

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	05/14/12	Open	Action	05/01/12

Subject: Awarding a Contract for UTDC Light Rail Vehicle Gearbox Overhaul Services to Penn Machine Company LLC

## ISSUE

Whether or not to Award a Contract for UTDC Light Rail Vehicle Gearbox Overhaul Services to Penn Machine Company LLC.

## RECOMMENDED ACTION

Adopt Resolution No. 12-05-\_\_\_\_, Awarding a Contract for UTDC Light Rail Vehicle Gearbox Overhaul Services to Penn Machine Company LLC.

## FISCAL IMPACT

Budgeted: Partially budgeted This FY: \$ N/A  
Budget Source: Capital Next FY: \$ 203,435 per year  
Funding Source: Federal (ARRA), State (Prop 1B)\* over the next 3 years  
Cost Cntr/GL Acct(s) or WBS: R085.07.06.03  
Capital Project #: GL: 910800  
Total Budget: \$ 610,305, plus applicable sales tax  
American Recovery and Reinvestment Act (ARRA) of 2009: \$147,658  
Awarded Prop 1B: \$47,684  
Future Prop 1B: \$414,963 \*Pending – awaiting bond sale and allocation to this project  
Total Contract Amount: \$610,305 Plus applicable sales tax

\*The contract contains a clause that addresses budget shortfalls and also contains a termination for convenience clause in case future state funding is not available.

## DISCUSSION

Under Resolution Number 11-03-0038 dated March 14, 2011, the RT Board authorized the solicitation of bids for the overhaul of the UTDC light rail vehicle gearboxes. The overhaul of the gearboxes is part of the refurbishment of the 21 UTDC light rail vehicles.

The Invitation to Bid (ITB) document was released on December 22, 2011, sent to 16 qualified sources, advertised in publications of general circulation (as per RT SOP GM-SOP-97-009), and posted on RT's website under Contracting Opportunities. On March 14, 2012, RT received 5 bids from: Bombardier Mass Transit Corp. (Bombardier); Henschel America, Inc. (Henschel), Lufkin Industries, Inc. (Lufkin); Pamco Machine Works Inc. (Pamco); and Penn Machine Company LLC (Penn). Total Bid prices are:

Approved:

Presented:

Final 5/7/12

General Manager/CEO

Maintenance Superintendent - Light Rail

C:\Temp\BCL Technologies\NitroPDF6\@BCL@980A2ABB\@BCL@980A2ABB.doc

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	05/14/12	Open	Action	05/01/12

Subject: Awarding a Contract for UTDC Light Rail Vehicle Gearbox Overhaul Services to Penn Machine Company LLC

<u>Responsive Bids:</u>	<u>Total Bid Price</u>
Penn Machine	\$610,305.00
Bombardier	\$881,786.76
PAMCO	\$1,113,861.00

<u>Non-Responsive Bids:</u>	
Lufkin Industries, Inc.	\$327,729.00
Henschel America, Inc.	\$1,003,110.00

After a thorough review of the bids, staff determined that the bids from Penn and Pamco are responsive; however, bids from Bombardier, Henschel, and Lufkin contained irregularities. In accordance with RT's Standard Operating Procedure GM-SOP-97-009, Section XI, Rejection of Bids or Proposals/Waiver of Irregularities, and RT's Procurement Ordinance Section 1.509, Rejection of Bids/Proposals; Waiver of Minor Irregularities, staff consulted with RT's Chief Legal Counsel on the irregularities in the bids as summarized below.

### Bombardier

Bombardier did not sign Form 6.7 Campaign Contribution Disclosure Form. Failure to sign the form has no cost impact to the Bidder's price, and no effect on the quality, quantity, or delivery of the goods and services. Staff reviewed the bid irregularity with the Chief Legal Counsel and determined that it is a minor irregularity that can be waived, as it gives no competitive advantage to the Bidder and could be remedied by submittal of the form before award; therefore, Bombardier's bid was deemed responsive.

### Lufkin Industries, Inc.

Lufkin's bid was deemed as non-responsive for the following bid irregularities:

- a) Lufkin failed to submit qualifications as required in the Section 1.2 of the ITB, Responsible Bidder. Lufkin's failure to submit qualifications is considered a material irregularity that cannot be waived.
- b) Lufkin did not fill out pricing for parts. Per ITB Section 1.5, Determination of Low Bid, Lufkin's bid is incomplete and cannot be compared to the other bids in determining the low bidder. This failure is considered a material irregularity that cannot be waived.
- c) Lufkin did not submit the correct Bid Form 6.2 (the version published in Addendum No. 3 was supposed to be submitted). Lufkin's failure to submit the proper Addendum No. 3 Bid Form 6.2, is considered a material irregularity that cannot be waived.

Staff has reviewed these bid irregularities with the Chief Legal Counsel and determined that Lufkin's bid is non-responsive. Per ITB, Section 1.4, Waiver/Addenda/Bid Postponement, "Failure of Bidder to comply with any of the requirements of this ITB may result in rejection of the Bid as non-responsive."

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	05/14/12	Open	Action	05/01/12

Subject: Awarding a Contract for UTDC Light Rail Vehicle Gearbox Overhaul Services to Penn Machine Company LLC

Henschel America, Inc.

Henschel submitted a Bid Bond backed by an irrevocable letter of credit from Wells Fargo, which is not an admitted surety in California. This bid is considered non-responsive for not using an admitted surety for its Bid Bond, per the requirements of Section 1.21 of the ITB. Staff reviewed the bid irregularity with the Chief Legal Counsel and determined that it is a material irregularity that cannot be waived; therefore, Henschel's bid is deemed non-responsive.

The Engineer's estimate for the gearbox overhaul is \$593,441.

The bid submitted by Penn Machine Company LLC is the lowest responsive and responsive bid and is fair and reasonable.

Pursuant to the revised Disadvantaged Business Enterprise (DBE) regulations in 49 C.F.R. Part 26 and RT's DBE Program, because there were limited subcontracting opportunities, no DBE participation goal was set for this procurement.

Staff recommends award of the Contract for UTDC Light Rail Vehicle Gearbox Overhaul to Penn Machine Company LLC, in the amount of \$610,305, plus applicable sales tax.

RESOLUTION NO. 12-05-\_\_\_\_\_

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

May 14, 2012

**AWARDING A CONTRACT FOR UTDC LIGHT RAIL VEHICLE GEARBOX  
OVERHAUL SERVICES TO PENN MACHINE COMPANY LLC**

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

THAT, the Contract for UTDC Light Rail Vehicle Gearbox Overhaul Services between Sacramento Regional Transit District, therein referred to as "RT," and Penn Machine Company LLC, therein referred to as "Contractor," whereby Contractor agrees to provide UTDC Light Rail Vehicle Gearbox Overhaul services, as specified, for an amount not to exceed \$610,305, plus applicable sales tax, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

\_\_\_\_\_  
BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary