

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	03/25/19	Open	Action	03/12/19

Subject: Whether or not to approve a Sole Procurement and amend the Contract with Dellner, Inc. for the Purchase of Coupler Components

ISSUE

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

RECOMMENDED ACTION

Adopt Resolution No. 19-03-____, Approving a Sole Source Procurement and the First Amendment to the Contract for Purchase of Siemens Couplers with Dellner, Inc.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	527,381.00
Budget Source:	Capital	Next FY:	\$	0
Funding Source:	Federal and Local	Annualized:	\$	0
Cost Cntr/GL Acct(s) or Capital Project #:	651.07.11	Total Amount:	\$	527,381.00
Total Budget:	\$ 527,381.00			
Including Sales Tax				

DISCUSSION

On May 14, 2018, the Board approved a sole source contract to Dellner, Inc. for Coupler Assemblies required to maintain the Siemens U2 LRVs for the remainder of service life.

The coupler assembly is a major component of the Siemens U2 Light Rail Vehicles (LRV), which have been in revenue service since 1987. In 2001, Staff identified the need to preform Mid-Life overhaul on the fleet. Between 2005 and 2009 the majority of the overhaul activities were performed. In January 2019, the Grants department met with Maintenance to discuss what was needed for the Siemens U2/U2a fleet to complete the mid-life project, to spend the remaining project funds and complete the project by the end of 2019.

Maintenance identified the 72 coupler assemblies currently installed on the LRVs that were not adequately rebuilt during the original mid-life activities. During the mid-life overhaul, each coupler was inspected and only components out of tolerance were replaced, not a complete rebuild as recommended by the manufacturer. Critical components that were not replaced are now starting to fail. The items to be replaced are the suspension attachments, hooks, and coupling links.

Approved:

Presented:

Final 03/15/19

General Manager/CEO

Vice President, Maintenance

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The couplers and their components are part of the existing equipment manufactured by Dellner, Inc. (Dellner). This equipment must be compatible and interchangeable. The required components for the Coupler Type 46 PN 153811 are 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 no other companies manufacture components that are compatible with SacRT's existing equipment. While it is theoretically possible to reverse engineer these components, Staff believes, based on past OEM procurements, that it would be futile to seek competition due to the high costs for other potential manufacturers to produce a limited quantity of these specialized components. Staff has researched the market and determined the price to be fair and reasonable based on past purchase history. The most expeditious and efficient way to acquire these components is through the existing Dellner contract for purchase of the full coupler assemblies.

Staff recommends approving: (1) the sole source procurement of coupler components and (2) the First Amendment to the Contract for the purchase with Dellner.

RESOLUTION NO. 19-03-_____

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

March 25, 2019

APPROVING A SOLE SOURCE PROCUREMENT AND THE FIRST AMENDMENT TO THE 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, 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 coupler components, which are required to be compatible within SacRT's existing Siemens light rail fleet.

THAT, the First Amendment to the Contract for Purchase of Siemens Couplers by and between Sacramento Regional Transit District (therein "SacRT") and Dellner Inc. (therein "Contractor") whereby Contractor agrees to furnish coupler components in addition to full coupler assemblies and the total consideration is the increased by \$487,188.00, from \$674,430 to \$1,161,528 plus applicable sales tax, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary