

SUMMARY STATEMENT

ITEM NO.: PATCO-17-038

SUBJECT: Sole/Single Source Vendors
for Replacement Parts for PATCO –
CY 2018

COMMITTEE:

Operations & Maintenance

COMMITTEE MEETING DATE:

October 31, 2017

BOARD ACTION DATE:

November 15, 2017

PROPOSAL: That the Board of Commissioners authorizes staff to enter into sole or single source procurement contracts for the purchase of materials from approved vendors set forth in Exhibit A to support PATCO's critical operations.

Amount: See Attached Exhibit A

Period: Calendar Year 2018

PURPOSE: With the aging infrastructure, PATCO is requesting approval of sole source justification for replacement parts from original equipment manufacturers (OEMs). Staff has recognized an opportunity to improve procurement efficiencies, streamline work processes and reduce approval redundancies through an annual sole source justification of components and parts critical to PATCO's operation. 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. This approach is consistent with the Lean Government initiatives and philosophies to improve the effectiveness and efficiency of PATCO procurement functions and increase transparency.

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.

Attached Exhibit A is the limited list of sole/single source vendors and the product list that can be ordered from each vendor at a not to exceed cost, subject to approval of 2018 Operating and Capital Budgets.

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 have been 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 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. Items are generally put into inventory and when issued are charged to operations or to an approved capital budget line item. We are seeking the Board's authorization. This process follows similar sole/single source processes of like agencies, such as SEPTA and NJ Transit.

SUMMARY:	Amount	See Attached Exhibit A
	Source of Funds:	General Fund
	Operating Budget:	PATCO Operating Budget
	Capital Project:	Multiple Projects
	Period:	Calendar Year 2018
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties:	N/A

PATCO-17-038
Operations & Maintenance Committee: October 31, 2017
Board Date: November 15, 2017
Sole/Single Source Vendors for
Replacement Parts for PATCO – CY 2018

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 aging infrastructure and OEM needs 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 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 if it is necessary to execute the said document(s) while they are absent or unavailable, then the President may execute such documents on behalf of PATCO.

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EXHIBIT A
SOLE/SINGLE SOURCE VENDORS FOR PATCO - CY2018

VENDOR NAME	PART TYPE	NOT TO EXCEED COST
Alstom Transport	Alstom is the remanufacturer of our transit cars. As each car reaches the end of the two-year warranty, PATCO will be solely responsible for the maintenance of these cars. During 2018 PATCO will have full responsibility for 40 rail cars. Secondary sourcing for some common components, such as HVAC and interior hardware, has been identified. However, Alstom is the OEM for the propulsion and ATC/ATO systems and thus owns the design; these parts cannot be sourced elsewhere.	\$100,000
Helwig Carbon Products	DC motors are very sensitive to the grade of brush used. The only way to determine if a particular manufacturer and grade are acceptable is by conducting performance testing over a long period of time. PATCO has tested carbon brushes and found that Helwig Carbon brushes performed better than others.	\$120,000
ITT Enidine Inc.	Rotary hydraulic dampers are used on the transit car trucks; the dampers in use now are largely original equipment, furnished with the cars when new. It has become evident that the dampers are worn out and do not provide the damping required by the original truck design. Accordingly, we have made replacement of the dampers part of the truck overhaul to coincide with the overhaul of the cars. Enidine manufactures the damper used on PATCO trucks and is the successor to the original manufacturer, Houdaille. Enidine is the only manufacturer of a damper that is interchangeable in form, fit, and function.	\$200,000
Jamaica Bearings	Jamaica Bearings is the sole regional distributor for Timken Bearings. Timken is the manufacturer of the transit car journal (axle) bearings as well as a number of other critical bearings, such as are used in the gearboxes. The journal bearings utilize a unique housing designed for use with the Timken bearing. Timken was specified by the gearbox OEM for the high speed and intermediate bearings in the traction gearbox and the ball bearing in the traction motors.	\$200,000
Cubic Transportation Systems	Cubic Transportation Systems is the current vendor/integrator of PATCO's Automated Fare Collection System. The fare collection gates and ticket vending machines (TVMs) and ticket office terminals were manufactured by Cubic with the majority of the parts unique to these types of devices. The TVM and gate parts	\$225,000

	<p>are modular and in-house staff performs limited bench repairs. Most modules are sent to Cubic (the manufacturer) for repair. The repair price is dependent on the severity of the issue and submitted to PATCO for approval before repairs commence.</p> <p>Some of the major components submitted for repair are:</p> <ul style="list-style-type: none"> • Motor Gear Assembly (fare gate) • Tri-Reader Contactless Card Reader (all devices) • Single Board Computer (mother board for gate and TVM) • Coin Acceptor (TVM) • Bill Handling Unit (TVM) • Ticket Transport (fare gate) <p>If a part cannot be repaired, a replacement part must then be ordered from Cubic.</p>	
WABTEC	<p>WABTEC is the OEM supplier for all of the friction and blended braking equipment on the PATCO transit cars. As is common in the transit industry, there is no interchangeability among manufacturers of brake equipment. Due to limited market for this material and the potential safety liabilities, there are no alternate producers of these components. WABTEC supplies all the rebuild kits for air brake valves, cylinders and compressors. PATCO does the rebuilding in its shop.</p>	\$300,000
WABTEC Global Services	<p>WABTEC Global Services is the successor to General Electric Transit Systems Business Division, the OEM of the cars' propulsion, ATO, propulsion control, motor and gearbox parts. The propulsion, ATO and other control systems were made in small numbers, so there are no other sources for this material. Included are ATO relays, propulsion control relays, power contactors and parts for them, cam controller cams, cam followers and contact tips, sensors, transducers, motor-to-gearbox resilient mounts, couplings and motor filter housings.</p>	\$700,000