

## **SUMMARY STATEMENT**

**ITEM NO.: PATCO-17-030**

**SUBJECT: Sole/Single Source Vendors  
for Transit Car Gear Box Overhaul  
Program for PATCO – CY 2017**

**COMMITTEE:**

**Operations & Maintenance**

**COMMITTEE MEETING DATE:**

**September 12, 2017**

**BOARD ACTION DATE:**

**September 20, 2017**

**PROPOSAL:**

**That the Board of Commissioners authorizes staff to enter into a sole or single source procurement contract for the purchase of materials from the approved vendor set forth in Exhibit A to support PATCO's Transit Car Gear Box Overhaul Program for CY 2017.**

**Amount: \$700,000.00 N-T-E (See Attachment)**

**Period: Calendar Year 2017**

**PURPOSE:**

**With the aging infrastructure, PATCO is requesting approval of sole source justification for parts from original equipment manufacturers (OEMs) for the overhaul of the transit car gear boxes. The items to be procured are indexed in the Exhibit A attachment. Based on a thorough review of these items, PATCO procurement has determined that there is only one provider for these particular parts and that they have negotiated the best possible pricing for these items.**

**BACKGROUND:**

**Currently, with the aging infrastructure utilized at PATCO, much of the equipment being maintained and serviced comes from sole or single source vendors. These sole or single source vendors generally have proprietary control over the manufacture of parts, components for PATCO equipment. PATCO's equipment is capital intensive, long-lived and if properly maintained, can operate safely for decades. However, particular rail rolling stock and equipment are manufactured by a relatively small number of industrial producers, often using proprietary designs to meet the particular performance requirements and physical environment of transit systems and railroads. In general, most parts and equipment are not mass-produced, but manufactured to order or are only available from the original equipment manufacturer (OEM), or a successor company with proprietary rights to the original design. These OEM parts or components are needed to repair and maintain rolling stock and other equipment specifically designed by the OEM manufacturer, where available technical data does not assure that a part or component**

**supplied by another vendor will adequately perform the same function it replaces.**

**The 2017 Capital Budget includes funds for the overhaul of transit car gear boxes. The Board approved sole source purchase of parts from Wabtec Global under PATCO-16-027 for an amount not to exceed \$250,000. In order to purchase parts required for the overhaul of the gear boxes, the not to exceed cost needs to increase to \$700,000.**

**Although this project was approved in the 2017 Capital Budget, the total funding amount may be amended because the actual expenditures in 2017 could exceed the approved amount. We will amend the approved 2017 Capital Budget to reflect reallocating funds from another approved project to cover the additional costs for this initiative if necessary. This work will not have an overall effect or impact on the total Capital Budget.**

**For those parts not available through competitive bidding, Exhibit A is attached showing the sole/single source vendor and the product list that can be ordered at a not to exceed cost.**

**While Board approval is being requested to allow for sole/single source procurement on the attached list for purchases over one hundred thousand dollars (\$100,000), there will be additional procedural checks and balances incorporated into the process. For these purchases, documentation shall be prepared by PATCO purchasing outlining the item being purchased, the cost of the purchase, and the total payment to be made by PATCO for goods provided. This document shall be reviewed and approved by the PATCO General Manager.**

**All items purchased on a sole or single source basis are subject to a cost analysis to ensure the reasonableness of the prices quoted. In order to ensure efficient and continuous provisioning of PATCO's maintenance operation, we are seeking the Board's authorization.**

**SUMMARY STATEMENT  
O&M 9/12/2017**

**-2- Sole/Single Source Vendors for  
Transit Car Gear Box Overhaul Program  
for PATCO – CY 2017**

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<b>SUMMARY:</b>	<b>Amount</b>	<b>See Attached Exhibit A</b>
	<b>Source of Funds:</b>	<b>2013 Revenue Bonds</b>
	<b>Period:</b>	<b>Calendar Year 2017</b>
	<b>Capital Project #:</b>	<b>PTD.31505</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>N/A</b>
	<b>Other Parties:</b>	<b>N/A</b>

**PATCO-17-030**  
**Operations & Maintenance Committee: September 12, 2017**  
**Board Date: September 20, 2017**  
**Sole/Single Source Vendors for**  
**Transit Car Gear Box Overhaul Program**  
**for PATCO – CY 2017**

**RESOLUTION**

**RESOLVED:** That the Board of Commissioners authorizes staff to enter into sole or single source procurement for the limited purpose of acquiring those specific items outlined in Exhibit A to support PATCO's Transit Car Gear Box Overhaul Program; 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, after review and approval by Office of General Counsel. 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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	<b>Duration of Contract:</b>	<b>N/A</b>
	<b>Other Parties:</b>	<b>N/A</b>

**EXHIBIT A**  
**SOLE/SINGLE SOURCE VENDOR FOR**  
**TRANSIT CAR GEAR BOX OVERHAUL PROGRAM**  
**FOR PATCO - CY2017**

VENDOR NAME	PART TYPE	NOT TO EXCEED COST
WABTEC Global Services	WABTEC Global Services is the successor to General Electric Transit and has become the OEM of the car's propulsion, ATO, propulsion control, motor and gear box parts. Due to the limited market of this material, the lack of detailed drawings and the potential safety liabilities, at this time there are no alternate sources for these parts.	\$700,000