SUMMARY STATEMENT

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

COMMITTEE:        Operations and Maintenance

COMMITTEE MEETING DATE:  August 20, 2008

BOARD ACTION DATE:   September 17, 2008

PROPOSAL:  That the Board authorize staff to negotiate a contract with TSS, Inc. of New Freedom, PA., representing Bonatrans, A.S. Bohumin, Czech Republic for the purchase and delivery of 400 ea transit car wheels for PATCO revenue cars.

Amount:  $600,400 (80% Federal Transit Administration, 20% DRPA)

Contractor:  TSS, Inc. (representing Bonatrans, A.S., Bohumin, Czech Republic)

Other Bidders:

- Sumitomo Corp (Japan), New York, NY:  $620,400
- JLB Int'l (Represents CAF, Spain):    $715,500
- Standard Steel, Burnham, PA:         No Bid

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

BACKGROUND:  The 2008 Capital Budget includes funds for the overhaul of transit car trucks. This project includes the replacement of transit car wheels. The steel wheels used on the transit cars have a nominal life of approx. 350,000 miles due to normal wear and tear encountered in the day-to-day operations and must be replaced due to a reduction in the size of the wheels.

On June 25, 2008, Request for Bids were sent to seven (7) suppliers potentially capable of providing the wheels. The procurement was also publicly advertised on the DRPA website from June 25, 2008 through July 18, 2008.
The Bid Opening occurred on July 18, 2008. Four (4) responses were received, including one (1) no bid. The low bid was submitted by TSS, Inc. of New Freedom, PA., representing Bonatrans, A.S., Bohumin, Czech Republic in the total amount of $600,400.

There is only one potential domestic supplier of steel wheels – Standard Steel, located in Burnham, PA. Standard Steel submitted a “no bid” on this requirement. Standard Steel informed PATCO that they are manufacturing at capacity and are not taking on additional wheels orders at the current time. Therefore, DRPA/PATCO requested and has been granted a waiver of the Buy America Certification Requirement from the Federal Transit Administration in order to affect the completion of this procurement, as all bid participants submitted Non-Compliance Certificates of the FTA Buy America Requirement.

It is recommended that a contract be negotiated for the purchase and delivery of 400 ea Transit car Wheels with TSS, Inc of New Freedom, PA representing Bonatrans, A.S., Bohumin, Czech Republic in the total amount of $600,400. Upon approval of the Board, a contract will be negotiated with TSS, Inc of New Freedom, PA representing Bonatrans, A.S., Bohumin, Czech Republic to provide the Transit Car Wheels as required.

**SUMMARY:**

- **Amount:** $600,400
- **Source of Funds:** 1999 Revenue Bonds/General Fund (DRPA share $120,080)
- **Capital Project #:** PF0801
- **Operating Budget:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** $480,320 (80% FTA Grant #NJ-90-0053, NJ-90-0084)
- **Duration of Contract:** N/A
- **Other Parties:** N/A
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with TSS, Inc. of New Freedom, PA., representing Bonatrans, A.S., Bohumin, Czech Republic for the purchase and delivery of 400 Transit Car Wheels for a total cost not to exceed $600,400; and be it further

RESOLVED: That 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 the 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. If both the Chair and Vice Chair are absent or unavailable, and any agreement or agreements need to be executed during their absence, then the President may execute on behalf of PATCO.

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