

EXHIBIT 6d(i)

Metra's Audit & Finance Committee Materials

METRA BOARD OF DIRECTORS

MEETING OF THE AUDIT & FINANCE COMMITTEE

THURSDAY, MARCH 7, 2013

METRA GENERAL OFFICES - BOARD ROOM

547 WEST JACKSON BOULEVARD, CHICAGO, ILLINOIS

ANTICIPATED START TIME 9:15 A.M.

(Following Capital Oversight Committee)

ROLL CALL

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

- **Items Greater than \$100,000 (Consent Agenda)**
 - 1) **Contract Change Order for Accounting System Extended Support**
 - 2) **Blanket Purchase Order for Air Brake Hoses and Fittings (Rebid)**
 - 3) **Blanket Purchase Order to the Purchase, Installation, and Removal of Galvanized Metal Doors at Various Locations**
 - 4) **Blanket Purchase Order for Heating, Ventilation, and Air Conditioning Maintenance and Repair**
 - 5) **Contract Change Order for Banking Services**
 - 6) **Items Less than \$100,000 (Receive & File Report)**

7. KPMG PRESENTATION ON METRA'S AUDIT PLAN

DISCUSSION WITH POSSIBLE ACTION - PSA SERVICE CHANGES

- 8) **BNSF Service Change for Additional Coach Cleaners**
- 9) **UP Service Change for Additional Coach Cleaners**

10. DISCUSSION WITH POSSIBLE ACTION - CASH POLICY

11. ADJOURN

Metra will provide reasonable auxiliary aids or services necessary to afford an individual with a disability an equal opportunity to participate. Persons requiring assistance are requested to notify Metra of their needs well in advance to provide sufficient time to make these accommodations. Requests for services should be made to (312) 322-6966.



TO: Audit & Finance Committee

DATE: March 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Metra Procurements of Greater than \$100,000
for January 18 through February 19, 2013

ACTION: Recommend for Approval

BACKGROUND

Please find attached a Summary of Metra Operating procurements that are greater than \$100,000.00, for the January 18 through February 19, 2013 period.

Total recommended Operating procurements for this period are as follows:

Procurement Type	Operating
Blanket Purchase Orders/Blanket Contracts	\$1,015,000.00
Change Orders	\$2,019,000.00
New Purchase Orders/Contracts	\$0.00
Master Purchase Agreements	\$0.00
Professional Services	\$0.00
Operating Subtotal	\$3,034,000.00

The attached Board Procurement Summaries contain explanations for DBE participation. Race conscious DBE participation includes any participation acquired through the use of setting a goal on a contract when there is a valid sub-contracting opportunity. The race conscious commitment for the period of January 18, 2013 - February 19, 2013 included \$165,000.00 for Operating procurements.

* The DBE goal is calculated based on the Lump Sum Bid which is the Grand Total Bid minus the Unforeseen Conditions/Allowances. The Procurement Summary reports the total award amount including unforeseen conditions and allowances.

Attachment Item	Prime Contractor	DBE Firms	DBE Commitment Breakdown
	Prime: Pro Temp of Illinois, Inc. (IFB 09158)	Central States Manufacturing & Sales	\$165,000.00
	HVAC Repair and Preventive Maintenance at Various Metra Locations.	Bearings & Industrial Supply Co., Inc.	

Attachment Item	Prime Contractor	DBE Firms	DBE Commitment Breakdown
	DBE Goal 15%	Midwestern Electric Co., Inc. Weld Tech, LTD	

ATTACHMENTS

Attachment B: Operating Summary of Procurements Greater than \$100,000 for January 18 through February 19, 2013

Attachment D: OBDCR DBE Summary, Operating Projects – Receive & File

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management

OPERATING

**Summary of Procurements
Greater than \$100,000**

January 18 through February 19, 2013

OPERATING
Procurement Consent Agenda
 January 18 through February 19, 2013

Operating		
B14434 - CO2	Contract Change Order for Accounting System Extended Support	\$264,000.00
B30553	Blanket Purchase Order for Air Brake Hoses and Fittings (Rebid)	\$350,000.00
B30614	Blanket Purchase Order for the Purchase, Installation, and Removal of Galvanized Metal Doors at Various Locations	\$165,000.00
B30644	Blanket Purchase Order for Heating, Ventilation, and Air Conditioning (HVAC) Repair and Preventive Maintenance Services at Various Locations	\$500,000.00
S25756 - CO 11	Contract Change Order for Banking Services	\$1,755,000.00
Operating Subtotal		\$3,034,000.00



ATTACHMENT D

Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects - Consent Agenda

Race Conscious Participation

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

Race conscious participation is achieved by setting contract-specific goals on projects with valid subcontracting opportunities.

To date, for the Federal fiscal year beginning in October 2012, Metra is achieving 0.99% race conscious participation.

Race Neutral Participation

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

Federal regulations 49 CFR Part 26.51 (a) require Metra to meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

To date, for the Federal fiscal year beginning in October 2012, Metra is achieving 4.29% race neutral participation.

*This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.



DATE: March 7, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Contract Change Order for Accounting System Extended Support

ACTION: Approve Recommendation for Change Order No. 2

RECOMMENDATION

Authorize the Executive Director/CEO to execute Change Order No. 2 to Blanket Purchase Order No. B14434 with AST Corporation (AST) for Database Administration (DBA) Support Services. Change Order No. 2 increases the contract by \$264,000.00 from \$6,087,000.00 to \$6,351,000.00.

BACKGROUND

Under Metra RFP No. 93447, Contract No. K99686 for hardware, support, and implementation services for the Revenue Accounting System was issued on May 29, 2009. Support of the Revenue Accounting System under the aforementioned capital contract ended March 31, 2011. To continue supporting the Revenue Accounting System, Blanket Purchase Order No. B14434 with a value not to exceed \$5,805,000.00 was issued for Extended Support for a three-year period expiring on December 31, 2013.

DISCUSSION

During the term of the blanket purchase order, Change Order No. 1 was issued at a cost of \$282,000.00. Change Order No. 1 added DBA Support Services for Non-Revenue Accounting Oracle Application Systems for the year ended December 31, 2012 at a cost of \$252,000.00, and program changes to the Revenue Accounting System at a cost of \$30,000.00. Change Order No. 1 increased the original amount of Contract No. B14434 to \$6,087,000.00. This was an increase of 5.5%.

AST currently provides all support and database administration services needed to maintain the Revenue Accounting System. Under Change Order No. 1, AST also provided database support for Metra's Non-Revenue Accounting Oracle Application Systems. These applications include Human Resources, Grants, Risk Management, and the Kronos Time Keeping System. AST has current knowledge of Metra's computing environment and staff and the expertise to perform these services for all Metra database applications. However, IT staff is investigating the possibility of bringing these database administration skills in-house.

Continued database support for all Metra Oracle activities is needed through 2013. Therefore, Change Order No. 2 is being issued to ensure continuation of these services through December 31, 2013. Change Order No. 2 increases the contract value by \$264,000.00 from \$6,087,000.00 to \$6,351,000.00. This is an increase of 4.4%.

Cumulatively, Change Order Nos. 1 and 2 increase the original amount of Blanket Purchase Order No. B14434 by \$546,000.00 from \$5,805,000.00 to \$6,351,000.00. This is a cumulative increase of 9.4 %.

FISCAL IMPACT

Metra will fund this Change Order through 100% operating funds. Funding is available in the Information Systems 2013 budget, account number 37224000, and is budgeted in 2013.

ALTERNATIVES

If this change order is not approved, AST would be unable to support Metra's Non-Revenue Accounting Oracle Application Systems. IT currently does not have a database administrator position or the in-house expertise to support these Oracle database systems. These systems will be at risk unless another resource is in place and trained to support these non-Revenue Accounting Oracle Application Systems.

NEXT STEPS

After Board approval, the Change Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENT

A. Summary of Metra Change Order Procurement

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Harry Kamer, Department Head, Information Technology
Robert Rich, Contracting Agent

SUMMARY OF METRA CHANGE ORDER PROCUREMENT

Award To: AST Corporation, located in Naperville, IL		Change Order (C/O) #2	
		Original Contract Amount:	\$5,805,000.00
		Previous Change Orders Sum:	\$282,000.00
		This Change Order Amount:	\$264,000.00
		Revised Contract Total:	\$6,351,000.00
Procurement of: Accounting System Extended Support		Purchase Order/Contract No.: B14434	
Bid Expiration Date: N/A	Funding Source: 1801-37224000	Operating	IFB/RFP No.: 93836
			Lead: D. Doughty
			Responsible Dept.: Information Technology
Bid Opening Date: N/A	Public Notice Date:	N/A	Publication: N/A
Term: 1 Year	Quantity: 12 Months	Unit Cost: \$22,000.00 per Month	Date Prepared: January 29, 2013
			Prior Expenditures: \$252,000.00 (for 2012)

DBE Goal: No DBE goal, this procurement is for a Change Order.

