



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i> 17 July 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/21/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Gregory Shivy Dept: Maintenance and Engineering Signature/Date: <i>[Signature]</i> 7/11/19	General Counsel <i>[Signature]</i> 7/12/19 []	Controller/Treasurer <i>[Signature]</i> 7/15/19 []	District Secretary []	BARC <i>[Signature]</i> 7.15.2019 []

Rejection of Proposal submitted by Holland, LP for Request For Proposals (RFP) No. 6M3425 Systemwide Track Joint Elimination Services

PURPOSE:

To obtain Board authorization for the General Manager to reject the Proposal submitted by Holland, LP of Crete, IL, in the amount of \$67,247,000.00, for Request for Proposals (RFP) No. 6M3425 Systemwide Track Joint Elimination Services.

DISCUSSION:

Systemwide Track Joint Elimination restores Continuous Welded Rail (CWR) throughout the legacy system, providing more reliable services, reduced noise, improved customer experience, as well as providing long term cost savings to the District by reducing wear to the rails and vehicle suspension components and wheels.

Joint elimination utilizes in-track Electric Flash-Butt "EFB" welding, which produces superior weld quality, takes much shorter welding time and preparation (approximately 1 hour) compared to the Thermite welding (approximately 3 hours) method currently performed by the District. It is the desirable welding method.

The District sent Advance Notice to six (6) prospective proposers on January 30, 2019 and Office of Civil Rights (OCR) further contacted approximately 127 potential bidders on February 4, 2019. The District advertised in ten (10) local Bay Area newspapers and publications on January 31, 2019. A Pre-Proposal Conference was held on February 14, 2019 and attended by representatives from five (5) firms and BART staff. The District received one (1) proposal on March 19, 2019, from Holland, LP.

The price proposal received from Holland, LP for the maximum 5-year Agreement term, is

\$67,247,000.00. The Engineer's estimate is \$31,919,170.00. Holland, LP, \$67,247,000.00 proposal exceeds the Engineer's estimate by 211% mainly due to the specialized in-track welding equipment, higher mobilization cost, additional labor to perform the pre-construction survey, and sub-contract an ultrasonic testing firm to perform a test of each weld by hand.

District's staff concluded the close proximity to the cover boards and BART's unique gauge size prevented other firms from bidding for the work. By adding BART forces to support the work, such as removing and installing the cover boards during construction, along with performing pre-construction survey for future potential procurement, the District expects to receive potentially more proposal(s) that may be more consistent with the estimated costs, should it pursue re-procuring for track joint elimination services. It is expected that such changes in the scope of services should lower the cost of future price proposal(s) as the scope of services will be focused more on providing welding services.

Staff recommends that the Board reject the Proposal submitted by Holland, LP and permit Staff to re-advertise the Request for Proposals (RFP).

FISCAL IMPACT:

There is no Fiscal Impact resulting from rejection of this Proposal.

ALTERNATIVES:

Accept the price proposal from Holland, LP. However, awarding this Agreement exceeds the Engineer's Estimate by \$35,327,830.00 (211%). Alternatively, the District could perform the Thermite welding in house, but this process will take up to an additional ten (10) years. Not doing this joint elimination project will potentially increase the risk of service interruptions and increased noise for BART customers.

RECOMMENDATION:

It is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to reject the Proposal submitted by Holland, LP for Request for Proposals (RFP) No. 6M3425 Systemwide Track Joint Elimination Services, to restructure the scope of services and to re-advertise the Request for Proposals.