

**Board Report**

File #: 2017-0545, **File Type:** Contract**Agenda Number:** 25.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
SEPTEMBER 21, 2017****SUBJECT:** A650 DC TRACTION MOTOR OVERHAUL**ACTION:** APPROVE CONTRACT AWARD**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a 60-month indefinite quantity/indefinite delivery Contract No. MA3280700 to Walco Electric Company for the overhaul of direct current (DC) traction motors for a not-to-exceed amount of \$1,188,440, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the overhaul of 120 DC traction motors as recommended by the Original Equipment Manufacturer (OEM) established guidelines. Accomplishing overhaul activities will ensure the 30 car DC traction motor fleet remains in a constant State of Good Repair (SGR) and that our fleet is assessed based on condition in an effort to proactively increase passenger safety, vehicle availability and performance.

DISCUSSION

The A650 car DC traction Heavy Rail Vehicle Fleet is in its 25th year of revenue operations with over 800,000 miles of service per vehicle. To ensure a continued level of vehicle performance and in accordance with the OEM recommended guidelines, the traction motor overhaul is required at the 250,000 mile interval. This is a new Contract to replace the existing overhaul contract currently in use that expires on December 12, 2017.

The DC traction motor is a primary component of the vehicle propulsion system that electrically propels the vehicle and if not properly maintained, is subject to failures with negative impact to vehicle performance, reliability and passenger safety.

DC traction motors include electrical and mechanical components that wear out requiring both routine maintenance and overhaul for sustained reliability and equipment longevity. Moreover, these components require specialized tooling, fixtures, and training that is beyond in-house Metro staff capabilities. The contractor will perform overhaul services in accordance with the OEM Maintenance Manuals and Metro engineering technical specifications. The production schedule includes a maximum of four traction motors per month.

DETERMINATION OF SAFETY IMPACT

Safety of our passengers and employees is of the utmost importance to Metro and, therefore, it is imperative to maintain the A650 fleet to the highest standards. The contract award for DC traction motor overhaul services will ensure that the motors are overhauled in accordance with regulatory standards, according to the defined schedule and within Metro's internal maintenance standards, policies and procedures.

FINANCIAL IMPACT

Funding in the amount of \$118,844 for this procurement is included in the FY18 budget in cost center 3942, Rail Fleet Services Maintenance, under project number 300044, line item 50441, Parts - Revenue Vehicle. Since this is a multi-year Contract, the cost center manager, project manager and Sr. Executive Officer, Rail Fleet Services will ensure that the balance of funds is budgeted in future fiscal years.

Impact to Budget

The FY18 funding for this Contract will come from the Enterprise Fund. These funds are eligible to be used for rail operations and 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 fleet services program.

ALTERNATIVES CONSIDERED

The alternative to defer A650 DC traction motor overhaul work is not recommended as doing so could increase the agency's exposure to risk and internal motor components could be subject to increased mechanical failures which would have a negative impact on safety, service and vehicle reliability. Deferral of A650 DC traction motor overhaul work can also result in bearing failures and damage to electrical components (e.g. commutator, windings, and electrical shuts) which could lead to short circuiting and electrical fires within tunnel operations.

NEXT STEPS

Overhaul of the DC traction motors will continue in accordance with OEM and Metro's preventive and equipment overhaul requirements. If approved, the contractor is scheduled to commence DC traction motor overhaul services in December 2017.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

A650 DC TRACTION MOTOR OVERHAUL / MA3280700

| | | |
|----|---|--|
| 1. | Contract Number: MA3280700 | |
| 2. | Recommended Vendor: Walco Electric Company | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" 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: 4/27/17 | |
| | B. Advertised/Publicized: 5/1/17; 5/5/17,5/15/17 | |
| | C. Pre-Proposal Conference: 5/9/17 | |
| | D. Proposals Due: 6/5/17 | |
| | E. Pre-Qualification Completed: 8/21/17 | |
| | F. Conflict of Interest Form Submitted to Ethics: 7/19/17 | |
| | G. Protest Period End Date: 9/15/17 | |
| 5. | Solicitations Picked up/Downloaded: 12 | Proposals Received: 5 |
| 6. | Contract Administrator: Jean Davis | Telephone Number: 213/922-1041 |
| 7. | Project Manager: Fred Kan | Telephone Number: 213/922-3304 |

A. Procurement Background

This Board Action is to approve Contract No. MA3280700 in support of Metro's A650 Red Line Heavy Rail Vehicle (HRV) to procure services required for the complete overhaul and repair of the DC traction motors. Board approval of contract awards are subject to resolution of any properly submitted protest.

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

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 15, 2017, revised the critical dates, established the Pre-Proposal Conference date, and extended the proposal due date;
- Amendment No. 2, issued on May 24, 2017, revised the specifications and proposal price form and extend the proposal due date.

A Pre-Proposal Conference was held on May 9, 2017, and was attended by nine participants and represented by two firms. A total of five proposals were received on May 9, 2017.

B. Evaluation of Proposals

This procurement was conducted in accordance and complies with LACMTA's Acquisition Policy for a Technically Acceptable Lowest Price (TALP) competitive RFP procurement process. All proposers were deemed technically acceptable to perform the DC Traction Motor overhaul services. The five proposals received are listed in alphabetical order below:

| | Proposer Name | Proposal Amount |
|----|------------------------------|------------------------|
| 1. | Dahl-Beck Electric Company | \$1,468,760.00 |
| 2. | RAM Industrial Services, LLC | \$1,519,981.00 |
| 3. | Sherwood Electro Motion Inc. | \$1,395,424.00 |
| 4. | Swiger Coil Systems, Inc. | \$1,605,040.00 |
| 5. | Walco Electric Company | \$1,188,440.00 |

Metro evaluated each proposal to determine technical compliance and acceptability on a pass/fail basis. All five firms met the technical acceptability requirements and the award recommendation is made to the lowest price technically acceptable firm. Walco Electric Company, the lowest price proposer, was found to be in full compliance with the RFP and technical requirements.

C. Price Analysis

This procurement was a TALP. Walco Electric offered the lowest total price proposal. The recommended total proposal price from Walco Electric has been determined to be fair and reasonable based upon adequate price competition, in accordance with TALP RFP requirements.

| Proposer Name | Proposal Amount | Metro ICE |
|------------------------|------------------------|------------------|
| Walco Electric Company | \$1,188,440.00 | \$2,400,000.00 |

D. Background on Recommended Contractor

The recommended firm, Walco Electric Company, has been in business since 1937 and has specialized in transit and commuter rail business since 1995. Walco's Rail Transportation Group specializes in rebuilding, rewinding and remanufacturing of AC and DC traction motors, generators and auxiliary equipment. The firm's current customer base includes New York City Transit, Long Island Transit Authority, Metro North, SEPTA, WMATA, and MBTA. Walco also currently has a contract with Southern California Regional Rail Authority (SCRRA) Metrolink.

DEOD SUMMARY

A650 DC TRACTION MOTOR OVERHAUL / MA3280700

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) / Disabled Veteran Business Enterprise (DVBE) goal for this solicitation based on the lack of subcontracting opportunities. Walco Electric Company did not make an SBE/DVBE commitment.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

C. Prevailing Wage Applicability

Prevailing wages are not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

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