SUMMARY STATEMENT

ITEM NO. | SUBJECT: Procurement of Replacement Transit Car Wheels for PATCO Revenue Cars

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: December 8, 2004

BOARD ACTION DATE: January 19, 2005

PROPOSAL: Staff seeks authorization to procure 250 transit car wheels for revenue cars.

Amount: $144,000

Firm: TSS, Inc.
New Freedom, PA

Other Firms: JLB Int’l. $255,500
Standard Steel no bid

Engineer’s Estimate: $187,500

PURPOSE: To maintain an inventory of new wheels, to replace wheels worn and condemned for minimum size.

BACKGROUND: The 28" multiple wear forged steel wheels used on the transit cars are generally turned on a lathe by PATCO every 80,000 - 100,000 miles to restore the proper rail contact profile and to remove surface wheel defects. The wheels have an ultimate life of about 350,000 miles before they must be condemned for minimum size. Due to problems encountered in day-to-day operations, such as wheel slips in icy conditions or emergency braking, the nominal life of a wheel is closer to 250,000 miles because reprofiling the wheels to remove the defect can result in removing a significant amount of the remaining tread.

Periodically, PATCO has sought competitive bids for quantities that vary between 200 and 350 wheels. The minimum economic steel mill run for wheels meeting PATCO specifications is approximately 200 wheels. The timing of these procurements have been predicated on maintaining an inventory to meet the replacement requirements while taking into account price and delivery considerations within the steel industry.
PATCO presently has 132 new wheels in stock. Within the next 12 months it is projected that 100 wheels will be condemned for minimum size due to normal wear in revenue service. In addition, approximately 10 rebuilt trucks, each requiring four wheels, will be assembled within the next 12 months to replace trucks that already have condemned wheels in order to return those cars to service and improve fleet availability. Delivery of new wheels will be approximately six months after placing the order.

In conformance with PATCO’s Procurement Policy and procedures, Invitations to Bid were advertised on the DRPA web site, and Bid Documents were mailed directly to six suppliers and manufacturers potentially qualified to supply and deliver the forged wheels specified for PATCO’s transit cars. Two firms submitted bid prices and one firm responded with “no bid”.

Staff has completed the evaluation process and is recommending award of a contract to TSS, Inc. in the amount of $144,000 as providing the Best Value for the PATCO transit wheel procurement.

**SUMMARY:**
- **Amount:** $144,000
- **Source of Funds:** DRPA Capital Budget
- **Capital Project #:** PD0402*
- **Operating Budget:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** Approximately 6 months
- **Other Parties Involved:** N/A

*Plan is for wheels to be purchased in 2005. Wheels will be used over several years.*
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority enter into a Purchase order Agreement with TSS, Inc., of New Freedom, PA, to purchase a quantity of two hundred fifty (250) transit car wheels for a total price of $144,000 and to expend funds provided in the Capital Budget for that purpose, and be it further

RESOLVED: The Chair, Vice Chair and the President must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of PATCO. If such agreements, contracts or other documents have been approved by the Chair, Vice Chair and President and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of PATCO along with the President. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said documents while they are absent or unavailable, then the President shall execute such documents on behalf of PATCO.

SUMMARY:

| Amount: | $144,000 |
| Source of Funds: | DRPA Capital Budget |
| Capital Project #: | PD0402* |
| Operating Budget: | N/A |
| Master Plan Status: | N/A |
| Other Fund Sources: | N/A |
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