

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
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metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
JANUARY 19, 2012****SUBJECT: TWO-WAY RADIO EQUIPMENT TO SUPPORT COMMUNICATIONS
WITHIN LACMTA'S RAIL STATIONS AND UNDERGROUND RIGHT-OF-
WAY****ACTION: AWARD CONTRACT****RECOMMENDATION**

Authorize the Chief Executive Officer to award a contract under IFB No. OP39602800 with Icom America, Inc., the lowest responsive and responsible bidder, to provide equipment for an amount not to exceed \$6,251,341.80, inclusive of baseline quantities, training, warranty, and optional quantities.

ISSUE

The Federal Communications Commission (Commission) has mandated that all Land Mobile Radio (LMR) users to migrate from wide-band, two-way radio channels, within selected frequency bands, to newer, narrowband two-way radio channels by January 1, 2013.

DISCUSSION

The American Association of Railroads (AAR), which is the Commission's frequency coordinator for the frequencies that LACMTA's rail system operates under, has mandated that even narrower channels i.e. very narrow band (VNB) channels, are to be utilized.

After January 1, 2013, all two-way radio systems which use wide-band channels are to cease operation or else face possible frequency license forfeiture and substantial monetary fines by the Commission.

LACMTA currently operates wideband radio channels for its Rail System. Given the above conditions, LACMTA is required, as a compliance requirement, by both the Commission and AAR, to migrate to the VNB channels by January 1, 2013. New radio

equipment that is compliant with both the Commission and AAR is required to be purchased and installed by LACMTA.

On this procurement only one bid was submitted by the specified due date. Due to the specialization of the system being purchased, competition was limited to a few manufacturers (i.e., Motorola, Icom, Kenwood, and Harris). Motorola and Harris do not provide radios that operate in the Very Narrow Band (6.25 kilohertz per channel) radio channels that the Federal Communications Commission licensed to LACMTA. Rather, Motorola and Harris provide radios that operate in the Narrow band (12.8 kilohertz per channel) radio channels, and therefore they opted not to bid. Kenwood and its resellers expressed interest in developing a system: however, neither Kenwood nor its resellers were willing to provide Metro with the required system demonstration prior to award. Icom America developed and proposed a solution for Metro to review and test. Prior to award recommendation, Icom America agreed to perform the required system demonstration in order for Metro to validate if the proposed system would meet the FCC requirements. Additionally, there was one other firm, Day Wireless Systems, which expressed interest in submitting a bid and complying with the system demonstration; however they did not open the bid package until it was almost time for the bids to be received due to their own internal reasons.

DETERMINATION OF SAFETY IMPACT

Award of this contract will ensure that all rail vehicles (revenue and non-revenue), as well as personnel, have up-to-date radio equipment as required by the Commission, thus sustaining a safe environment for patrons and employees.

FINANCIAL IMPACT

The funding of \$6,251,341.80 for this product is included in the FY12 budget in cost center 3922, Wayside Systems, project 212003, Digital Rail Radio System.

Impact to Budget

The FY12 funding for the purchase of Digital Rail Radio System equipment will come from local funds. These funds are eligible for bus and rail operating activities. No other sources of funds were considered for these expenses because this is the appropriate funding source for the equipment that will benefit rail operations.

ALTERNATIVES CONSIDERED

Two alternative options were considered. The first alternative is continued operations on the wide-band radio channels for rail operations. This alternative is not recommended as it would open LACMTA to potential license forfeiture and substantial fines by the Commission.

The second alternative is to not use the current wide-band two-way radio for rail operations. LACMTA operates its rail service under the Rules and Regulation of the Public Utilities Commission (PUC). The PUC Rules and Regulations stipulate that LACMTA shall have two-way radio communications with its trains as the trains operate along the right-of-way. Given this, LACMTA would have to cease rail operations stranding numerous patrons and creating potential roadblocks and impacts to the environment as patrons would then use personnel vehicles to get to their destinations. This alternative is not recommended as well.

NEXT STEPS

The time line for installation of the new VNB radio system is nine months and is slated to be operational by January 1, 2013.

