



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Pown</i> 5 June 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 4/8/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Gregory Shivy Dept. Maintenance and Engineering <i>Gregory Shivy</i> Signature/Date: 6/3/19	General Counsel <i>[Signature]</i> 5/31/19 []	Controller/Treasurer <i>[Signature]</i> 5/31/19 []	District Secretary []	BARC <i>[Signature]</i> FOR TAMAR ALLEN 6/3/19 []

Award of Contract 15TD-260 For Rail Grinder Upgrade and Repair

PURPOSE:

To request Board authorization for the General Manager to award Contract No. 15TD-260 for Rail Grinder Upgrade and Repair to Loram Maintenance of Way, Inc., Hamel, MN, for an amount not to exceed \$8,698,600.00.

DISCUSSION:

The District currently owns two (2) Loram Rail Grinders that are experiencing increased maintenance down time and are becoming less reliable due to normal deterioration. The grinders are approximately half way through their 20-year life cycles and this retrofit, at approximately ten (10) years, is part of the long-term maintenance plan for these grinders.

This Contract, No. 15TD-260, is to conduct Rail Grinder Upgrade and Repair.

On December 6, 2018, Advance Notice to Proposers was e-mailed to fifteen (15) prospective proposers. Contract No. 15TD-260 was advertised on December 11, 2018, in several Bay Area newspapers and publications. A Pre-Bid Conference was held on January 8, 2019 and was attended by representatives from LORAM Maintenance of Way, Inc., and BART staff.

Only one (1) proposal was received. The price proposal from Loram Maintenance of Way, Inc., was opened and evaluated on March 19, 2019. In accordance with the Contract, the selection is based on the lowest-priced technically acceptable proposal methodology. Price Proposal from Loram Maintenance of Way is \$8,698,600.00.

The Engineer's estimate is at \$5,066,640.00. Loram Maintenance of Way, Inc. is the sole proposer. Their \$8,698,600.00 proposal is above the Engineer's Estimate due to increasing

strength of the economy, rising labor rates, and a shortage of qualified personnel to complete the work.

This Contract was advertised pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program requirements. The Office of Civil Rights reviewed the scope of work for this Contract and determined that there were no DBE subcontracting opportunities; therefore, no DBE participation goal was set for this Contract.

The Source Selection Committee determined that the Price Proposal submitted by Loram Maintenance of Way, Inc., was fair and reasonable.

FISCAL IMPACT:

Funding of up to \$8,698,600.00 for the award of Contract 15TD-260 is included in the total project budget for 15TD000, Wayside Equipment. The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority. Funds needed to meet this request will be expended from a combination of these sources as listed.

Fund Group	Amounts
Federal Fund Sources	\$55,126,359.00
Local Fund Sources	\$ 3,291,572.00
BART Operating Allocation to Capital	\$12,155,179.00
Total	\$70,573,109.00

As of April 3, 2019, \$70,573,109 is the total budget for this project. BART has expended \$37,810,536, committed \$13,904,713 and reserved \$0 to date. This action will commit \$8,698,600 leaving an available fund balance of \$10,159,261 balance for this project.

This action is not anticipated to have any Fiscal Impact on unprogrammed District Reserves.

ALTERNATIVES:

The District could reject and re-advertise the Contract. However, this is highly specialized work and only a few companies are capable of repairing and upgrading Rail Grinders. Rejecting the proposal will delay repair to the Rail Grinders and provides no guarantee a new proposal will be any different. Procuring new Rail Grinders is not deemed to be cost-effective as the grinders still have approximately half of their life cycles available.

RECOMMENDATION:

It is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to award Contract No. 15TD-260 to Loram Maintenance of Way Inc., for Rail Grinder Upgrade and Repair, for an amount not to exceed \$8,698,600.00, pursuant to notification to be issued by the General Manager.