Action: Issue Change Order No. 2 to cover additional work within the general scope of the blanket purchase order.

Background: On May 29, 2009 AST Corp. was awarded Contract No. K99686 for hardware, software, and implementation services for the revenue accounting system. These services were solicited under RFP 93447 in November 2008. Award of this contract was approved by the Board on the Consent Agenda in May, 2009.

The Revenue Accounting System RFP requirements, which were also included in the Best and Final Offer (BAFO) and in the finalized Contract, required that the successful proposer would be retained after system implementation to provide support services. Blanket Purchase Order No. B14434 was subsequently issued on May 27, 2011. This contract was for support services, in accordance with the terms of Contract No. K99686, for a three-year period through December 31, 2013. The amount of the Contract award was \$5,805,000.00.

At the November 2011 Board Meeting, the Board of Directors approved fare increases and related policies requiring database administration (DBA) services for Non-Revenue Accounting Oracle application systems effective February 1, 2012. Therefore, Change Order No. 1 was issued to insure that the accounting system could comply with the fare increases by providing the aforementioned required DBA support services for the year 2012. Change Order No. 1 for \$282,000.00 increased the original blanket purchase order not-to-exceed amount from \$5,805,000.00 to \$6,087,000.00, which was an increase of 5.5 %.

Change Order No. 2 for \$264,000.00 is being issued to continue support of the DBA services for the Non-Revenue Accounting Oracle application systems for the year 2013. Change Order No. 2 increases the blanket purchase order value from \$6,087,000.00 to \$6,351,000.00, which is an increase of 4.4 %.

Cumulatively, Change Order Nos. 1 and 2 increase the original amount of Blanket Purchase Order No. B14434 by \$546,000.00 from \$5,805,000.00 to \$6,351,000.00. This is a cumulative increase of 9.4 %.



DATE: March 7, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Air Brake Hoses and Fittings

ACTION: Approve Recommendation for Metra IFB No. 44916

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B30553) with Strato, Inc. to provide air brake hoses and fittings, in response to IFB No. 44916. The contract term is for three years, and the contract amount is not to exceed \$350,000.00.

BACKGROUND

The previous Blanket Purchase Order (B91835) expired on November 30, 2012, and \$299,964.49 was expended from the \$300,000.00 Blanket Purchase Order total. IFB No. 44916 has been solicited to continue procuring air brake hoses and fittings.

DISCUSSION

This is a rebid. Bids received in the initial bid opening of November 27, 2012 were rejected because the solicitation's price list required revisions. On December 17, 2012, a rebid was published. The opening of the rebid occurred on January 14, 2013. Four responses were received from New York Air Brake Co.; Wabtec Passenger Transit; Strato, Inc.; and Geib Industries, Inc. The bids of both New York Air Brake Co. and Wabtec Passenger Transit were deemed non-responsive for failing to offer pricing on all items as required by the IFB. This failure is considered a material deviation from the terms and conditions of the IFB. The lowest responsive and responsible bidder was determined to be Strato, Inc.

The Materials Management Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award covers the procurement of railroad air brake hoses and fittings for the repair and maintenance of the air brake systems on locomotives, coaches and highliners. Materials include such items as male straight connectors, hose glad hand couplings, air TBU hoses (tread brake unit), armored hoses, hose assembly TBU for highliner and MK cars, highliner complete assembly TBU unit hoses, end brake pipe with coupling hoses for locomotives, end main reservoir coupling hoses for MK, NS, Budd cars and locomotives, coupling and connector hose assemblies, brake pipe jumper hose assemblies, and main reservoir end hose assemblies. This material will be used by the Mechanical Department for the repair and maintenance of existing equipment on all Metra service districts. These parts will be inventoried in Metra's storehouses and utilized by the Mechanical Department on an as-needed basis.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As material is needed, the Materials Management Department will issue release notices for the required material to the recommended vendor.

The Purchase Order is for three years and a total of \$350,000.00. Funding is available in the Mechanical Department's budget, account 31463000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets as this contract period will begin this year and should end in the early part of the year 2016. It is estimated that \$116,667.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 232 vendors registered for four relevant commodities in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply railroad air brake hoses and fittings, solicitations were also mailed to 33 of the vendors known or considered more likely to supply these parts. Four vendors responded, and all four have previously transacted business with Metra. The four bids received are summarized below:

	<u>Bidder</u>	<u>Amount</u>
*	New York Air Brake Co.	\$32,258.00
**	Wabtec Passenger Transit Strato, Inc.	\$34,513.75 \$71,795.94
	Geib Industries, Inc.	\$76,187.06

- * The bid submitted by New York Air Brake Co. (\$32,258.00) is non-responsive because the firm failed to bid on all items as required by page 2 of 3 of the subject Invitation for Bid, which states: "Bidder Must Bid On All Items To Be Responsive". Additionally, New York Air Brake Co.'s bid was received without the required signed Exhibit 1-L - Buy America Certificate. Invitation for Bid No. 44916, Exhibit 1, Bid Submittal Checklist, Page 1, Paragraph D states:

NOTE: FOR EXHIBIT 1-L, IF METRA'S AWARD TOTAL IS \$100,000.00 OR GREATER, BIDDERS MUST COMPLETE THIS FORM AND SUBMIT IT WITH YOUR BID TO BE CONSIDERED RESPONSIVE. THIS FORM (BUY AMERICA CERTIFICATE) MUST BE RETURNED COMPLETED, EVEN IF BIDDERS QUOTE IS UNDER \$100,000.00 AND METRA'S AWARD TOTAL IS \$100,000.00 OR GREATER.

These are material deviations from the terms and conditions of the Invitation for Bid (IFB) and rendered New York Air Brake Co.'s bid pursuant to the IFB materially non-responsive. New York Air Brake Co. was not the low bid on the items it did bid.

** The bid submitted by Wabtec Passenger Transit (\$34,513.75) is also non-responsive because the firm failed to bid on all the items as required by page 2 of 3 of the subject Invitation for Bid, which states: "Bidder Must Bid On All Items To Be Responsive".

This is a material deviation from the terms and conditions of the Invitation for Bid (IFB) and rendered Wabtec Passenger Transit's bid pursuant to the IFB non-responsive. Wabtec Passenger Transit was not the low bid on the items it did bid.

Strato, Inc. is the lowest responsive and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra would not be able to complete the necessary repair and maintenance to existing locomotives, coach and highliner cars on all Metra operating districts. Without proper functioning air brake parts, equipment would need to be withheld from service. This would have a potentially adverse impact on Metra's service operations.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn Capranica, Department Head, Procurement
Urbano Damian, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Strato, Inc., located in Piscataway, NJ		Amount: \$350,000.00 (Not-to-Exceed)	
Procurement of: Railroad Air Brake Hoses and Fittings		Purchase Order No.: B30553	
Bid Expiration Date: 4/14/13	Funding Source: 6722-3146-3000 Operating	IFB No.: 44916	Lead: B. Darin
			Responsible Dept.: Materials
Bid Opening Date: 1/14/13	Public Notice Date: 12/17/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 18 line items	Unit Cost: From \$1.59 to \$52.15	Date Prepared: 1/25/13
			Prior Expenditures: \$299,964.49 was previously expended on contract no. B91835 with Geib Industries, Inc., awarded on 11/24/09.

DBE Goal: No DBE goal – This procurement is for specialized rail service no DBE firms identified to compete.

Action:
Award a Blanket Purchase Order to Strato, Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a three-year period and will not exceed \$350,000.00.

Background:
This is a rebid. Bids received in the initial bid opening of November 27, 2012 were rejected because the solicitation’s price list required revising. On December 17, 2012, a rebid was published soliciting firms to submit sealed bids for railroad air brake hoses and fittings. The opening of the rebid occurred on January 14th, 2013.

This award covers the procurement of railroad air brake hoses and fittings, and includes such items as male straight connectors, hose glad hand couplings, air TBU hoses (tread brake unit), armored hoses, hose assembly TBU for highliner and MK cars, highliner complete assembly TBU unit hoses, end brake pipe with coupling hoses for locomotives, end main reservoir coupling hoses for MK, NS, Budd cars and locomotives, coupling and connector hose assemblies, brake pipe jumper hose assemblies, and main reservoir end hose assemblies. This material will be used by the Mechanical Department for the repair and maintenance of existing equipment on all Metra service districts. These parts will be purchased into Metra’s inventory to be charged out and utilized by the Mechanical Department on an as-needed basis.

