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Metropolitan Transportation Authority

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**SYSTEMS SAFETY AND OPERATIONS COMMITTEE
MAY 17, 2012**

SUBJECT: SIEMENS P2000 LIGHT RAIL VEHICLES

ACTION: AWARD CONTRACT FOR POWERED AXLE ASSEMBLY OVERHAUL

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price unit rate contract under Bid No. 12-0002 with Pamco Machine Works, the lowest responsive and responsible bidder, for the overhaul of 216 Siemens P2000 light rail vehicle powered axle assemblies for an amount not-to-exceed \$4,234,557.

ISSUE

This procurement is for the acquisition of powered axle assembly overhaul services which are required for the safe and reliable operation of the Siemens P2000 vehicles.

DISCUSSION

The Siemens P2000 Light Rail Vehicle (LRV) fleet is in its eleventh year of operation. To ensure a continued level of safety and reliability, the powered axle assembly must be overhauled in accordance with the Original Equipment Manufacturer's (OEM) recommended overhaul interval. The powered axle assembly consists of axle, traction gear unit, brake disc, wheels, ground ring assembly and journal bearings. Wear and tear on these parts in normal service requires both ongoing maintenance, which is performed by our personnel, and periodic overhaul, which is beyond the level of in-house maintenance capability.

The overhaul is designed to provide safe and reliable LRV operation, prolong equipment life, and increase the Mean Time Between Failures (MTBF). The contractor will perform services in accordance with our specifications and Rail Fleet Services' scheduled requirements.

DETERMINATION OF SAFETY IMPACT

Award of contract for powered axle assembly overhaul services will improve fleet availability and reliability while ensuring compliance with the OEM's recommended overhaul cycle. The powered axle assembly is safety sensitive and one of the primary systems on the car that if defective will impact passenger comfort and ride quality, and cause mainline delays and passenger evacuations. The powered axle assembly overhaul minimizes such occurrences and ensures that the system is working as designed.

FINANCIAL IMPACT

The funding of \$100,000 for this procurement is included in the FY13 budget in Rail Cost Center 3943, Rail Fleet Services Maintenance Green Line, under project number 206006, Rail Operations – Green Line, Line Item 50441, M/S Parts - Rev Vehicle. Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for the budget cost in the future fiscal years.

Impact to Budget

The funding for this acquisition will come from the rail operating budget comprised primarily of fares, Prop A 35%, Federal 5309, and Prop C 40%. These funds are eligible to be used for rail operations and rail 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 program.

ALTERNATIVES CONSIDERED

An alternative is to postpone the powered truck assembly overhaul. This is not recommended due to affected components reaching end of service life and upon catastrophic failure will affect fleet availability and reliability. Unscheduled maintenance repairs on a per component level results in higher operating costs for the agency versus reduced costs performing this work on a scheduled program.

NEXT STEPS

Overhaul of the powered axle assembly system on the Siemens P2000 light rail vehicles will continue in accordance with Rail Fleet Services' scheduled requirements.

ATTACHMENTS

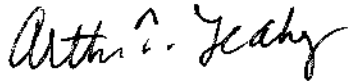
- A. Procurement Summary
- B. Bid Tabulation



Michelle Lopes Caldwell
Chief Administrative Services Officer



Frank Alejandro
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

POWERED AXLE ASSEMBLY OVERHAUL – SIEMENS P2000 VEHICLES

1.	Contract Number: MA120002	
2.	Recommended Vendor: Pamco Machine Works, 9359 Feron Blvd. Rancho Cucamonga, CA 91730	
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: 10/05/11	
	B. Advertised/Publicized: 10/14/11	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 1/18/12	
	E. Pre-Qualification Completed: 2/22/12	
	F. Conflict of Interest Form Submitted to Ethics: 2/23/12	
	G. Protest Period End Date: 4/18/12	
5.	Solicitations Picked up/Downloaded: 21	Bids/Proposals Received: 3
6.	Contract Administrator: Otto Ojong	Telephone Number: (213) 922-1454
7.	Project Manager: Fred Kan	Telephone Number: (310) 643-3805

A. Procurement Background

Procurement of overhaul services for 216 light rail vehicle axle assemblies was conducted as a formal sealed bid, competitive acquisition in support of awarding a long term Master Agreement in order to ensure availability and price stability.

IFB 12-0002 was issued October 5, 2011 and advertised October 14, 2011. Contract type is Firm-Fixed Price Unit Rate.

Four amendments were issued during the solicitation phase of this IFB; Amendment No. 1 issued on November 10, 2011, Amendment No. 2 issued December 1, 2011, and Amendment No. 3 issued December 8, 2011 each extended the due date for response to comments/questions to allow the project manager additional time to answer all potential bidders' questions. Amendment No. 4 issued December 29, 2011 responded to questions from potential bidders.

B. Evaluation of Proposals/Bids

A total of 3 bids were received January 18, 2012. The firm recommended for award, Pamco Machine Works, Inc. (PAMCO), was found to be in full compliance with the bid requirements.

