

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
SEPTEMBER 19, 2013****SUBJECT: 160 MHZ RADIO FREQUENCIES TO SUPPORT RAIL OPERATIONS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

Award a firm fixed price contract to Enterprise Electronic, Inc. as a sole source provider to procure eight duplex 160 MHz radio frequencies for an amount not-to-exceed \$2,738,668, inclusive of sales tax. This amount also covers five years of as-needed labor support and five years of as-needed equipment support.

ISSUE

Due to planned expansion of Metro's rail network, additional radio frequency channels (RFCs) are required. The current RFCs are at capacity and cannot accept additional radio transmission traffic. This purchase will allow Metro to acquire RFCs that are currently leased, as well as obtain additional RFCs on a permanent basis for the future rail lines that are under contract or will soon be, such as the Crenshaw Line, Purple Line Extension, Regional Connector, Exposition II, and the Foothill Extension. Purchasing these RFCs rather than leasing them is a more cost effective solution for Metro as we will be using them permanently. Purchasing RFCs up front at one price will avoid negotiating higher lease rates as the leases expire.

DISCUSSION

Due to the large population of the greater Los Angeles area including adjacent counties, RFCs are not readily available for licensing and subsequent use. Licensing is granted by the Federal Communications Commission (FCC).

Typically, in the greater Los Angeles area, RFCs are either bought outright, or leased when the need for RFCs is for a brief period of time with the licenses being transferred between the associated parties.

Numerous times in the past, Metro has purchased RFCs from private parties with great success, allowing us to upgrade our bus radio system into the Advanced Transportation Management System (ATMS) that allows for numerous features, now

considered the industry standard, for schedule adherence, automatic vehicle location, and passenger counting.

At this point in time, our rail system is experiencing rapid growth, and requires additional RFCs that are specific to railroad operations as the current RFCs are at capacity. The Exposition I rail project, due to the route and partial sharing of the Blue Line, required the immediate acquisition of several additional RFCs to support the April 26, 2012 Revenue Operation Date (ROD) for Exposition 1 as well as the implementation of a shared RFC (the downtown RFC) so as to allow Blue Line and Expo Line Train Operators to hear each other communicate with the Rail Operations Center. These RFCs are currently leased from a private party who has expressed a desire to sell these RFCs and additional RFCs to LACMTA to allow the continued expansion of the rail communications system.

The purchase of these additional RFCs for the new rail lines will provide for continued expansion of the rail communications system without the worry of obtaining new RFCs in the Los Angeles area and also help to ensure that the rail line construction projects are completed and implemented on time and without unnecessary delay and impact to scheduled ROD.

DETERMINATION OF SAFETY IMPACT

The acquisition of RFCs will result in a positive impact to both the public ridership and the Metro staff as radio communications with Train Operators, Transit Operations Supervisors, and the Rail Operations Center will be maintained and enhanced with the completion and subsequent revenue operation of each new rail line.

FINANCIAL IMPACT

The total contract amount is \$2,738,668. Funding of \$2,738,668 is included in the FY14 budget in Cost Center 3960, Rail Transit Engineering, Line item 53102, Acquisition of Equipment and Project 211013, Digital Radio System Replacement.

Since this is a multi-year project, the cost center manager, project manager, and Executive Officer, Wayside Systems will ensure that costs are budgeted in future years.

Impact to Budget

The funding source for this acquisition is PA 35% Rail Bonds. These funds are eligible to be used for rail operating and capital projects. No other sources of funds were considered as these funds are eligible for rail systems safety and enhancement projects.

ALTERNATIVES CONSIDERED

Purchasing of the RFCs creates a permanent radio communications RFC infrastructure that will support Metro's continued expansion of rail lines to serve the citizens of Los Angeles County. Past experiences with other RFC lessors have not resulted in a positive outcome to Metro since the revenue service that is supported by the RFC is considered permanent, but the radio communications RFC infrastructure is leased allowing the RFC lessor to take extreme financial advantage of Metro.