The previous Blanket Purchase Order expired on November 30, 2012, and \$299,964.49 was expended from the \$300,000.00 Blanket Purchase Order total.

Bid Tabulation:

Bid solicitations were emailed to 232 vendors registered for four commodities in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply railroad air brake hoses and fittings, solicitations were also mailed to 33 of the vendors known or considered more likely to supply these parts. Four vendors responded, and all four vendors have previously transacted business with Metra. The four bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* New York Air Brake Co.	\$32,258.00
** Wabtec Passenger Transit	\$34,513.75
Strato, Inc.	\$71,795.94
Geib Industries, Inc.	\$76,187.06

Geib Industries, Inc. had the previous contract, and its bid price was \$73,315.56 for similar items on a price list which contained 23 line items.

Bid Analysis:

- * The bid submitted by New York Air Brake Co. (\$32,258.00) is non-responsive because the firm failed to bid on all the items as required by page 2 of 3 of the subject Invitation for Bid, which states: "Bidder Must Bid On All Items To Be Responsive". Additionally, New York Air Brake Co.'s bid was received without the required signed Exhibit 1-L- Buy America Certificate. Invitation for Bid No. 44916, Exhibit 1, Bid Submittal Checklist, Page 1, Paragraph D states:

NOTE: FOR EXHIBIT 1-L, IF METRA'S AWARD TOTAL IS \$100,000.00 OR GREATER, BIDDERS MUST COMPLETE THIS FORM AND SUBMIT IT WITH YOUR BID TO BE CONSIDERED RESPONSIVE. THIS FORM (BUY AMERICA CERTIFICATE) MUST BE RETURNED COMPLETED, EVEN IF BIDDERS QUOTE IS UNDER \$100,000.00 AND METRA'S AWARD TOTAL IS \$100,000.00 OR GREATER.

These are material deviations from the terms and conditions of the Invitation for Bid (IFB) and rendered New York Air Brake Co.'s bid pursuant to the IFB materially non-responsive. New York Air Brake Co. was not the low bid on the items it did bid.

- ** The bid submitted by Wabtec Passenger Transit (\$34,513.75) is also non-responsive because the firm failed to bid on all the items as required by page 2 of 3 of the subject Invitation for Bid, which states: "Bidder Must Bid On All Items To Be Responsive".

This is a material deviation from the terms and conditions of the Invitation for Bid (IFB) and rendered Wabtec Passenger Transit's bid pursuant to the IFB materially non-responsive. Wabtec Passenger Transit was not the low bid on the items it did bid.

Strato Inc. is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Strato, Inc. manufactures, develops and engineers quality products for the railroad and transit industries. It produces products per customer requirements while meeting all AAR (Association of American Railroads) specifications and standards. Strato, Inc. supplies freight car, transit and locomotive air brake hose assemblies.

B. Procurement Background

This is a rebid. Bids received in the initial bid opening of November 27, 2012 were rejected because the solicitation's price list required revising. On December 17, 2012, a rebid was published soliciting firms to submit sealed bids for railroad air brake hoses and fittings. The opening of the rebid occurred on January 14, 2013. Award was to be based upon a lot basis to the lowest responsive and responsible bidder.

C. DBE Goal

No DBE goal – This procurement is for specialized rail service no DBE firms identified to compete.

D. Evaluation Criteria

Bid solicitations were emailed to 232 vendors registered for four relevant commodities in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply railroad air brake hoses and fittings, solicitations were also mailed to 33 of the vendors known or considered more likely to supply these parts. Four vendors responded, and all four vendors have previously transacted business with Metra. The four bids received are summarized below:

	<u>Bidder</u>	<u>Amount</u>
*	New York Air Brake Co.	\$32,258.00
**	Wabtec Passenger Transit Strato, Inc.	\$34,513.75 \$71,795.94
	Geib Industries, Inc.	\$76,187.06

- * The bid submitted by New York Air Brake Co. (\$32,258.00) is non-responsive because the firm failed to bid on all the items as required by page 2 of 3 of the subject Invitation for Bid, which states: "Bidder Must Bid On All Items To Be Responsive". Additionally, New York Air Brake Co.'s bid was received without the required signed Exhibit 1-L- Buy America Certificate. Invitation for Bid No. 44916, Exhibit 1, Bid Submittal Checklist, Page 1, Paragraph D states:

NOTE: FOR EXHIBIT 1-L, IF METRA'S AWARD TOTAL IS \$100,000.00 OR GREATER, BIDDERS MUST COMPLETE THIS FORM AND SUBMIT IT WITH YOUR BID TO BE CONSIDERED RESPONSIVE. THIS FORM (BUY AMERICA CERTIFICATE) MUST BE RETURNED COMPLETED, EVEN IF BIDDERS QUOTE IS UNDER \$100,000.00 AND METRA'S AWARD TOTAL IS \$100,000.00 OR GREATER.

These are material deviations from the terms and conditions of the Invitation for Bid (IFB) and rendered New York Air Brake Co.'s bid pursuant to the IFB materially non-responsive. New York Air Brake Co. was not the low bid on the items it did bid.

- ** The bid submitted by Wabtec Passenger Transit (\$34,513.75) is also non-responsive because the firm failed to bid on all the items as required by page 2 of 3 of the subject Invitation for Bid, which states: "Bidder Must Bid On All Items To Be Responsive".

This is a material deviation from the terms and conditions of the Invitation for Bid (IFB) and rendered Wabtec Passenger Transit's bid pursuant to the IFB materially non-responsive. Wabtec Passenger Transit was not the low bid on the items it did bid.

Based upon the process outlined above, it is recommended to issue a Blanket Purchase Order for materials listed in IFB No. 44916 to Strato, Inc., the lowest responsive and responsible bidder. This Blanket Purchase Order is for three years, and the contract amount is not to exceed \$350,000.00.

E. Cost/Price Analysis

Based upon the bids received, Strato, Inc.'s pricing is 5.76% lower than Geib Industries, Inc.'s (the next lowest responsive and responsible bidder) pricing. Therefore, based upon this comparison, Strato, Inc.'s offered pricing is deemed competitive and appears to be fair and reasonable.



DATE: March 7, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order to Purchase, Install, and Remove Galvanized Metal Doors

ACTION: Approve Recommendation for Metra IFB No. 38908

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B30614) with Midwest Dock Solutions to provide services for galvanized metal doors in response to IFB No. 38908. The contract term is for three years, and the contract amount is not to exceed \$165,000.00.

BACKGROUND

The previous Blanket Purchase Order expired on January 31, 2012, and \$108,340.90 was expended from the \$110,000.00 blanket purchase order total. IFB No. 38908 has been solicited to continue procuring services for galvanized metal doors.

DISCUSSION

In December, 2012, Metra published an IFB soliciting firms to submit sealed bids for the purchase, installation, and removal of galvanized doors at various Metra locations throughout the six-county service region including maintenance, support and other facilities containing these types of doors. This blanket purchase order will be used on an as-needed basis to replace galvanized metal doors due to damage or vandalism.

The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As service is needed, the Engineering Department will issue release notices for the required service to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$165,000.00. Funding is available in the Engineering Department's Yard and Support Facility budget, account 34044000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015, and 2016

budgets as this contract period will begin this year and should end in the early part of the year 2016. It is estimated that \$55,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 326 vendors registered for four relevant commodities in Metra's Emailing Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide services for the purchase, installation, and removal of galvanized metal doors, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this service. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Midwest Dock Solutions	\$54,260.00
American Building Services, LLC	\$55,780.70
Builders Chicago Corporation	\$65,398.00
Rasch Construction and Engineering, Inc.	\$66,085.00
Pierini Iron Works, Inc.	\$72,998.00
Door Systems, Inc.	\$76,378.00

Midwest Dock Solutions is the lowest responsive and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not issued, Metra would not be able to replace damaged or vandalized doors at various facilities located throughout Metra's system thereby potentially compromising the safety and security of those facilities.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution. After execution, the required Performance and Material Bonds and Insurance Certificates will be requested.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Steve Bauman, Professional Services Coordinator

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Midwest Dock Solutions located in Crete, IL		Amount: \$165,000.00 (Not-to-Exceed)	
Procurement of: Purchase, Installation, and Removal of Galvanized Metal Doors at Various Metra Locations		Purchase Order No.: B30614	
Bid Expiration Date: 4/10/13	Funding Source: Operating	IFB No.: 38908	Lead: J. Lorenzini
			Responsible Dept.: Engineering Department
Bid Opening Date: 1/10/13	Public Notice Date: 12/11/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 37 line items	Unit Cost: From \$15.00 to \$505.00	Date Prepared: 1/31/13
			Prior Expenditures: \$108,340.90 was previously expended on Blanket Purchase Order No. B98407 with Builders Chicago Corporation, awarded on 2/18/09.