	Bidder/Proposer Name	Bid/Proposal Amount	Best and Final Offer Amount	Note those that were disqualified as explained above:
1.	PAMCO	\$4,234,557	N/A	N/A
2.	ORX	\$5,859,169	N/A	N/A
3.	Siemens Industry	\$6,930,963	N/A	N/A

C. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$4,234,557 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

D. Background on Recommended Contractor

PAMCO is based in Rancho Cucamonga, California, and has been in business since 1967. PAMCO is a complete, large-capacity machine shop specializing in various types of industrial repair, fabrication and machining services. PAMCO provides services to various companies and government agencies including L.A. County Sanitation, Santa Clara Valley Transit Authority, Valero, and Dow Chemical. In the past, it has also performed satisfactory work for the Metro Blue and Green Line vehicles' axle component pressing services.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) Anticipated Level of Participation (DALP) for this solicitation. PAMCO Machine Works, Inc. did not commit to any DBE participation. PAMCO indicated that it will perform all axle assembly overhaul work in-house at their facility, and the subcontractor, Bombardier Transport, will perform all gear box repairs at their facility. PAMCO will utilize their trucks for transporting equipment.

Achieving the DALP percentage is neither a condition of award nor an issue of responsiveness.

Bids Out 10/05/11 Total 21
 Bids Opened 01/18/12 Total 3
 Advertisement Date(s) 10/14/11
 Newspaper LA Daily News

Item No	Description	Qty	Pamco Machine Works Inc		ORX		Siemens Industry Inc	
			Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
A	P2000 RV Powered Axle Assembly - Overhaul Vero P/N 175755 Basic Overhaul	216	\$6,177.00	\$1,334,232.00	\$7,644.00	\$1,651,104.00	\$26,983.00	\$5,828,328.00
	Subtotal A			\$1,334,232.00		\$1,651,104.00		\$5,828,328.00
B	Replacement							
1	Axle	65	\$5,720.00	\$371,700.00	\$9,072.00	\$591,780.00	\$5,341.00	\$347,165.00
2	Brake Disc	276	\$1,303.00	\$361,428.00	\$7,438.00	\$2,052,000.00	\$1,538.00	\$423,208.00
3	Brake Disc Hub	65	\$731.00	\$47,515.00	\$1,146.00	\$74,490.00	\$874.00	\$56,810.00
4	Wheel Tire	78	\$2,518.00	\$1,968,040.00	\$2,637.00	\$2,052,060.00	\$2,551.00	\$199,876.00
5	Wheel Center	22	\$2,404.00	\$52,888.00	\$7,193.00	\$158,246.00	\$2,473.00	\$54,406.00
6	Wheel Bearing	33	\$1,028.00	\$33,924.00	\$1,024.00	\$33,792.00	\$939.00	\$31,170.00
	Subtotal B			\$1,946,159.00		\$2,864,990.00		\$1,102,835.00
C	Traction Gear Unit Overhaul P2000 RV Traction Gear Unit Overhaul - Vero P/N 175349 WFG Type WR-440-1C Basic Overhaul	225	\$7,314.00	\$1,645,650.00	\$13,486.00	\$3,034,350.00	\$7,425.00	\$1,670,625.00
	Subtotal C			\$1,645,650.00		\$3,034,350.00		\$1,670,625.00
D	Replacement							
1	Gear Set	23	\$6,786.00	\$156,078.00	\$6,679.00	\$153,617.00	\$4,760.00	\$109,480.00
2	Oil Shaft Replacement	4	\$1,406.00	\$5,624.00	\$1,863.00	\$7,452.00	\$1,656.00	\$6,624.00
3	Repair Oil Shaft Bearing Housing	12	\$1,794.00	\$21,528.00	\$2,205.00	\$26,460.00	\$1,041.00	\$12,492.00
4	Repair Pinion Shaft Bearing Housing	12	\$746.00	\$8,952.00	\$1,026.00	\$12,312.00	\$416.00	\$4,992.00
5	Gear Unit Housing Replacement	4	\$3,539.00	\$14,156.00	\$4,091.00	\$16,364.00	\$5,676.00	\$22,704.00
6	Threaded Hole Repair	9	\$242.00	\$2,178.00	\$280.00	\$2,520.00	\$178.00	\$1,602.00
	Subtotal D			\$208,516.00		\$218,725.00		\$157,894.00
	Subtotal (A)			\$1,334,232.00		\$1,651,104.00		\$5,828,328.00
	Subtotal (B)			\$1,946,159.00		\$2,864,990.00		\$1,102,835.00
	Total (A & B)			\$2,380,391.00		\$2,606,094.00		\$6,930,963.00
	Subtotal (C)			\$1,645,650.00		\$3,034,350.00		\$1,670,625.00
	Subtotal (D)			\$208,516.00		\$218,725.00		\$157,894.00
	Total (C & D)			\$1,854,166.00		\$3,253,075.00		\$1,828,519.00
	Grand Total - Powered Axle Assembly Overhaul			\$4,234,557.00		\$5,859,169.00		\$6,930,963.00

I hereby certify Pamco Machine Works Inc. as being the lowest responsive, responsible bidder and recommend the award to them for a total price of **\$4,234,557.00**.

----- Date -----
 ----- Signature -----