



Board Report

File #: 2022-0631, File Type: Contract

Agenda Number: 26.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MARCH 16, 2023

SUBJECT: PURCHASE OF OCS STINGER TRUCK

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a firm-fixed-price contract, Contract No. OP92098000, to Nixon-Egli Equipment Company, for one (1) Overhead Catenary System (OCS) Stinger Truck for a firm fixed price of \$882,520.78, inclusive of sales tax, subject to resolution of any properly submitted protest(s) if any; and
- B. FINDING that there is only a single source of procurement for the item(s) set forth in Recommendation A above and that the purchase is for the sole purpose of duplicating or replacing supply, equipment, or material already in use, as defined under Public Utilities Code 130237.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

The purchase of a new OCS Stinger truck is necessary for the OCS maintenance and State of Good Repair (SGR) renewal work on all Metro Light Rail Lines. This truck will replace an out-of-service, 30-year-old OCS Stinger Truck, which is beyond its useful life, and noncompliant with current emission control standards.

BACKGROUND

Metro Traction Power Department maintains over 200 miles of OCS wires for all Metro Light Rail Train Lines. Metro is responsible for ensuring that all systems are properly maintained for the safety, reliability, and longevity of capital assets. The OCS Stinger Truck is required to maintain and repair the system.

DISCUSSION

The OCS Stinger Truck is a critical piece of equipment that is used for a variety of tasks, such as

lifting heavy copper wire rolls and pulling the OCS wires to achieve the required tension during the wire replacement activity. This truck will also support planned SGR OCS wire replacement projects, as well as perform emergency repairs in a timely manner to significantly reduce service interruptions and delays.

Metro staff researched Zero Emission (ZE) electric power drive trucks for purchase. The option to purchase a ZE electric power drive truck is very limited due to the truck not being readily available in the market. A new type of diesel engine is available that produces lower emissions, complies with the South Coast Air Quality Management District (SCAQMD) emission standard has improved efficiency in horsepower, and consumes less fuel.

A 2/3 vote of the board is required per Public Utilities Code 130237:

"Notwithstanding Section 130232, the commission may direct the purchase of any supply, equipment, or material without observance of any provision in this article regarding contracts, bids, advertisement, or notice upon a finding by two-thirds of all members of the commission that there is only a single source of procurement therefor and that the purchase is for the sole purpose of duplicating or replacing supply, equipment, or material already in use."

DETERMINATION OF SAFETY IMPACT

Metro maintenance crews need to lift six to eight thousand pounds of OCS wire, and pull the wire to achieve proper tension during the wire replacement activities. Purchasing a new crane truck will allow for safe heavy lifting operations, with better productivity.

FINANCIAL IMPACT

A total of \$882,520 is needed for this action. The budget is contained in Capital Project 205121 - FY23 Metro Green Line OCS Wire Replacement Project. The Life of Project (LOP) budget is \$41,766,242.00, which is within the project budget.

Since this is a multi-year contract, the Project Manager will be responsible for budgeting resources in future Fiscal Years.

Impact to Budget

The current source of funds for this action are Federal Section 5307, Proposition A/C, Measure R/M, and Transportation Development Act. Use of these funding sources currently maximizes funding allocations given approved funding provisions and guidelines.

EQUITY PLATFORM

The Metro Light Rail Line runs through Equity Focus Communities and the award of this contract is critical for repairing and maintaining the OCS wire, to avoid interruption of train operations and major delays to our Metro riders.

The Diversity and Economic Opportunity Department (DEOD) did not recommend an SBE or DVBE participation goal for this procurement due to limited suppliers and only one bid submitted for the Rail Bound Crane truck.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro Strategic Plan Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

The new OCS Stinger Truck will improve the performance of OCS maintenance work, rail emergency response work for OCS repair, and new OCS wire installation. Purchasing a new crane truck will improve heavy lifting operations and will increase safety, performance, and productivity. With this, Metro is exercising good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

Staff considered not purchasing a new OCS Stinger Truck and performing an overhaul repair on the out-of-service, 30-year-old crane truck, however this is not recommended. The non-revenue department has performed an analysis for estimated cost of the overhaul option and determined that overhaul cost would be equivalent to purchasing a new truck due to limited spare parts, and new regulation compliance from SCAQMD and California DOT. It would not be fiscally responsible to repair the truck. Staff also considered using only the smaller existing crane truck which has significantly less capacity, but this will result in much lower than planned productivity.