DBE Goal: No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action:

Award a blanket purchase order to Midwest Dock Solutions, the lowest responsive and responsible bidder. Award was made on a low lot basis. This blanket purchase order will be for a three-year period and is not to exceed \$165,000.00.

Background:

This award covers the purchase, installation, and removal of galvanized doors at various Metra locations. Usage of this blanket purchase order is on an as-needed basis and depends on the need to replace galvanized metal doors due to damage or vandalism. The Engineering Department has primary responsibility for this blanket purchase order.

Bid Tabulation:

Bid solicitations were emailed to 326 vendors registered for four relevant commodities in Metra’s Emailing Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide services for the purchase, installation, and removal of galvanized metal doors, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this service. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Midwest Dock Solutions	\$54,260.00
American Building Services, LLC	\$55,780.70
* Builders Chicago Corporation	\$65,398.00
Rasch Construction and Engineering, Inc.	\$66,085.00
Pierini Iron Works, Inc.	\$72,998.00
Door Systems, Inc.	\$76,378.00

*Builders Chicago Corporation had the previous contract, and its bid price was \$121,685.80 in 2009.

Bid Analysis:

Midwest Dock Solutions is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Midwest Dock Solutions (MDS) is a distributor of galvanized metal doors, overhead doors, and loading dock equipment. Dock equipment includes dock levelers, seals, shelters, lights, truck restraints, steel canopies, bumpers and bug screen doors. MDS capabilities include: installation, repair, preventive maintenance, cleaning, debris removal, and testing of various types of doors.

MDS can also provide custom welding and metal fabrication for industrial and commercial applications, both on and off-site. MDS can provide custom welding services for dock plates, steel door jams or door wraps, loading dock pit framework, industrial door accessories, railings, stairways, or a range of other loading dock applications. MDS' expert welding combined with custom metal fabrication creates a quality loading dock installation that is durable, safe, and professional looking.

B. Procurement Background

In December, 2012, Metra published an IFB soliciting firms to submit sealed bids for the purchase, installation, and removal of galvanized doors at various Metra locations. Usage of this blanket purchase order is on an as-needed basis and depends on the need to replace galvanized metal doors due to damage or vandalism. The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

C. DBE Goal

No DBE goal. This procurement has been identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

D. Evaluation Criteria

Bid solicitations were emailed to 326 vendors registered for four relevant commodities in Metra's Emailing Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide services for the purchase, installation, and removal of galvanized metal doors, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this service. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Midwest Dock Solutions	\$54,260.00
American Building Services, LLC	\$55,780.70
Builders Chicago Corporation	\$65,398.00

Rasch Construction and Engineering, Inc.	\$66,085.00
Pierini Iron Works, Inc.	\$72,998.00
Door Systems, Inc.	\$76,378.00

Based upon the process outlined above, the recommendation is to issue a Blanket Purchase Order for services, as listed in IFB No. 38908 to Midwest Dock Solutions, the lowest responsive and responsible bidder. The Blanket Purchase Order is for three years and is not to exceed \$165,000.00.

E. Cost/Price Analysis

The price quoted by Midwest Dock Solutions is deemed fair and reasonable based on a comparison with competing bid prices for the same services.



DATE: March 7, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Heating, Ventilation, and Air Conditioning Maintenance and Repair

ACTION: Approve Recommendation for Metra IFB No. 09158

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B30644) with Pro Temp of Illinois, Inc. to provide Heating, Ventilation, and Air Conditioning (HVAC) services in response to IFB No. 09158. The contract term is for three years, and the contract amount is not to exceed \$500,000.00.

BACKGROUND

The previous Blanket Purchase Order expires on July 31, 2013, and \$471,694.48 has been expended from the \$500,000.00 Blanket Purchase Order total. IFB No. 09158 has been solicited to continue procuring HVAC services.

DISCUSSION

In October, 2012, Metra published an IFB soliciting firms to submit sealed bids for HVAC repair and preventive maintenance services at various locations throughout the entire Metra system. Facilities to be serviced include maintenance shops, storerooms and stations. This blanket purchase order will be used on an as-needed basis for HVAC preventive maintenance work and for necessary repair of failed HVAC equipment.

The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As service is needed, the Engineering Department will issue release notices for the required services to the recommended vendor.

The Purchase Order is for three years and a total of \$500,000.00. Funding is available in the Engineering Department's Yard and Support Facility budget, account 34044000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015, and 2016 budgets as

this contract will begin this year and should end in the early part of the year 2016. It is estimated that \$166,667.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 186 vendors registered for the commodities "Electric" and "HVAC" in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide HVAC repair and preventive maintenance services, solicitations were also mailed to 24 of the vendors known or considered more likely to provide HVAC repair and preventive maintenance services. Five vendors responded, and two of the five have previously transacted business with Metra. The five bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Pro Temp of Illinois, Inc.	\$467,100.00
Advanced Climate Solutions LLC	\$559,800.00
A.M.C. Mechanical, Inc.	\$576,000.00
Core Mechanical, Inc.	\$624,546.00
Anchor Mechanical, Inc.	\$857,500.00

Pro Temp of Illinois Inc. is the lowest responsive and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not issued, Metra would not be able to have necessary repairs and preventive maintenance work performed on HVAC equipment at various locations throughout the Metra system.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution. After execution, the required Insurance Certificates and DBE Subcontracts will be requested.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Steve Bauman, Professional Services Coordinator

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Pro Temp of Illinois, Inc. located in La Grange, IL		Amount: \$500,000.00 (Not-to-Exceed)	
Procurement of: HVAC Repair and Preventive Maintenance at Various Metra Locations		Purchase Order No.: B30644	
Bid Expiration Date: 3/31/13	Funding Source: Operating	IFB No.: 09158	Lead: J. Lorenzini
			Responsible Dept.: Engineering Department
Bid Opening Date: 10/31/12	Public Notice Date: 10/10/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: Estimated: 4500 hrs Straight Time 900 hrs Overtime	Unit Cost: \$64.00/hr. \$96.00/hr.	Date Prepared: 1/31/13
			Prior Expenditures: \$471,694.48 has been expended on previous Blanket Purchase Order No. B14663 with Pro Temp of Illinois, Inc., awarded on 7/27/11.

DBE Goal: 15% DBE goal. The prime committed to 33% (\$165,000.00) DBE participation; the subcontractors are Central States Manufacturing & Sales, Bearings & Industrial Supply Co., Inc., Midwestern Electric Co., Inc. and Weld Tech, LTD.

Action:
Award a blanket purchase order to Pro Temp of Illinois, Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis. This blanket purchase order will be for a three-year period and is not to exceed \$500,000.00.

Background:

In October, 2012, Metra published an IFB soliciting firms to submit sealed bids for HVAC repair and preventive maintenance services at various locations throughout the entire Metra system. Facilities to be serviced include maintenance shops, storerooms and stations. This blanket purchase order will be used on an as-needed basis for HVAC preventive maintenance work and for necessary repair of failed HVAC equipment.

The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

Bid Tabulation:

Bid solicitations were emailed to 186 vendors registered for the commodities "Electric" and "HVAC" in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited

vendors provide HVAC repair and preventive maintenance services, solicitations were also mailed to 24 of the vendors known or considered more likely to provide HVAC repair and preventive maintenance services. Five vendors responded, and two of the five have previously transacted business with Metra. The five bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Pro Temp of Illinois, Inc.	\$467,100.00
Advanced Climate Solutions LLC	\$559,800.00
A.M.C. Mechanical, Inc.	\$576,000.00
Core Mechanical, Inc.	\$624,546.00
Anchor Mechanical, Inc.	\$857,500.00

* Pro Temp of Illinois Inc. had the previous contract, and its bid price was \$504,000.00 in 2011.

Bid Analysis:

Pro Temp of Illinois Inc. is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Pro-Temp of Illinois, Inc. (PTI) has been serving Illinois for over 10 years. PTI provides services for HVAC installation, repair, maintenance, and design. Its focus is to remain progressive in the industry and offer the customer the most innovative and highest quality materials that the market has to offer. In addition, it is committed to employee safety training.

B. Procurement Background

In October, 2012, Metra published an IFB soliciting firms to submit sealed bids for HVAC repair and preventive maintenance services at various locations throughout the entire Metra system. Facilities to be serviced include maintenance shops, storerooms and stations. This blanket purchase order will be used on an as-needed basis for HVAC preventive maintenance work and for necessary repair of failed HVAC equipment.

