

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	10/22/12	Open	Action	10/10/12

Subject: Approving the Sixth Amendment to the Contract for Purchase of Traction Power Substations with Powell Electrical Systems, Inc.

ISSUE

Whether or not to Approve the Sixth Amendment to the Contract for Purchase of Traction Power Substations with Powell Electrical Systems, Inc.

RECOMMENDED ACTION

Adopt Resolution No. 12-10-____, Approving the Sixth Amendment to the Contract for Purchase of Traction Power Substations with Powell Electrical Systems, Inc.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	1,000,000.00
Budget Source:	Capital	Next FY:	\$	2,000,000.00
Funding Source:	New Starts / Measure A / Prop 1B / Developer Fees / STA	Annualized:	\$	1,274,567.00
Cost Cntr/GL Acct(s) or Capital Project #:	410.07.04.02 230.07.01.01	Total Amount:	\$	3,823,701.20
Total Budget:	\$ 6,858,018.12			

Contract	Powell Contract	WBS	Budget Allocation	Sales Tax	Total
Contract	\$2,464,204.00	230.07.01.01	\$2,464,204.00	\$190,975.81	\$2,655,179.81
Amendment 1	\$175,888.00	404.07.03.02	\$175,888.00	\$0.00	\$175,888.00
Amendment 2	\$0.00	230.07.01	\$0.00	\$0.00	\$0.00
Amendment 3	(\$115,990.00)	404.07.03.02	(\$115,990.00)	\$0.00	(\$115,990.00)
Amendment 4	\$21,255.00	230.07.01.01	\$21,255.00	\$1,647.26	\$22,902.26
Amendment 5	\$0.00	230.07.01.01	\$0.00	\$0.00	\$0.00
Amendment 6	\$3,823,701.20	410.07.04.02	\$4,206,106.80	\$325,973.28	\$4,532,080.08
		230.07.01.01	(\$382,405.60)	(\$29,636.43)	(\$412,042.03)
Total	\$6,369,058.20		\$6,369,058.20	\$488,959.92	\$6,858,018.12

DISCUSSION

On January 26, 2009, the Board authorized award of a contract to Powell Electrical Systems, Inc. (PESI) for the purchase of traction power substations (TPSS). The award was for two (2) TPSS to be used for the Northeast Corridor project (NEC).

The contract includes an option for Sacramento Regional Transit District (RT) to purchase up to five (5) additional TPSS and an option to purchase one (1) traction power primary transformer (TPT) for the South Sacramento Corridor Phase 2 (SSCP2) Project contingent upon RT receiving

Approved:

Presented:

Final 10/16/12

General Manager/CEO

Craig Norman, Senior Systems Engineer

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Federal Transit Administration (FTA) approval to enter into Final Design (FD). Exercising the options for the TPSS also requires RT to independently verify that the option prices are better than the market prices available at the time and that the option prices are fair and reasonable. If the prices are higher than market prices, RT would pursue a competitive bid process for the procurement of the TPSS.

On May 29, 2012, RT received FTA approval to enter into FD for SSCP2. Based on the current TPSS contract with PESI, RT calculated an adjusted option price of \$955,925.30 per additional TPSS. The calculated option price has been agreed to by PESI. RT then contacted other agencies that recently completed TPSS procurements to determine if the calculated price is fair and reasonable. Of the agencies RT contacted, Denver Regional Transportation District (RTD) was the only one that recently completed the procurement of TPSS similar to those TPSS PESI will provide RT under the Principal Agreement. RTD paid \$1,500,000.00 for each TPSS. Based on this information, RT has determined that the adjusted PESI option prices are fair and reasonable.

Approval of the Sixth Amendment will bring the total number of TPSS procured under this contract to six. The contract with PESI is funded by multiple projects and funding sources. The pricing for the first two TPSS were increased to include all of the costs associated with the manufacturer's development of the units including, design/development costs, submittals, meeting with RT staff, etc. The higher procurement cost for the first two TPSS will be prorated between all six TPSS. The calculated average cost per TPSS for the Powell Contract is \$1,051,526.70 before taxes. As itemized in the Fiscal Impact section, the averaging of the unit costs will reduce the NEC project expense by \$412,042.03 (including taxes) and increase the SSCP2 expense by the same amount. The TPSS procurement budget associated with the Powell Contract for SSCP2 (4 TPSS) will be \$4,532,080.08 including applicable taxes. There were also additional costs for the first two TPSS associated with RT staff support of the procurement including consultant fees, RT labor for administration of the project, for reviewing submittals and performing factory tests. These costs will be prorated and distributed between the two projects as well.

Staff recommends approving the Sixth Amendment to the Contract for Purchase of Traction Power Substations with Powell Electrical Systems, Inc. to exercise the option to procure four additional TPSS from PESI to be used for the South Sacramento Corridor Phase 2 Project and increase the total consideration by \$3,823,701.20 plus applicable local and state sales tax.

RESOLUTION NO. 12-10-_____

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

October 22, 2012

APPROVING THE SIXTH AMENDMENT TO THE CONTRACT FOR PURCHASE OF TRACTION POWER SUBSTATIONS WITH POWELL ELECTRICAL SYSTEM, INC.

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

THAT, the Sixth Amendment to the Contract for Purchase of Traction Power Substations ("Principal Agreement") by and between the Sacramento Regional Transit District (therein "RT") and Powell Electrical Systems, Inc. (therein "CONTRACTOR") whereby the parties agree to exercise options for procuring four additional substations to be used for the South Sacramento Corridor Phase 2 Project and increase the total consideration by \$3,823,701.20, from \$2,545,357.00 to \$6,369,058.20 plus applicable state and local tax, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to sign said Sixth Amendment.

BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary