

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	05/14/18	Open	Action	05/07/18

Subject: Approving a Sole Source Procurement and Approving a Contract for Purchase of Siemens Couplers with Dellner Inc.

## ISSUE

Whether or not to approve a Sole Source Procurement and approve a Contract for Purchase of Siemens Couplers with Dellner, Inc.

## RECOMMENDED ACTION

Adopt Resolution No. 18-05-\_\_\_\_, Approving a Sole Source Procurement and Approving a Contract for Purchase of Siemens Couplers with Dellner, Inc.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	
Budget Source:	Operation	Next FY:	\$	730,000
Funding Source:	Federal and Local	Annualized:	\$	121,667
Cost Cntr/GL Acct(s) or Capital Project #:	GL 121000 (Inventory)	Total Amount:	\$	730,000

Total Budget: \$ 730,000\*

\* including sales tax

## DISCUSSION

The coupler is a major component of the Siemens U2 Light Rail Vehicles (LRVs), which have been in revenue service since 1985. The original spare assemblies delivered with the LRVs have become unserviceable over time. As a result, Staff has determined that an additional 6 couplers must be manufactured to maintain the LRVs for the remainder of service life.

Couplers are parts of the existing equipment manufactured by Dellner, Inc. (Dellner). This equipment must be compatible and interchangeable. Coupler Type 46 PN 153811 is a unique design manufactured specifically for Siemens Industry, Inc. to Sacramento Regional Transit's (SacRT) specifications. Dellner holds the design rights and owns all tooling and drawings required for manufacturing.

Staff has researched the market and found that other manufactured components are not compatible with SacRT's existing equipment. It will take Dellner over one year to produce the couplers with the existing drawings and tooling, while it might theoretically be possible for another manufacturer to reverse engineer the parts, the delay to conduct the procurement and reverse engineer the parts would be unacceptable. Staff has researched the market and determined the

Approved:

Presented:

Final 05/09/18

General Manager/CEO

Deputy General Manager/COO

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	05/14/18	Open	Action	05/07/18

Subject: Approving a Sole Source Procurement and Approving a Contract for Purchase of Siermens Couplers with Dellner Inc.

price to be fair and reasonable based on comparisons of sale of similar components to other transit agencies.

Staff recommends approving the sole source procurement of Dellner couplers and asks the Board to approve a contract for the purchase with Dellner.

RESOLUTION NO. 18-05-\_\_\_\_\_

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

May 14, 2018

**APPROVING A SOLE SOURCE PROCUREMENT AND APPROVING A CONTRACT  
FOR PURCHASE OF SIEMENS COUPLERS WITH DELLNER, INC.**

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

THAT, in accordance with Section 1.405.A.1.d of the SacRT Procurement Ordinance, a sole source procurement for supplies is permitted upon a determination that award to another contractor for the production of highly specialized equipment would result in unacceptable delay and it would be futile to seek competition.

THAT, due to Dellner owning the design rights, tooling, and drawings required for manufacturing, it would be futile to seek competition for production of the type 46 couplers, which are required to be compatible within SacRT's existing Siemens light rail fleet.

THAT, the Contract for Purchase of Siemens Couplers by and between Sacramento Regional Transit District (therein "SacRT") and Dellner Inc. (therein "Contractor") whereby Dellner Inc. will provide 6 Type 46 Couplers PN 153811 for an amount not to exceed \$674,340.00 plus applicable sale tax, is hereby approved.

THAT, the General Manager/CEO is authorized and directed to execute said Contract.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

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