The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

C. DBE Goal

15% DBE goal. The prime committed to 33% (\$165,000.00) DBE participation; the subcontractors are Central States Manufacturing & Sales, Bearings & Industrial Supply Co., Inc., Midwestern Electric Co., Inc. and Weld Tech, LTD.

D. Evaluation Criteria

Bid solicitations were emailed to 186 vendors registered for the commodities "Electric" and "HVAC" in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide HVAC repair and preventive maintenance services, solicitations were also mailed to 24 of the vendors known or considered more likely to provide HVAC repair and preventive maintenance services. Five vendors responded, and two of the five have previously transacted business with Metra. The five bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Pro Temp of Illinois, Inc.	\$467,100.00
Advanced Climate Solutions LLC	\$559,800.00
A.M.C. Mechanical, Inc.	\$576,000.00
Core Mechanical, Inc.	\$624,546.00
Anchor Mechanical, Inc.	\$857,500.00

Based upon the process outlined above, it is recommended to issue a Blanket Purchase Order for services, as listed in IFB No. 09158 to Pro Temp of Illinois Inc., the lowest responsive and responsible bidder. The Blanket Purchase Order is for three years and is not to exceed \$500,000.00.

E. Cost/Price Analysis

The price quoted by Pro Temp of Illinois, Inc. is deemed fair and reasonable based on a comparison with competing bid prices for the same services.



DATE: March 7, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Contract Change Order for Banking Services

ACTION: Approve Recommendation for Contract No. S25756 Change Order No. 11

RECOMMENDATION

Authorize the Executive Director/CEO to execute Change Order No. 11 to Contract No. S25756 for Banking Services for Bank of America, N.A. (formerly LaSalle Bank National Association). Change Order No. 11 extends the period of performance by six months from April 30, 2013 to October 31, 2013. Change Order No. 11 increases the contract value by \$1,755,000.00 from \$14,226,316.00 to \$15,981,316.00.

BACKGROUND

On April 5, 2002, using the Professional Services exemption for public solicitation, Metra awarded Contract No. S25756 to LaSalle National Bank. The contract had a not-to-exceed value of \$3,134,602.00 and was for a five-year period ending January 25, 2007. Services to be rendered under the contract included ticket-by-mail collection processing, ticket-by-internet ACH processing, and cash/coin processing for station agents through the provision of depository, cash, and revenue collection services.

DISCUSSION

The first three change orders were due to the impact of several initiatives taking priority including the New Starts financial modules, Triennial Review, FTA Financial Oversight Review, the RTA Act revisions, Transit Cards and the Leasehold compliance issues.

Change Order No. 1 was issued as a 340-day, no-cost time extension from January 25, 2007 to December 31, 2007.

Change Order No. 2 for \$733,714.00 increased the original contract value from \$3,134,602.00 to \$3,868,316.00, which was an increase of 23.4%. The additional work was necessary to continue the existing banking services under the current contract while Metra planned to solicit a new Request for Proposal. The change order also extended the contract time for completion by 366 days from December 31, 2007 to December 31, 2008.

Change Order No. 3 was issued as a no-cost time extension for 90 days from December 31, 2008 to March 31, 2009.

Change Order No. 4 was issued as a no-cost time extension for 61 days from March 31, 2009 to May 31, 2009.

The more recent change orders were due to changes in the bank's lockbox processing platform created by Metra's lockbox processing requirements, implementation of credit card acceptance, and the Revenue Accounting System conversion. These new and ongoing initiatives impacted time availability for Metra staff to complete the requirements associated with the prioritized initiatives.

Change Order No. 5 increased the contract value by \$3,650,000.00 from \$3,868,316.00 to \$7,518,316.00. This was an increase of 94.4%. Change Order No. 5 was issued for Bank of America to provide merchant bank services and equipment necessary for credit card processing that started in September, 2009. Fees for existing services were maintained at current rates. Change Order No. 5 also extended the contract time for completion by 579 days from May 31, 2009 to December 31, 2010.

Change Order No. 6 increased the contract value by \$3,000,000.00 from \$7,518,316.00 to \$10,518,316.00. This was an increase of 39.9%. The primary reason for the change order was the complexity of getting the Revenue Accounting System up and running on its accelerated schedule to meet the implementation timetable for the new Point-of-Sale terminals at the stations. Additionally, the CTA was exploring new approaches to fare collection and credit card processing using third party services, which Metra was also considering. Change Order No. 6 also extended the contract time for completion by 365 days from December 31, 2010 to December 31, 2011. A Banking Services Request for Proposals was solicited in August, 2011.

To complete the review and award process and to allow time for any necessary transition of these services, Change Order No. 7 was issued to increase the value of the contract by \$1,080,000.00 from \$10,518,316.00 to \$11,598,316.00, an increase of 10.3%, and extended the time for completion by 182 days from December 31, 2011 to June 30, 2012.

While the Request for Proposal was in the aforementioned review and award process, staff determined that additional time and funds were needed to maintain continuity of banking services until a new contract is finalized. Change Order No. 8 therefore increased the value of the contract for these services by \$648,000.00 from \$11,598,316.00 to \$12,246,316.00, an increase of 5.6%, and extended the time of completion by 92 days from June 30, 2012 to September 30, 2012.

While the contracts to be issued under Banking Services RFP No. 10453 were in the approval process, Change Order No. 9 was issued to ensure the continuation of banking services. Change Order No. 9 increased the contract value by \$225,000.00 from \$12,246,316.00 to \$12,471,316.00. This was an increase of 1.8%. Change Order No. 9 extended the period of performance by 31 days from September 30, 2012 to October 31, 2012.

It was determined that rejecting all proposals under RFP No. 10453 would be in Metra's best interest. Change Order No. 10 was issued to ensure the continuation of banking services while new proposals are being solicited. Change Order No. 10 increased the contract value by \$1,755,000.00 from \$12,471,316.00 to \$14,226,316.00. This was an increase of 14.1%. Change Order No. 10 extended the period of performance by 181 days from October 31, 2012 to April 30, 2013.

OPERATING

Change Order Nos. 1 through 10 increased the original amount of Contract No. S25756 by \$11,091,714.00 from \$3,134,602.00 to \$14,226,316.00. This is a cumulative increase of 353.8%.

RFP 10453-A is for the re-solicitation of Banking Services and currently under review. Therefore, Change Order No. 11 is being issued to ensure the continuation of banking services while new proposals are being solicited. Change Order No. 11 increases the contract value by \$1,755,000.00 from \$14,226,316.00 to \$15,981,316.00. This is an increase of 12.3%. Change Order No. 11 extends the period of performance by six months from April 30, 2013 to October 31, 2013.

FISCAL IMPACT

Metra will continue to pay the fees currently being charged under Contract No. S25756 for Banking Services during the extension period of Change Order No. 11. The Banking Charges for this period are sufficiently covered within the Finance Department budget, Bank Charges line item. This change order is funded with 100% operating funds to account number 1501-37405000.

ALTERNATIVES

If Change Order No. 11 is not executed, no viable alternative to maintain a smooth continuation of banking services will exist.

NEXT STEPS

After Board approval, the Change Order Request will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Change Order Procurement

Prepared by Robert Vorisek, Treasury Director, Treasury & Finance
Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management
Robert Rich, Contracting Agent

ATTACHMENT A

SUMMARY OF METRA CHANGE ORDER PROCUREMENT

Award To: Bank of America, located in Chicago, IL	Change Order (C/O) #11	
	Original Contract Amount:	\$3,134,602.00
	Previous Change Orders Sum:	\$11,091,714.00
	This Change Order Amount:	\$1,755,000.00
	Revised Contract Total:	\$15,981,316.00

Procurement of: Banking Services	Purchase Order/Contract No.: S25756
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Bid Expiration Date: N/A	Funding Source: Operating 1501-37405000	IFB/RFP No.: 49807	Lead: T. Farmer Responsible Dept.: Treasury
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Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A
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Term: 6 Months	Quantity: 1 Lot	Unit Cost: \$1,755,000.00	Date Prepared: 1/31/13
			Prior Expenditures: N/A

DBE Goal: No DBE goal, this procurement is for a Change Order.

Action:
Issue Change Order No. 11 to cover additional work within the general scope of the contract and extend the date for contract completion.

Background:
The first three change orders were due to the impact of several initiatives taking priority including the New Starts financial modules, Triennial Review, FTA Financial Oversight Review, the RTA Act revisions, Transit Cards and the Leasehold compliance issues.