NEXT STEPS

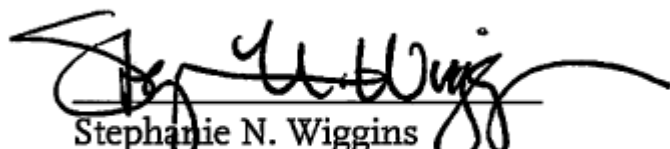
Following the authorization and execution of the contract, the vendor will begin the manufacturing process and provide Metro with a production schedule to identify milestones to be consistent with the agreed schedule.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY**Overhead Catenary System (OCS) Stinger Crane Truck****CONTRACT NO. OP92028000**

1.	Contract Number: OP92028000	
2.	Recommended Vendor: Nixon-Egli Equipment Company	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: December 16, 2022	
	B. Advertised/Publicized: N/A	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due January 13, 2023	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: January 12, 2023	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: 1	Bids/Proposals Received: 1
6.	Contract Administrator: Kimberlyn Richardson	Telephone Number: 213-922-2085
7.	Project Manager: Kelvin Zan	Telephone Number: 213-617-6264

A. Procurement Background

This Board Action is to approve a single source Contract No. OP92028000 to Nixon-Egli Equipment Company for the purchase of a Overhead Catenary System (OCS) Stinger Crane Truck to be utilized in Metro Green Line Overhead Catenary System (OCS) wires replacement project and perform maintenance on the existing light rail OCS wire system.

A Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy for single source procurements and the contract type is a firm fixed price. SBE and DVBE goals were not recommended due to the lack of subcontracting opportunities.

The proposal was received from Nixon-Egli Equipment Company on January 12, 2023.

B. Evaluation of Proposal

The proposal submitted was reviewed by staff from the Metro Operations Department and was deemed responsive and in full compliance with the technical requirements of the RFP.

Nixon-Egli's proposal was reviewed for technical approach, pricing, experience of proposed team members, and understanding of the work.

Metro staff engaged in discussions with Nixon-Egli to address questions and get clarification on the work plan and scope of work to ensure that it aligned with the OCS wire replacement project.

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon fact finding, an independent cost estimate (ICE), technical evaluation, additional justification and cost analysis conducted by staff.

The price variance of 11.5% from the ICE is reflective of the current global market conditions which have been heavily impacted by the COVID-19 pandemic. The market price of steel has fluctuated to almost double of what it was since the last procurement of heavy-duty trucks were purchased. A worldwide semiconductor supply shortage has stalled production within the automotive industry and drastically delayed the delivery timeline of vehicles. In addition, the global logistics landscape of moving goods is heavily burdened by a shortage of manpower combined with an increased cost of fuel driving up the freight cost for these units. The price increase is also due to supply chain issues and labor cost escalations.

Proposer Name	Proposal Amount	Metro ICE	Agreed Amount
Nixon-Egli Equipment Co.	\$882,520.78	\$791,240	\$882,520.78

D. Background on Recommended Contractor

The recommended firm, Nixon-Egli Equipment Company has a service center in Ontario, CA and has been in business for over 65 years. Nixon-Egli Equipment Company has entered contracts with LADWP pertaining to Link -Belt Cranes, as well as the City of Los Angeles General Fleet Services with PB Loader Equipment, that provide trucks, flatbeds, service trucks, and hot asphalt patch truck.

DEOD SUMMARY

PURCHASE OF RAIL BOUND CRANE TRUCK / OP92028

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small/Disabled Veteran Business Enterprise (SBE/DVBE) participation goal for this sole source procurement due to lack of subcontracting opportunities. Nixon-Egli Equipment Company (Nixon-Egli) did not list any subcontractors. It is expected that Nixon-Egli will perform the services with its own workforce.

B. Living Wage / 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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.