SUMMARY STATEMENT

ITEM NO.: PATCO-14-015 SUBJ ECT: Overhaul of Transit Car Gear Units

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: April 2, 2014

BOARD ACTION DATE: April 16, 2014

PROPOSAL: That the Board authorizes staff to negotiate two (2) 3-year General Services Contracts with the firms of UTC/Rail & Air Sources, Inc. and Penn Machine for the overhaul of transit car gear boxes. The total cost of these two (2) General Services Contracts shall not exceed $1,200,000 over a three-year term.

All firms shall be advised, in writing, that no firm will be guaranteed any portion of the $1,200,000 over the three-year term. For example, if no gear box overhauls are needed by PATCO in the first year of the contract, then no monies will be expended and the $1,200,000 allocation will be available for use in years two and three, as needed.

The n-t-e $1,200,000 contract value is based on an average yearly expenditure (based on three years of historical data) averaging approximately $400,000 per year for gear box overhauls. For budgetary purposes, we intend that these funds will be budgeted in the amount of $400,000 per year over the 3 year contract term. If all budgeted funds are not expended in any given year, the unexpended funds will be moved to the following budget year. Conversely, if more than $400,000 is needed in the first contract year, the additional monies required for gear box overhauls will be deducted from the remaining total contract amount and thus the allocations for years 2 and 3 will be adjusted accordingly.

AMOUNT: n-t-e $1,200,000 (three-year term)

Firms: UTC/Rail & Air Sources, Inc.
501 Highland Avenue
Morton, PA 19070
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Penn Machine
310 Innovation Drive
Blairsville, PA 15717

PURPOSE: To retain firms to overhaul gear boxes for PATCO on an as needed basis in support of PATCO’s operations.

BACKGROUND: Approval of this resolution authorizes staff to enter into General Services Contracts to provide transit car gear box overhauls.

The GA56 gear box is a fixed ratio, double reduction gear box that is coupled to the traction motor and pressed on the car axle. It transmits the torque produced by the motor to the cars’ axles and wheels and reduces the output speed of the motor to that of the axle. Each car incorporates four gear boxes, one per axle. The gear boxes are overhauled when the truck is overhauled, and they are budgeted as part of the truck overhaul. The overhaul interval is driven by wheel life, which is 5 to 7 years or 180,000 to 250,000 miles.

The gear box consists of a fabricated steel case, four gears and associated bearings, seals, gaskets, covers, etc. At the time of overhaul, the box is disassembled and components are visually and magnetic particle inspected. All bearings, gaskets, and hardware are replaced 100% and other components, such as gears, shafts, quills, and bearing housings, are repaired or replaced if they do not meet criteria for re-use. Repairs consist of metal spraying or welding and remachining back to original dimensions. The case, cover, and internal lubrication troughs are inspected for straightness and condition of welds; these components are generally reused as is, but can be repaired by welding if needed, and in some rare cases, they require replacement.

Two (2) qualified firms were technically evaluated and recommended by the review committee to fill PATCO’s need for gear box overhauls because they were the most responsive to the Authority’s present need. The selection of these two recommended firms provides a diversity of skills and a level of experience in the industry that will allow PATCO to continue providing and meeting the needs for safe and secure transportation infrastructure in the region.
Staff is recommending that General Services Contracts be awarded to two (2) firms: UTC/Rail & Air Sources, Inc. and Penn Machine. Assignments will be issued to one (1) of the two (2) firms depending on their particular expertise and type of gear box overhaul.

On December 4, 2013, the Authority issued a Request for Qualifications to retain gear box overhaul contractors on an as-needed basis. We publicly advertised the RFQ on our website and invited interested firms to submit responses to the RFQ, with statement of qualification due no later than 3:00 PM local time on January 3, 2014.

A review team was assembled to evaluate the technical proposals. The team members included: John Shea, Director, Equipment and Ray Lewis, Equipment Manager. All members of the review team were interviewed and cleared of any conflicts by the Inspector General.

The Inspector General’s Office confirmed that all proposers submitted the required Political Contribution Disclosure & Certification Forms.

The entire RFQ process was overseen by the Contract Administration Department.

We received statements of qualification from the following two (2) firms:

Penn Machine  
310 Innovation Drive  
Blairsville, PA 15717

UTC/Rail & Air Sources, Inc.  
501 Highland Avenue  
Morton, PA 19070

Upon approval, all firms will be advised that the total amount of the General Services Contracts is $1,200,000 for a three-year term, and that no one firm is guaranteed any amount thereof.

It is recommended that General Services Contracts be negotiated with the two (2) repair manufacturers for the costs and associated fees not
to exceed $1,200,000.00 for three (3) years to provide gear box overhauls in accordance with the Request for Qualifications. Upon approval of the Board, agreements will be executed with these firms to provide the general services required.

SUMMARY:

| Amount                      | n-t-c $1,200,000 over 3 year term |
| Source of Funds             | 2013 Revenue Bond Project Fund    |
| Operating Budget            | N/A                               |
| Capital Project #           | Project #PD1404                   |
| Master Plan Status          | N/A                               |
| Other Fund Sources          | N/A                               |
| Duration of Contract        | Three Years                       |
| Other Parties Involved      | N/A                               |
RESOLUTION

RESOLVED: That the Board of Commissioners of Port Authority Transit Corporation authorizes staff to negotiate two (2) General Services Contracts for a term of three (3) years with UTC/Rail & Air Sources, Inc. and Penn Machine for transit car gear box overhauls; and be it further

RESOLVED: The total cost of the two (2) General Services Agreements shall not exceed $1,200,000 over the three-year term, and no one firm is guaranteed any amount thereof; 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 document(s) while they are absent or unavailable, then the President shall execute such documents on behalf of PATCO.

SUMMARY:

Amount: n-t-e $1,200,000 over 3 year term
Source of Funds: 2013 Revenue Bond Project Fund
Operating Budget: N/A
Capital Project #: Project #PD1404
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: Three Years
Other Parties Involved: N/A