



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D: Approve and Forward to the Board		
DATE: 5/9/2025 6/6/2025		BOARD INITIATED ITEM: No		
Originator/Prepared by: Jafar Arghavani Dept: PM/CM - Facilities Signature/Date: DocuSigned by: <i>Jafar Arghavani</i> F8936D071207418... 6/4/2025	General Counsel DocuSigned by: <i>Amelia Sandoval</i> 2528C067C44147D... 6/4/2025 []	Chief Financial Officer Signed by: <i>Shirley Beach</i> 7D9A7C6E7348456... 6/4/2025 []	District Secretary DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 6/6/2025 []	BARC DocuSigned by: <i>Shane Edwards</i> 8128A2EB2F014F3... 6/4/2025 []

Award Sole Source Contract with MERMEC for Rail Inspection Vehicles Performance Package/Ramsys Rail Studio Software

PURPOSE:

To request Board authorization, in accordance with Public Contract Code Section 20227, for the General Manager to negotiate and award a sole source contract with MERMEC Inc., West Columbia, SC, for the purchase of the Rail Inspection Vehicles (RIV) Performance Package and the RAMSYS/RailStudio Software upgrade, in an amount not to exceed \$8,000,000.00, inclusive of all taxes.

DISCUSSION:

The Rail Inspection Vehicle (RIV), aka Track Geometry Car, is a highly sophisticated and specialized vehicle that BART relies on for critical inspections, recording, and analysis of railway assets. The District awarded Contract No. 15TD-250 to MERMEC in 2015 for the RIV procurement. The RIV was designed and manufactured by MERMEC, and it was commissioned in 2023. The RIV is a self-propelled, diesel-powered rail vehicle equipped with state-of-the-art, digital recording, non-contact laser measurement equipment, and high-definition video and lighting systems, to inspect and record the District's trackway, tunnel and rail conditions. It is an essential component in meeting Federal Transportation Administration (FTA) requirements for maintaining the District's track system in a state-of-good-repair, and for determining track repair and replacement projects.

The proposed agreement includes essential support and services to ensure optimal functionality and reliability of the RIV systems, including availability of spare parts, professional services for preventative maintenance, technical support/assistance, and training of District personnel. The MERMEC RAMSYS/RailStudio software upgrade facilitates data collection and analytics to forecast maintenance work, determine corrective actions, and automatically generate work orders for repair, advancing the track maintenance program.

Pursuant to California Public Contract Code Section 20227, the Board may direct the purchase of any supply, equipment or material without observance of competitive bidding process upon a finding by two-thirds of all members of the Board that there is only a single source of procurement. In addition, FTA Circular 4220.1G, Chapter VI, Subparagraph 3.i(1) (b) stipulates that a recipient may make a sole source award under certain circumstances such as when the product contains "patent or data rights restrictions that would preclude competition", or if a competitive procurement would lead to "substantial duplication costs" or an "unacceptable delay".

Here the vehicle design, measurement systems, data acquisition and analytics, spare parts, and software are proprietary designs of MERMEC. Additionally, the technical guidance and support to maintain the RIV is only available from MERMEC. Also, the RIV utilizes a proprietary algorithm to process, analyze, and report data and those functions can only be fully utilized by MERMEC software. The spare parts for the measurement systems were designed and custom made by MERMEC. Thus, this procurement complies with Section 20227 and FTA Circular requirements and is a valid sole source procurement.

Pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program, the Office of Civil Rights reviewed the scope of work for this Sole Source procurement and determined that there were no DBE subcontracting opportunities; therefore, no DBE participation goal was set for this procurement.

The Office of General Counsel will approve the Contract as to form. The Procurement Department will review the Contract to confirm compliance with the District's procurement standards.

FISCAL IMPACT:

This action item requests authorization for BART staff to negotiate a contract for up to two base years (07/01/2025 – 06/30/2027) and up to three subsequent one-year options, for a total of five years. Staff request up to \$8,000,000 over the potential term in authorized funding. The initial two-year base contract is anticipated to cost up to \$4,000,000, with an additional \$4,000,000 in authorization requested for the period after 06/30/2027.

This action item requests authorization to negotiate a contract with the vendor, so the final dollar amount and ultimate funding sources are not known at this time. The final negotiated agreement terms and scope of work with the vendor will determine which sources of funds may be used to support the work.

Staff have requested clarification from FTA as to whether approximately \$2,000,000 in secured 5307/5337 State of Good Repair capital funds can be used toward elements of the anticipated scope of work for the two base years. The remainder of the scope will be operating. If FTA determines that State of Good Repair funds cannot be used, then the full contract will be operating-funded. Staff plan to use operating allocations from previous fiscal years to fund the operating share. If the final negotiated costs exceed what is available, those costs will be charged to the operating budget, generating a negative budget variance in Fiscal Years 2026 and 2027.

Staff will work to secure funding for the option years if BART chooses to exercise the options after the base contract period ends.

The Office of the Chief Financial Officer certifies that funds are currently available to meet this obligation for the base contract period.

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

ALTERNATIVES:

There is no practical alternative as the RIV, along with its measurement systems, spare parts, data acquisition and analytics, and software, are entirely based on MERMEC's proprietary design. A competitive procurement would delay the time for obtaining parts, servicing the RIV to maintain its functionality, and utilization of the RIV as effectively as intended.

RECOMMENDATION:

It is recommended that the Board adopt the following motion.

MOTION:

The Board finds pursuant to Public Contract Code Section 20227 that MERMEC is the single source for procurement of the RIV Performance Package and RAMYSIS/RailStudio Software for the sole purpose of duplicating and replacing equipment in use throughout the District. The Board authorizes the General Manager to enter into direct negotiation with MERMEC for the purchase of the RIV Performance Package and the RAMSYS/RailStudio Software upgrade, to execute an agreement, and to exercise three (3) one-year options to extend the agreement duration, for a total amount not to exceed \$8,000,000.00, including applicable sales tax.

Two-Thirds Votes Required.