This contract covers banking services for the ticket-by-mail collection processing, ticket-by-internet ACH processing, and cash/coin processing for station agents through the provision of depository, cash, and revenue collection services for Metra Operations and Treasury as required by the Treasury and Finance Department.

Change Order No. 1 was issued as a 340-day, no-cost time extension from January 25, 2007 to December 31, 2007.
Change Order No. 2 for \$733,714.00 increased the original contract value from \$3,134,602.00 to \$3,868,316.00,

which was an increase of 23.4%. The additional work was necessary to continue the existing banking services under the current contract while Metra planned to solicit a new RFP. The change order also extended the contract time for completion by 366 days from December 31, 2007 to December 31, 2008. All other original contract terms and conditions remained the same.

Change Order No. 3 was issued as a no-cost time extension by 90 days from December 31, 2008 to March 31, 2009.

Change Order No. 4 was issued as a no-cost time extension by 61 days from March 31, 2009 to May 31, 2009.

The more recent change orders were due to changes in the bank's lockbox processing platform created by Metra's lockbox processing requirements, implementation of credit card acceptance and the Revenue Accounting System conversion. These new and ongoing initiatives impacted time availability for Metra staff to complete the requirements associated with the prioritized initiatives.

Change Order No. 5 increased the contract value by \$3,650,000.00 from \$3,868,316.00 to \$7,518,316.00. This was an increase of 94.4%. Change Order No. 5 was issued for Bank of America to provide merchant bank services and equipment necessary for credit card processing that started in September, 2009. Fees for existing services were maintained at current rates. Change Order No. 5 also extended the contract time for completion by 579 days from May 31, 2009 to December 31, 2010.

Change Order No. 6 increased the contract value by \$3,000,000.00 from \$7,518,316.00 to \$10,518,316.00. This was an increase of 39.9%. The primary reason for the change order was the complexity of getting the Revenue Accounting System up and running on its accelerated schedule to meet the implementation timetable for the new Point-of-Sale terminals at the stations. Additionally, the CTA was exploring new approaches to fare collection and credit card processing using third party services, which Metra would also consider. Change Order No. 6 also extended the contract time for completion by 365 days from December 31, 2010 to December 31, 2011. A Banking Services Request for Proposals was solicited in August, 2011.

To complete the review and award process and to allow time for any necessary transition of these services, Change Order No. 7 was issued to increase the value of the contract by \$1,080,000.00 from \$10,518,316.00 to \$11,598,316.00, an increase of 10.3%, and extended the time for completion by 182 days from December 31, 2011 to June 30, 2012.

While the Request for Proposal was in the aforementioned review and award process, staff determined that additional time and funds were needed to maintain continuity of banking services until a new contract is finalized. Change Order No. 8 therefore increased the value of the contract for these services by \$648,000.00 from \$11,598,316.00 to \$12,246,316.00, an increase of 5.6%, and extended the time of completion by 92 days from June 30, 2012 to September 30, 2012.

While the contracts to be issued under Banking Services RFP No. 10453 were in the approval process, Change Order No. 9 was issued to ensure the continuation of banking services. Change Order No. 9 increased the contract value by \$225,000.00 from \$12,246,316.00 to \$12,471,316.00. This was an increase of 1.8%. Change Order No. 9 extended the period of performance by 31 days from September 30, 2012 to October 31, 2012.

It was determined that rejecting all proposals under RFP No. 10453 would be in Metra's best interest. Change Order No. 10 was issued to ensure the continuation of banking services while new proposals are being solicited. Change Order No. 10 increased the contract value by \$1,755,000.00 from \$12,471,316.00 to \$14,226,316.00. This was an increase of 14.1%. Change Order No. 10 extended the period of performance by 181 days from October 31,

2012 to April 30, 2013.

Change Order Nos. 1 through 10 increased the original amount of Contract No. S25756 by \$11,091,714.00 from \$3,134,602.00 to \$14,226,316.00. This is a cumulative increase of 353.8%.

RFP 10453-A is for the re-solicitation of Banking Services and currently under review. Therefore, Change Order No. 11 is being issued to ensure the continuation of banking services while new proposals are being solicited. Change Order No. 11 increases the contract value by \$1,755,000.00 from \$14,226,316.00 to \$15,981,316.00. This is an increase of 12.3%. Change Order No. 11 extends the period of performance by six months from April 30, 2013 to October 31, 2013.

OPERATING

Recommendation: S25756-CO 11 Banking Services-Bank of America



TO: Audit & Finance Committee

DATE: March 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Metra Procurements of \$100,000 and Under
for January 18 through February 19, 2013

ACTION: Receive and File

BACKGROUND

Please find attached a Summary of Metra Operating procurements that are \$100,000.00 or less, for the period of January 18 through February 19, 2013.

Total Metra Operating procurements in the amount of \$10,000.01 - \$100,000 for this period are as follows:

Procurements \$10,000.01 - \$100,000	Operating
Budgeted	\$304,632.20
Unbudgeted	\$0.00
Operating Subtotal	\$304,632.20

The attached Board Procurement Summaries contain explanations for the DBE participation.

Race neutral DBE participation is defined as identifying opportunities for DBE's to participate as primes through providing technical assistance, unbundling contracts and assisting with bonding, if applicable.

Race neutral DBE participation for all procurements \$100,000.00 and under for the period of January 18 through February 19, 2013 was \$98,000.00. The Office of Business Diversity and Civil Rights race neutral outreach efforts for this period included:

- One certification consultation (explaining the certification application to potential DBE firms)
- Emailed 22 DBE firms of upcoming bid opportunities; 8 DBEs submitted bids; 1 DBE was a low bidder

ATTACHMENTS

Attachment B: Operating Procurements for January 18 through February 19, 2013
B-1: Operating Summary of Procurements \$10,000.01 - \$100,000
B-2: Operating Listing of Procurements Under \$10,000

Attachment D: OBDCR DBE Summary, Operating Projects – Receive & File

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management

OPERATING

**Summary of Procurements
\$10,000.01 - \$100,000**

January 18 through February 19, 2013

OPERATING

January 17 through February 19, 2013

Operating			
B-1	B23548	Blanket Purchase Order to Diesel Power Equipment Co., located in Batavia, IL, for Deutz Engine Parts and Service	\$90,000.00
B-2	B23780	Blanket Purchase Order to Rail Development Group, located in Rochester, NY, for Repair and Return of Switch Machines	\$60,000.00
B-3	B30136	Operating Blanket Purchase Order to Holzberg Communications, Inc., located in Totowa, NJ, for Replacement Parts for Relm/Hyt Portable Radios	\$25,000.00
B-4	B30154	Blanket Purchase Order to Day-N-Nite, Inc., located in Chicago, IL, for Local and Suburban Messenger Service	\$45,000.00
B-5	B30171	Purchase Order to Ebenezer Railcar Services, located in West Seneca, NY, for Freight Car Parts	\$35,000.00
B-6	S21981	Purchase Order to Phoenix Software International, Inc., located in El Segundo, CA, for Annual Software Maintenance Renewal	\$12,876.00
B-7	S23568	Purchase Order to Innovation Data Processing, located in Little Falls, NJ, for Software Maintenance Renewals for FDR/FASTCPK, ABR, FDRINST/FLSH and FATS/FATAR	\$15,635.00
B-8	S23569	Purchase Order to Océ North America, Inc., located in Chicago, IL, for Toner and Developer for Océ 7300 Variostream Laser Printer	\$11,062.20
B-9	S30005	Purchase Order to ASPE, Inc., located in Cary, NC, for SharePoint Training	\$10,059.00
Operating Subtotal			\$304,632.20

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Diesel Power Equipment Co., located in Batavia, IL		Amount: \$90,000.00 (Not-to-Exceed)	
Procurement of: Deutz Engine Parts and Service		Purchase Order/Contract No.: B23548	
Bid Expiration Date: 03/2/13	Funding Source: 5971-3420-3400 5971-3420-4000	Operating	IFB No.: 38961
			Lead: J. Lorenzini Responsible Dept.: Engineering
Bid Opening Date: 11/30/12	Public Notice Date:	11/6/12	Publication: Chicago Sun-Times
Term: Three Years	Quantity: 22 Line Items	Unit Cost: Ranging From \$2.75 – \$23,160.00	Date Prepared: 12/17/12
			Prior Expenditures: \$79,036.89 has been expended on contract no. B91442 with Diesel Power Equipment Co., awarded on 10/21/09.

DBE Goal: No DBE goal – No IL UCP DBEs identified to provide this type of procurement.

Action:

Award a Blanket Purchase Order to Diesel Power Equipment Co., the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a three-year period and is not to exceed \$90,000.00.

