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2nd REVISED
SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 6, 2014

SUBJECT: HVAC COMPRESSOR MOTOR INVERTER KITS**ACTION: AWARD CONTRACT FOR A650 HVAC COMPRESSOR MOTOR
INVERTER****RECOMMENDATION**

Authorize the Chief Executive Officer to award a three year 36-month, firm fixed price contract under Bid Number 14-0016 to Vapor Stone Rail Systems, a division of Westinghouse Air Brake Technologies Corporation, DBA Webtec Corporation, the single responsive and responsible bidder for A650 Heating Ventilating and Air Conditioning (HVAC) Compressor Motor Inverter kits. The contract for a one year base amount is not to exceed \$808,232. The first a one-year option amount is for \$684,515 and the a second one-year option is for the amount of \$681,581 for a total contract amount of \$2,174,327.

ISSUE

This procurement is for the acquisition of HVAC Compressor Motor Inverter kits for the A650 Breda Red Line cars to replace the existing units, which are reaching the end of their useful life.

DISCUSSION

The Red Line A650 cars are undergoing a program of component overhauls and replacements to improve overall fleet reliability. The HVAC units control both the heating and air conditioning to the passenger compartments of the train. The existing HVAC Compressor Motor Inverters are over 20 years old and are reaching or have reached the point where the unit can no longer be repaired and must be replaced.

DETERMINATION OF SAFETY IMPACT

The HVAC Compressor Motor Inverter Kit on a revenue vehicle is essential for passenger comfort.

FINANCIAL IMPACT

The funding of \$200,000 for these products is included in the FY15 budget under cost center 3942 - Rail Fleet Services Maintenance Red Line in project number 206034 - Subway Railcar Midlife under line item 50441 - Parts Revenue Vehicle.

Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years including any option exercised.

Impact to Budget

The source of funds for this procurement is Measure R 2% rail capital funds. No other source of funds was considered because these funds are specifically designated for this purpose.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and replace the existing units on an as needed basis. This approach is not recommended since it would not provide a commitment from the supplier to ensure availability and price stability.

NEXT STEPS

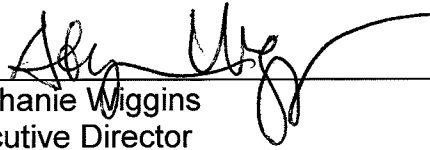
Metro's requirements for HVAC compressor motor inverter kit will be fulfilled under the provisions of the contract.

ATTACHMENTS

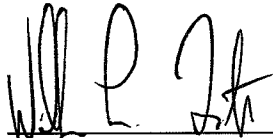
- A. Procurement Summary
- B. Bid Tabulation

Prepared By: Michael Ornelas, Director – Rail Vehicle Maintenance

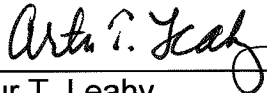
Questions: Christopher Reyes, Senior Administrative Analyst, Operations
(213) 922-4808



Stephanie Wiggins
Executive Director
Vendor/Contract Management



William L. Foster
Interim Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY
A650 HVAC Compressor Motor Inverter Kits

1.	Contract Number: 14-0016	
2.	<u>Recommended Vendor:</u> <ul style="list-style-type: none"> • Vapor Stone Rail Systems, a division of Westinghouse Air Brake Technologies Corporation, DBA Wabtec Corporation 	
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: 10/29/13	
	B. Advertised/Publicized: 10/31/13	
	C. Pre-proposal/Pre-Bid Conference: 11/07/13	
	D. Proposals/Bids Due: 3/21/14	
	E. Pre-Qualification Completed: Yes	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 10/21/14	
5.	Solicitations Picked up/Downloaded: 29	Bids/Proposals Received: 1
6.	Contract Administrator: Sherri Jackson	Telephone Number: (213) 922-1025
7.	Project Manager: Michael Ornelas	Telephone Number: (213) 922-3223

A. Procurement Background

Procurement of HVAC Compressor Motor Inverter Kits for A650 Breda cars was conducted as a formal competitive acquisition in support of awarding a long-term Master Agreement in order to ensure availability and price stability.

IFB 14-0016 was issued, October 29, 2013 and advertised October 31, 2013. Contract type is Firm-Fixed Price.

Four amendments were issued during the solicitation phase of the IFB. Amendment No. 1 issued on December 6, 2013 replaced SBE information and extended date to allow for incorporation of new SBE requirements. Amendment No. 2 issued December 23, 2013 extended the critical dates to answer questions. Amendment 3 issued on January 14, 2014 clarified additional questions. Amendment 4 issued February 24, 2014 updated the Indemnity Clause and clarified Patent Rights.

The contract to be awarded is a “requirements type” agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation or commitment for us to order any or all of the inverter kits that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

B. Evaluation of Proposals/Bids

This acquisition was issued to twenty-nine potential suppliers. Only one of the potential suppliers submitted an offer. As a result of receiving a single bid, in accordance with Procurement Policy, staff conducted a market survey of the potential firms. Staff inquiries of the other potential firms indicated that the firms did not choose to bid because of the financial investment required to meet the requirements of the technical specification.

	Bidder/Proposer Name	Bid/Proposal Amount
1.	Vapor Stone Rail Systems, division of Westinghouse Air Brake Technologies Corp, DBA Wabtec, Corp.	\$2,174,327

C. Cost/Price Analysis

The recommended bid amount of \$2,174,327 is the result of an open competitive bid process in a competitive environment, and the bidder prepared its bid in the expectation of adequate price competition. Both Metro and the supplier anticipated there would be more than one acceptable bid submitted. However, since only one bid was received, and the HVAC had never been purchased as a new item, Audit Services was requested. The Vapor Stone response was that their Company policy did not allow for disclosure of this type of proprietary information. In an effort to justify that the price was fair and reasonable a request was made to the Estimating Department. The Estimating Department compared the budgetary prices from two major rail suppliers, Knorr Brake Corporation and Technologies Lanka, Inc., with the offer submitted by Vapor Stone Rail Systems. Based on the cost/price analysis the price was determined to be fair and reasonable.

D. Background on Recommended Contractor

Vapor Stone Rail Systems, is a division of Westinghouse Air Brake Technologies Corporation, DBA Wabtec Corporation, based in Plattsburgh ~~Pittsburgh~~, NY and has been in business since 1989. Vapor Stone Rail Systems is a worldwide leader in the design and the manufacturing of passenger doors, passenger door systems, electronics, electrical components, accessories for passenger rail vehicles and platform doors for station. The line of products also includes HVAC systems, floor and cab heaters, temperature sensors, temperature controls, electronic controllers, and DC to AC Converters.

Vapor Stone Rail Systems has provided products and services to other transit agencies including BART, Metrolink, Chicago Transit Authority (CTA) and Southeastern Pennsylvania Transportation Authority (SEPTA). In the past, Vapor Stone Rail Systems has provided satisfactory service and delivery to us.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Small Business Enterprise (SBE) goal for trucking opportunities. Vapor Stone Rail Systems, made a 0% SBE commitment. Achieving the goal is neither a condition of award nor an issue of responsiveness.