SUMMARY STATEMENT

ITEM NO.: PATCO-18-008  SUBJECT: Sole/Single Source Vendor
WABTEC – Threshold Increase – PATCO CY 2018

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: March 6, 2018
BOARD ACTION DATE: March 28, 2018

PROPOSAL: That the Board authorizes staff to increase the sole/single source procurement dollar threshold for the purchase of materials from WABTEC, set forth in Exhibit A.

Amount: See Attached Exhibit A

Period: Calendar Year 2018

PURPOSE: To approve an increase in the sole/single source procurement threshold with WABTEC as set forth on Exhibit A.

BACKGROUND: Currently, 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. 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.

PATCO has determined that an increase is needed to the originally approved dollar threshold with WABTEC to procure parts necessary to maintain the trains.

The Board approved sole source purchase of parts from WABTEC under PATCO-17-038 for an amount not to exceed $300,000. In order to purchase parts required for repair and maintenance of the trains, the threshold needs to increase to $990,000. PATCO’s 2018 Operating Budget includes funds to procure these parts.

While Board approval is being requested to allow for sole/single source procurement on the attached list for purchases, 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 to increase the approved sole source procurement threshold amount with WABTEC.

**SUMMARY:**
- **Amount:** See Attached Exhibit A
- **Source of Funds:** General Fund
- **Operating Budget:** PATCO Operating Budget
- **Capital Project #:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** N/A
- **Other Parties:** N/A
**RESOLUTION**

**RESOLVED:** That the Board authorizes staff to increase the sole or single source procurement dollar threshold identified in the attached Exhibit A in such amount set forth therein; 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.

**SUMMARY:**

| **Amount** | See Attached Exhibit A |
| **Source of Funds:** | General Fund |
| **Operating Budget:** | PATCO Operating Budget |
| **Capital Project #:** | N/A |
| **Master Plan Status:** | N/A |
| **Other Fund Sources:** | N/A |
| **Duration of Contract:** | N/A |
| **Other Parties:** | N/A |
WABTEC is the OEM supplier for all 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.