Following execution of the new contract, the vendor will continue to provide uninterrupted service.

ATTACHMENTS

A. Procurement Summary

Prepared by: Daniel Lindstrom, Wayside Communications

Michelle Lopes Caldwell

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Chief Administrative Services Officer

Lonnie Mitchell

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Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

Digital Radio Rail System Hardware

1.	Contract Number: OP39602800	
2.	Recommended Vendor: Icom America 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: August 25, 2011	
	B. Advertised/Publicized: August 25, 2011	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: November 14, 2011	
	E. Pre-Qualification Completed: December 1, 2011	
	F. Conflict of Interest Form Submitted to Ethics: November 16, 2011	
	G. Protest Period End Date: December 28, 2011	
5.	Solicitations Picked up/Downloaded: 58	Bids/Proposals Received: 1
6.	Contract Administrator: Lily Lopez	Telephone Number: (213) 922-4639
7.	Project Manager: Daniel Lindstrom	Telephone Number: (213) 922-3121

A. Procurement Background

This Invitation for Bid (IFB) is a technically acceptable, lowest price procurement for the acquisition of a digital radio rail system comprised of various equipment items (base stations, mobile and portable radios, site equipment, and dispatch consoles) and limited services (training and extended warranty) in order to comply with the upcoming changes mandated by the Federal Communications Commission (FCC).

The IFB was issued on August 25, 2011, and was advertised on August 25, 2011 in the Long Beach Press Telegram, L.A. Sentinel, and on Metro's procurement website.

Only one bid was submitted by the specified due date. Due to the specialization of the system being purchased, competition was limited to a few manufacturers (i.e., Motorola, Icom, Kenwood, and Harris). Both Motorola and Harris opted not to bid on this project as they could not provide radio equipment to meet Metro's requirements. Kenwood and its resellers expressed interest in developing a system, however, Kenwood nor its resellers were willing to provide Metro with the required system demonstration prior to award. Icom America developed and proposed a solution for

Metro to review and test. Prior to award recommendation, Icom America agreed to perform the required system demonstration in order for Metro to validate if the proposed system would meet the FCC requirements. Additionally, there was one other firm, Day Wireless Systems, which expressed interest in submitting a bid and complying with the system demonstration, however, due to time constraints, they were not able to submit a bid by the specified due date.

B. Evaluation of Proposals/Bids

This solicitation was a standard Invitation for Bid, in compliance with our Procurement policies and procedures. The single bid was publicly opened on November 14, 2011.

In accordance with Metro's Procurement policies and procedures, Rail Communications performed a technical evaluation of the single bid submitted. Additionally, on December 9, 2011, Icom America was required to successfully perform an end-to-end system demonstration of the proposed equipment submitted. Metro personnel from Rail Communications and Procurement were present to observe and evaluate said demonstration. Icom America was able to demonstrate that the proposed equipment performs and meets stated requirements and specifications outlined in the statement of work. After full evaluation, staff determined that Icom America was found to be the lowest priced, technically acceptable offer.

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon comparison to the Independent Cost Estimate ("ICE"). The proposed total NTE for the recommended awardee is \$6,251,341.80 for the baseline quantities, training, warranty, and optional quantities, which compares favorably to the ICE of \$8,443,416.

D. Background on Recommended Contractor

Icom America is part of Icom Incorporated, a publicly held Japanese corporation. Icom America was formed in 1979, and is based in Bellevue, Washington. Icom America specializes in providing communication equipment and products such as two-way radios, repeaters and systems manufacturing. Icom America has provided satisfactory performance on previous Metro procurements. Additionally, Icom America has had contracts with New York City Transit Authority, Department of Interior, BNSF Railway, and Port Authority of New York and New Jersey.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Small Business Enterprise (SBE) goal for this solicitation. Icom America, Inc. made a 5.9% SBE commitment to one SBE subcontractor.

	SBE Subcontractor	% SBE Committed
1.	Enterprise Electronics	5.9%
	Total Commitment	5.9%

F. All Subcontractors Included with Recommended Contractor's Proposal

	Subcontractor	Services Provided
1.	Enterprise Electronics	Warranty and support services for equipment

