AirTran New York City Transit. ORX is currently overhauling Metro's Blue Line wheel set assemblies and have performed satisfactorily.

DEOD SUMMARY

P2550 LIGHT RAIL VEHICLE COMPONENT OVERHAUL /
MA27585

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this Original Equipment Manufacturer (OEM) procurement due to the apparent lack of subcontracting opportunities. The Project Manager confirmed that the powered axle kits will be uninstalled by Metro staff and shipped to the OEM for overhaul services, and then returned to Metro for re-installation. While the PM initially confirmed that the specialized shipping requirements precluded subcontracting opportunities, ORX, through its outreach efforts, was able to identify an SBE to perform the shipping specifications. ORX made a 5.18% SBE commitment.

Small Business Goal	0%	Small Business Commitment	5.18% SBE
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	SBE Subcontractor	% Committed
1.	Vobecky Enterprises	5.18%
Total Commitment		5.18%

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this Contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.

LOP and Budget

BUDGET LOP	FY17 (adopted)	FY 18	FY 19	FY 20	FY 21	FY 22	FY23	Total
LABOR								
Metro Represented Labor (FM Supervisor & Maintenance Specialists)	\$ 1,123,744	\$ 1,109,793	\$ 1,617,280	\$ 1,582,431	\$ 1,606,431	\$ 1,110,433		\$ 8,150,112
Metro Non-Represented Labor (PM & Contract Manager)	\$ 9,656	\$ 30,898	\$ 10,638	\$ 11,157	\$ 3,789	\$ 3,896		\$ 70,034
Labor Total	\$ 1,133,400	\$ 1,140,691	\$ 1,627,918	\$ 1,593,588	\$ 1,610,220	\$ 1,114,329		\$ 8,220,146
NON-LABOR								
Professional & Technical Services	\$ 312,800	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 15,000		\$ 452,800
Acquisition - Parts (Revenue Vehicle)	\$ 664,400	\$ 664,000	\$ 3,196,000	\$ 3,066,000	\$ 3,066,000	\$ 2,045,000		\$ 12,701,400
Acquisition - Equipment	\$ 664,400	\$ 664,000	\$ 3,196,000	\$ 3,066,000	\$ 3,066,000	\$ 2,045,000		\$ 12,701,400
Non-Labor Total	\$ 1,641,600	\$ 1,378,000	\$ 6,417,000	\$ 6,157,000	\$ 6,157,000	\$ 4,105,000		\$ 25,855,600
CONTINGENCY								
Contingency							\$ 931,800	\$ 931,800
Contingency Total	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 931,800	\$ 931,800
Total Project Cost	\$ 2,775,000	\$ 2,518,691	\$ 8,044,918	\$ 7,750,588	\$ 7,767,220	\$ 5,219,329	\$ 931,800	\$ 35,007,546