Background:

This is a re-bid. The original bid opening, September 6, 2012, resulted in no bids being received. Therefore, the procurement was re-solicited.

The award covers the procurement of Deutz engine replacement repair parts and service for on-track and off-track work equipment such as Kershaw ballast compactors, regulators and tie cranes; Nordco and Portec anchor machines; and Racine anchor adjusters and spreaders. This material and service will be used by the Engineering Department at Metra’s Blue Island maintenance-of-way repair facility. The parts include such items as various new and remanufactured engines, shutdown solenoids, oil coolers, heater units, timing belts, fuel injectors, and tensioners. The servicing of Metra’s work equipment can only be performed by an authorized Deutz distributor in order to maintain any type of warranty provided by the manufacturer. Diesel Power Equipment Co., one of three authorized distributors for Deutz in the Illinois and Indiana region, can provide the parts and service required by Metra.

This material and service (Operating) will be purchased and when received, will be expensed to the requesting department.

Bid Tabulation:

Bid solicitations were emailed to 74 vendors registered for the commodity "Engine – Large Diesel (Deutz), and On & Off Track Work Equipment Repair Parts" in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply Deutz engine parts and service, solicitations were also mailed to six of the vendors known or considered more likely to supply these parts and service. Two vendors responded, and one of them has previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Diesel Power Equipment Co.	\$142,961.13
Thoesen Tractor & Equipment Co., Inc.	\$269,579.25

* Diesel Power Equipment Co. had the previous contract, and its bid price was \$83,112.60.

Bid Analysis:

An internet search was conducted, and it was determined only three authorized Deutz distributors are in the Illinois and Indiana region. A canvass was conducted on non-bidders to determine why they did not bid; see below.

- Illini Power Products responded that it could not be competitive with larger distributors.
- Hoesli Diesel Service was contacted and a message was left for the company representative, but no response has been received.
- Diesel Equipment Co. is the lowest responsive and responsible bidder.

It is in Metra's best interest to accept the bid submitted by Diesel Power Equipment Co., since two competitive bids were received. Metra finds the bid submitted by Diesel Power Equipment Co. to be fair and reasonable.

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SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Rail Development Group, located in Rochester, NY		Amount: \$60,000.00 (Not-to-Exceed)	
Procurement of: Repair and Return of Switch Machines		Purchase Order/Contract No.: B23780	
Bid Expiration Date: 2/7/13	Funding Source: Operating 6941-3350-4000 5941-3350-4000 4971-3350-4000	IFB No.: 38987	Lead: J. Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: 11/7/12	Public Notice Date: 10/11/12	Publication: Chicago Sun-Times	
Term: 2 Years	Quantity: Seven Line Items	Unit Cost: Ranging from \$4,495.00 to \$6,799.00	Date Prepared: 12/21/12
			Prior Expenditures: \$45,745.00 was previously expended on contract no. B13487 with Patco Industries, Inc., issued on 02/14/11.

DBE Goal: No DBE goal – Rail specific procurement. No IL UCP DBEs identified to provide this type of procurement.

Action:

Award a blanket purchase order to Rail Development Group the lowest responsive and responsible bidder. This blanket purchase order will be for a two-year period, with a “not-to-exceed” value of \$60,000.00.

Background:

This award covers the procurement of repair and return of switch machines. This service will be utilized by the Engineering Department to provide repair services for power operated switch machines of Metra’s Electric, Milwaukee, and Rock Island Districts. A switch machine is a mechanism that is controlled by electrical connections that will safely and reliably move the points of a switch to allow the movement of railroad engines, cars and equipment through multiple routes. Switch machines consist of: Alstom (GRS) Models 5A, 5B, 5F and US&S Models A-5, M-3 and M-23B. These switch machines may require cleaning, degreasing, refurbishing and/or painting.

This material (Operating) will be purchased and when received, will be expensed to the requesting operating department.

Bid Tabulation:

Bid solicitations were emailed to 78 vendors registered for the commodity “GRS Switch Machines & Related Accessories (Alstom Signaling)” in Metra’s Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide switch machine repair services, solicitations were also mailed to 33 of the vendors known or considered more likely to provide switch machine repair services. Three

vendors responded, and all three have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Ansaldo STS USA, Inc.	\$52,606.00
Rail Development Group	\$59,346.00
J-Manufacturing, Inc.	\$79,440.00

Patco Industries, Inc. had the previous contract, and its bid price was \$32,024.00.

Bid Analysis:

- * The bid submitted by Ansaldo STS USA, Inc. (\$52,606.00) was deemed non-responsive because it did not quote pricing on all items as required by the Basis of Award of the Invitation for Bid, which states "Bidder must bid on all items to be responsive." Ansaldo STS USA, Inc. only bid 4 of the 7 line items and those line items were higher than those of the next lowest bidder. This is a material deviation from the terms and conditions of the Invitation for Bid.

Rail Development Group is the lowest responsive and responsible bidder.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Holzberg Communications, Inc., located in Totowa, NJ		Amount: \$25,000.00 (Not to Exceed)	
Procurement of: Replacement Parts for Relm/Hyt Portable Radios		Purchase Order/Contract No.: B30136	
Bid Expiration Date: 03/11/13	Funding Source: 5961-3390-3100	Operating	IFB No.: 08071
			Lead: Joseph Lorenzini
		Responsible Dept.: Engineering	
Bid Opening Date: 12/11/12	Public Notice Date: 11/16/12	Publication: Chicago Sun-Times	
Term: Two Years	Quantity: 12 Line Items	Unit Cost: \$7.00 To \$59.00	Date Prepared: 01/10/12
			Prior Expenditures: \$24,963.13 was previously expended on contract no. B05149 with Illinois Communication Sales, Inc., which was issued on 01/07/11.

DBE Goal: No DBE Goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action:

Award a Blanket Purchase Order (BPO) to Holzberg Communications, Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis. This blanket purchase order will be for a two-year period and is not to exceed \$25,000.00.

Background:

This award covers the procurement of replacement parts for 200 Relm/Hyt portable radios utilized in all districts by Metra Police, Conductors, Engineers and field crews for intra-departmental voice communication. Parts will be utilized on an as-needed basis. Radios repaired can vary from approximately one to ten per day. This material (Operating) will be purchased and, when received, will be expensed to the requesting operating department.

Bid Tabulation:

Bid solicitations were emailed to 139 vendors registered for the commodity “Radios and Components” in Metra’s Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material or service, solicitations were also mailed to 63 of the vendors known or considered more likely to supply these parts. Two vendors responded, both of whom have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Holzberg Communications, Inc.	\$17,010.00
* Illinois Communication Sales, Inc.	\$24,190.00

* Illinois Communication Sales, Inc. had the previous contract. A direct comparison of pricing between the current bid's offered prices and the previous contract's prices cannot be made due to an increase in line items on the current IFB. The previous IFB consisted of eight line items and the current IFB consists of 12.

Bid Analysis: Holzberg Communications, Inc., is responsive to all terms and conditions of the invitation for bid.

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SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Day-N-Nite, Inc., located in Chicago, IL		Amount: \$45,000.00 (Not-to-Exceed)	
Procurement of: Local and Suburban Messenger Service		Purchase Order/Contract No.: B30154	
Bid Expiration Date: 3/17/13	Funding Source: Operating 1440-37245000	IFB No.: 54507	Lead: P. Kisielius
			Responsible Dept.: Administrative Services
Bid Opening Date: 12/17/12	Public Notice Date: 11/20/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 41 Line Items	Unit Cost: Ranging From \$3.00 – \$65.00	Date Prepared: 1/14/13
			Prior Expenditures: \$22,322.40 has been expended on contract no. B04947 with Day-N-Nite, Inc., awarded on 12/06/10.

DBE Goal: No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action:

Award a Blanket Purchase Order to Day-N-Nite, Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a three-year period and will not exceed \$45,000.00.

Background:

The award covers the procurement of local and suburban messenger services to be controlled by the Administrative Services Department. This service will include pick-up, delivery, and round trip messenger services for handling business-related envelopes, packages and other correspondence on an as-needed basis for the entire organization. The service area will include locations within Chicago and Metra's six-county region.

This service (operating) will be purchased and when received, will be expensed to the requesting operating department.

Bid Tabulation:

Bid solicitations were emailed to 19 vendors registered for the commodity "Administrative Services – Messenger Service" in Metra's Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors perform messenger services, solicitations were also mailed to ten of the vendors known or considered more likely to supply this service. Eight vendors responded, and one of them has previously transacted business with Metra. The eight bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Day-N-Nite, Inc.	\$23,660.45
Chicago Messenger Service, Inc.	\$25,194.38
U.S. Messenger	\$27,831.83
Standard Carrier	\$29,279.12
Arrow Messenger Service, Inc.	\$35,305.50
Delivery & Distribution Solutions	\$43,250.00
R.R. Donnelley	\$57,357.75
Atlas & Associates	\$59,465.00

* Day-N-Nite, Inc. had the previous contract, and its bid price was \$15,842.50 for a two-year period.

