

REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 9 | 10/05/09 | Open | Action | 09/09/09 |

Subject: Approving the First Amendment to the Contract with Voith Turbo, Inc. for LRV Gearbox Overhaul Maintenance Program

ISSUE

Whether or not to Approve the First Amendment to the Contract with Voith Turbo, Inc. for LRV Gearbox Overhaul Maintenance Program.

RECOMMENDED ACTION

Adopt Resolution No. 09-10____, Approving the First Amendment to the Contract with Voith Turbo, Inc. for LRV Gearbox Overhaul Maintenance Program.

FISCAL IMPACT

| | | | |
|-------------------------|---------------------|---------------|----------------|
| Budgeted: | Yes | This FY: | \$ 198,165.00 |
| Budget Source: | Operating & Capital | Next FY: | \$ 0 |
| Funding Source: | Federal & Local | Annualized: | \$ 198,165.00 |
| Cost Cntr/GL Acct(s) or | 121000 / 35 | Total Amount: | \$ 198,165.00* |
| Capital Project #: | | | |
| Total Budget: | \$ 198,165.00 | | |

*Excludes sales tax

DISCUSSION

Voith Turbo, Inc., the manufacturer of RT's Siemens LRV Gearboxes, has excess spare parts in their inventory and has provided RT an opportunity to purchase these surplus spare parts in bulk. The associated spare parts were manufactured to support RT's Contract with Voith for the Siemens Mid-Life Overhaul Contract. These spare parts are unique to Voith and were manufactured to the Siemens LRV specifications of RT's light rail vehicles.

As a part of RT's ongoing LRV maintenance program, staff has identified an immediate need to purchase excess spare parts being offered for use in RT's ongoing maintenance activities. Other items will be needed as the fleet ages. The normal delivery for these items is 18 to 24 months, however, these parts are in stock and currently available to RT for a limited time, thus avoiding possible delays in maintenance support.

Voith Turbo has offered a price reduction of 56% from their actual cost. Staff has performed an independent price analysis, and has determined that the price quoted is fair and reasonable.

Based on the foregoing, staff recommends RT purchase the Voith Turbo Siemens LRV gearbox

Approved:


General Manager/CEO

Presented:


Director, Procurement Services

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excess spare parts at the very favorable price being offered by the supplier.

Procurement Services has undertaken the proposed procurement pursuant to Section 1.405, Subparagraph B of the Districts Purchasing Ordinance.

The original Contract for the LRV Gearbox Overhaul Maintenance Program was accompanied by a Buy America waiver pursuant to federal law because of the non-availability of these parts from domestic sources. Because five years have elapsed since this waiver and the acquisition of spare parts were not clearly part of the 2004 procurement, an updated Buy America waiver will be sought from the Federal Transit Administration.

Staff requests the Board approve a non-competitive and sole source procurement and authorize award of a contract to Voith Turbo in the amount of \$198,165.00, plus applicable sales tax, with execution by the GM/CEO contingent upon receipt of a Buy America waiver.

RESOLUTION NO. 09-10-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

October 5, 2009

**APPROVING THE FIRST AMENDMENT TO THE CONTRACT WITH VOITH TURBO,
INC. FOR LRV GEARBOX OVERHAUL MAINTENANCE PROGRAM**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, only Voith Turbo, Inc. sells specific parts that are compatible for use with Siemens LRV gearboxes, therefore, it would be futile for Regional Transit to seek competitive bids for those parts as otherwise is required under Public Utilities Code Section 102222.

THAT, in accordance with Section 1.405B of the RT Procurement Ordinance, a sole source procurement is authorized.

THAT, the First Amendment to Contract between the Sacramento Regional Transit District, therein referred to as "RT," and Voith Turbo, Inc., therein referred to as "Contractor," whereby Contractor agrees to provide Siemens LRV gearbox spare parts, as specified for an amount not to exceed \$198,165.00, plus applicable sales tax, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute said Contract upon Federal Transit Administration approval of a Buy America waiver.

STEVE COHN, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary