

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	02/11/13	Open	Action	02/04/13

Subject: Award Contract for Special Trackwork for the South Sacramento Corridor Phase 2 Project

## ISSUE

Whether or not to award contract for Purchase of Special Trackwork for the South Sacramento Corridor Phase 2 Project.

## RECOMMENDED ACTION

Adopt Resolution No. 13-02-\_\_\_\_\_, Awarding Contract for the Purchase of Special Trackwork to Progress Rail Services Corporation for the South Sacramento Corridor Phase 2 Project.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$ *250,000
Budget Source:	Capital	Next FY:	\$ *1,917,170.33
Funding Source:	New Starts, Rev. Bonds, Measure A, Annualized: Prop 1B, STA		\$ N/A
Cost Cntr/GL Acct(s) or Capital Project #:	410.07.03.05.01 Special Trackwork, 410.07.03.05.03 Special Trackwork Tax,	Total Amount:	\$ *2,167,170.33
Total Budget:	\$ 2,167,170.33		

\*The budget includes 8.5% CA Sales Tax.

Bid Price:	\$2,007,682.10 (Delivery - \$131,350.00 excluded from Sales Tax)
Sales Tax:	\$ 159,488.23 (to be paid directly by RT to Board of Equalization)
Total Cost:	\$2,167,170.33

## DISCUSSION

On August 27, 2012, the Board adopted Resolution No. 12-08-0135, authorizing the General Manager/CEO to release Bid Documents for certain owner-furnished materials for the South Sacramento Corridor Phase 2 (SSCP2) Project, including Special Trackwork. The Invitation to Bid (ITB) for Special Trackwork was released on December 11, 2012 and advertised pursuant to the Procurement Ordinance.

On January 11, 2013, the following bids were received:

Progress Rail Services \$ 2,007,682.10

Approved:

Presented:

Final 02/05/13

General Manager/CEO

Director, Civil and Track Design

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Atlantic Track & Turnout N/A (Late)

The Engineer's Estimate, including contingency, was broken down as follows:

- Special Trackwork (Cross Overs) - \$660,000.00
- Special Trackwork (Power Switch Machines) - \$159,000.00
- Special Trackwork (Precurved Rail) - \$181,500.00
- Special Trackwork (Restraining Rail) - \$125,400.00
- Special Trackwork (Delivery) - \$200,000.00
- Total Estimate - \$1,325,900.00

The bid received from Progress Rail Services included the following prices:

- Special Trackwork (Cross Overs) - \$589,300.00
- Special Trackwork (Power Switch Machines) - \$177,000
- Special Trackwork (Precurved Rail) - \$566,729.60
- Special Trackwork (Restraining Rail) - \$543,302.50
- Special Trackwork (Delivery) - \$131,350.00
- Total Estimate -\$2,007,682.10

As only one responsive bid was received, RT is required to determine that there was adequate competition for this procurement and perform a cost analysis to determine that the price is fair and reasonable in accordance with the Federal Transit Administration (FTA) Third Party Contracting Circular 4220.1F.

### Adequate Compensation

RT contacted the other Special Trackwork Manufacturers and received the following responses:

Nortrak (Voest Alpine) - Stated it could not meet the requirements in the Technical Specifications (No specifics, but did mention that Nortrak could not provide the Power Switch Machines).

Cleveland Track Material - Stated that it thought the bid was for in-street running trackwork (non-standard) after receiving the documents; once they realized that the trackwork was Standard AREMA material, it was too late to submit.

The special trackwork industry is very limited and there are no other US Manufacturers that produce this type of material.

### Cost Analysis

To perform the required cost analysis, RT also reached out to the responsive bidder, Progress Rail Services, requesting the pricing Progress Rail Services provided in similar bids to other transit agencies. Progress Rail Services responded by providing bids from Amtrak in the State of

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Maryland having similar bid items to RT. During this discussion, Progressive Rail broke down its bid pricing for “Precurved Rail” and “Restraining Rail”, the items that exceeded RT’s Engineer’s Estimate.

After analyzing these two bid items, Staff determined that certain materials included in the responsive low bid to meet the Technical Specifications in the ITB, were not included in the Engineer’s Estimate, due to an error in the Technical Specifications. The Technical Specifications included materials, such as base plates, braces and e-clips, for Precurved Rail and Restraining Rail installation on wood ties; however, for the SSCP2 Project, those materials will be installed on concrete ties and the Engineer’s Estimate was based on a concrete tie installation. The erroneous Technical Specifications, requesting the additional materials not needed for a concrete tie installation, is the reason for the large discrepancy between the Engineer’s Estimate and the responsive low bid. Staff has reviewed the cost of the plates, braces and e-clips and determined that these costs are fair and reasonable. Although these materials are not needed for installation of restraining rail and precurved rail for the SSCP2 Project, RT anticipates being able to use the material for other RT needs.

If time were not an issue, Staff would recommend rejecting the bid and re-soliciting with the amended Technical Specifications; however due to the extended lead time for the delivery of the Special Trackwork and the construction schedule impacts, Staff recommends contract award for the Purchase of Special Trackwork for the South Sacramento Corridor Phase 2 Project to the responsive low bidder, Progress Rail Services Corporation, for an amount not to exceed \$2,007,682.10. The applicable sales tax of \$159,488.23 will be paid directly by RT to the Board of Equalization.

RESOLUTION NO. 13-02-\_\_\_\_\_

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

February 11, 2013

**AWARDING CONTRACT FOR THE PURCHASE OF SPECIAL TRACKWORK TO  
PROGRESS RAIL SERVICES CORPORATION FOR  
THE SOUTH SACRAMENTO CORRIDOR PHASE 2 PROJECT**

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

THAT, the Contract between the Sacramento Regional Transit District, therein referred to as "RT," and Progress Rail Services Corporation, therein referred to as "Contractor," whereby Contractor agrees to provide Special Trackwork for the South Sacramento Corridor Phase 2 Project, as specified, for an amount not to exceed \$2,007,682.10, is hereby approved.

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PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

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