NEXT STEPS

If approved, Metro staff will proceed with the consummation of the RFC purchase and relicensing of the RFC to Metro via the FCC.

ATTACHMENTS

A. Procurement Summary

Prepared by: Daniel Lindstrom, Wayside Communications System Manager,
Robert Fischer, Systems Project Manager

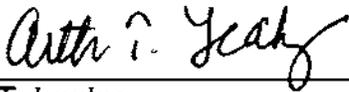
Questions: Michelle Stewart, Assistant Administrative Analyst, Operations
(213) 922-7270



Michelle Lopes Caldwell
Chief Administrative Officer



Frank Alejandro
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

PURCHASE OF 160 MHZ RADIO FREQUENCIES TO SUPPORT RAIL OPERATIONS

1.	Contract Number: OP39602927	
2.	Recommended Vendor: Enterprise Electronics, Inc. and Push to Talk Organization	
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: April 11, 2012	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal Conference: N/A	
	D. Proposal Due: May 25, 2013	
	E. Pre-Qualification Completed: August 13, 2013	
	F. Conflict of Interest Form Submitted to Ethics: August 8, 2013	
	G. Protest Period End Date: September 24, 2013	
5.	Solicitations Picked up/Downloaded: N/A	Proposals Received: 1 (Sole Source)
6.	Contract Administrator: Nicole Dang	Telephone Number: 213-922-7438
7.	Project Manager: Robert Fischer	Telephone Number: 213-922-7138

A. Procurement Background

Board approval is required to procure Radio Frequency Channels (RFC) from a sole source contractor, Mr. Robert Burchett to support rail operations due to the expansion of Metro's rail system.

Mr. Robert Burchett owns these RFCs under two companies; Push to Talk Organization and Enterprise Electronics. The Radio Frequency Channels assigned License Numbers, by the Federal Communication Commission (FCC) are, WQJZ495 and WQME499, respectively.

The Notice of Intent to Purchase and Procure a sole source contract was issued in accordance with Metro's Acquisition Policy. The contract type is a Firm Fixed Price for 5 years covering as-needed labor support and equipment support.

A Limited Notice to Proceed (LNTP) was issued on May 5, 2012 for an amount of \$100,000 to authorize Enterprise Electronics and Push to Talk Organization to provide radio frequencies and supporting equipment through a lease agreement until a definitive contract is approved. The radio frequencies and equipment were used immediately to support the opening of the Exposition Rail Line in April 2012.

A subsequent modification to the LNTP was issued on June 5, 2013, to increase the amount to \$306,000 and to extend the LNTP period through September 30, 2013 to provide the Procurement Staff time to negotiate a fair and reasonable price for these RFCs.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate, technical evaluations, cost analysis and negotiations.

	Proposer Name	Proposal Amount	Negotiated
1.	Enterprise Electronics and Push to Talk Organization	\$4,760,852	\$2,738,668

C. Background on Recommended Contractor

The recommended firms, Enterprise Electronics and Push to Talk Organization, both owned by Robert Burchett are located at 22826 Mariposa Avenue, Torrance, CA and have been in business for 42 years. These companies are leaders in the field of GPS tracking, electronics & communications systems engineering, digital & analog 2-way radio, repeaters, wireless data, telephony, in-house and wide area 1 and 2-way paging and dispatch systems, licensing, radio dispatch software applications and hardware engineering, IP networked communications console designed.

Mr. Robert Burchett has worked with Metro on previous projects, including assisting with the layout of Metro's current radio design at various locations. Metro Rail Operations frequently uses his expertise to assist with radio system designs and installations.

D. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE) goal for this solicitation.

SMALL BUSINESS GOAL	SBE 0%	SMALL BUSINESS COMMITMENT	0%
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E. All Subcontractors Included with Recommended Contractor's Proposal

	Subcontractor	Services Provided
1.	Icom America Inc. 2380 116th Ave NE Bellevue, WA 98004	Equipment Electronics will purchase radio frequency equipment directly from this manufacturer and sell it to Metro using the GSA pricing schedule.