Bid Analysis:

Day-N-Nite, Inc. is the lowest responsive and responsible bidder.

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SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Ebenezer Railcar Services, located in West Seneca, NY		Amount: \$35,000.00	
Procurement of: Freight Car Parts		Purchase Order/Contract No.: B30171	
Bid Expiration Date: 4/9/13	Funding Source: 6736-3191-3100 4721-3191-3100	Operating	IFB No.: 54106
			Lead: M. Ryan Responsible Dept.: Mechanical
Bid Opening Date: 1/9/13	Public Notice Date:	12/10/12	Publication: Chicago Sun-Times
Term: Five Years	Quantity: 14 Line Items	Unit Cost: From: \$12.00 To: \$1,200.00	Date Prepared: 1/14/13
			Prior Expenditures: \$9,830.30 has been previously expended on contract no. B13588, dated 3/10/11 with Southern Parts & Equipment, Inc.

DBE Goal: No DBE goal – Rail specific procurement. No IL UCP DBEs identified to provide this type of procurement.

Action: Award a purchase order to Ebenezer Railcar Services, the lowest responsive and responsible bidder. Award was made on a low lot basis.

Background: This award covers the procurement of freight car parts to be utilized by the Mechanical Department in the repair of Metra’s fleet of non-revenue freight cars on an as-needed basis. The Mechanical Department supports the repairs on a fleet of 100 freight cars used for track and other maintenance-of-way repairs throughout the entire Metra system.

Bid Tabulation: Bid solicitations were emailed to 152 vendors registered for three relevant commodities in Metra’s Email Marketing Director Database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide freight car parts, solicitations were also mailed to 14 of the vendors known or considered more likely to provide this material. An additional 13 vendors were researched via the internet and provided an invitation to bid. Four vendors responded, and three of them have previously transacted business with Metra. The four bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Wabtec Global Services	\$10,762.90
** Progress Rail Services	\$25,048.15
Ebenezer Railcar Services	\$30,215.00
Southern Parts & Equipment, Inc.	\$34,848.60

Bid Analysis:

- * Wabtec Global Services was deemed non-responsive for failing to comply with the Blue & White computer generated form; Basis of Award section:

BASIS OF AWARD – IF AWARDED, THE CONTRACT WILL GO TO THE BIDDER WHO MAKES THE LOWEST RESPONSIVE, RESPONSIBLE BID. METRA WILL AWARD WITHIN 90 DAYS FROM THE BID OPENING ON A LOT BASIS. BIDDER MUST BID ALL ITEMS TO BE RESPONSIVE.

Wabtec Global Services failed to quote on all items as required. This failure is deemed a material deviation from the terms and conditions of the Invitation for Bid.

- ** Progress Rail Services was deemed non-responsive for failing to comply with the Blue & White computer generated form; Basis of Award section:

BASIS OF AWARD – IF AWARDED, THE CONTRACT WILL GO TO THE BIDDER WHO MAKES THE LOWEST RESPONSIVE, RESPONSIBLE BID. METRA WILL AWARD WITHIN 90 DAYS FROM THE BID OPENING ON A LOT BASIS. BIDDER MUST BID ALL ITEMS TO BE RESPONSIVE.

Progress Rail Services failed to quote on all items as required. This failure is deemed a material deviation from the terms and conditions of the Invitation for Bid.

Ebenezer Railcar Services is responsive to all the terms and conditions of the invitation for bid.

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Phoenix Software International, Inc., located in El Segundo, CA		Amount: \$12,876.00	
Procurement of: Annual Software Maintenance Renewal		Purchase Order/Contract No.: S21981	
Bid Expiration Date: N/A	Funding Source: Operating 1801-3722-5500	IFB No.: 93782	Lead: D. Doughty
			Responsible Dept.: Information Technology
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: One Year	Quantity: One Service	Unit Cost: \$12,876.00	Date Prepared: 10/19/12
			Prior Expenditures: \$12,876.00 was previously expended with Phoenix Software International, Inc. for maintenance between 9/8/11 and 9/7/12.

DBE Goal: No DBE goal – Sole Source Procurement – Service only available from a single source (Phoenix Software International, Inc.)

Action: Award a purchase order to Phoenix Software International, Inc. Award was made on a sole source basis.

Background:

The subject purchase order covers the procurement of a one-year software maintenance renewal for on-going data entry support. Data entry staff uses this software to key in critical data such as Payroll, Accounts Payable, General Ledger and other data required to support systems for the mainframe. This maintenance renewal is for the period of 9/8/12 through 9/7/13.

Phoenix Software International, Inc. is the only manufacturer of this proprietary software. Phoenix Software International, Inc. does not sell through distributors. This software maintenance is only available from Phoenix Software International, Inc.

This award is not subject to public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (c), which covers goods or services economically procurable from only one source.

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Innovation Data Processing., located in Little Falls, NJ		Amount: \$15,635.00 (Not-to-Exceed)	
Procurement of: Software Maintenance Renewals for FDR/FASTCPK, ABR, FDRINST/FLSH and FATS/FATAR		Purchase Order/Contract No.: S23568	
Bid Expiration Date: N/A	Funding Source: Operating 1801-3722-5500	IFB No.: 93816	Lead: D. Doughty
			Responsible Dept.: Information Systems
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: One year	Quantity: FDR/FASTCPK ABR FDRINST/FLSH FATS/FATAR	Unit Cost: \$5,600.00 \$4,980.00 \$955.00 \$4,100.00	Date Prepared: 12/17/12
			Prior Expenditures: \$15,005.00 was previously expended for the previous one-year period, 10/1/11 – 9/30/12, with Innovation Data Processing.

DBE Goal: No DBE goal – Sole Source Procurement – Service only available from a single source (Innovation Data Processing).

Action:
Award a purchase order to Innovation Data Processing. Award was made on a sole source basis. This purchase order is effective 10/1/12 through 9/30/13 and will not exceed \$15,635.00.

This procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (c), which covers goods and services economically procurable from only one source and Paragraph (f), which covers purchases and contracts for the use or purchase of data processing equipment and data processing systems software.

Background:

This award provides for software maintenance renewals for FDR/FASTCPK, ABR, FDRINST/FLSH, and FATS/FATAR. This software consists of utility programs required by the Information Technology Department. These utility programs are used by all computer operations for tape/disk backup and restoration/recovery of files on the mainframe computer. Tape processing is an integral part of Metra’s disaster recovery plan and overnight batch processing processes. These utility programs have been installed and used by Metra since 1985 and the software maintenance is renewed on an annual basis.

This software is only available from Innovation Data Processing.

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Océ North America, Inc., located in Chicago, IL		Amount: \$11,062.20	
Procurement of: Toner and Developer for Océ 7300 Variostream Laser Printer		Purchase Order/Contract No.: S23569	
Bid Expiration Date: N/A	Funding Source: Operating 1801-3722-3100	IFB No.: 93813	Lead: Douglas Doughty
			Responsible Dept.: Information Technology
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: Five days	Quantity: 20 10	Unit Cost: \$398.61 each \$309.00 each	Date Prepared: January 17, 2013
			Prior Expenditures: \$9,425.00 was previously expended on contract no. B14657 with Océ North America, Inc., which was issued on 8/23/11.

DBE Goal: No DBE goal—Sole Source Procurement—Material available only from a single source (Océ North America, Inc.).

Action: Award a purchase order to Océ North America, Inc. Award was made on a sole source basis.

This award is not subject to public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (c), which provides for goods or services that are economically procurable from one source.

Background:

This award covers the procurement of toner and developer used in an Océ Variostream Laser Printer. This is Metra's production printer, used by the Information Technology Department at 547 W. Jackson Blvd. to print most of the reports from Accounts Payable, Payroll, Inventory, and other mainframe systems. The average annual usage of these products are three bottles of toner per month and one bottle of developer approximately every two months.

Telephone inquiries and an Internet search conducted with distributors of Océ/Canon toners and developers verified that toners and developers used in the Variostream Laser Printer can only be purchased directly from Océ North America, Inc.

There is no other known source of toner or developer for use in the Océ Variostream Laser Printer. These items are only available through Océ North America, Inc.

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: ASPE, Inc., located in Cary, NC		Amount: \$10,059.00	
Procurement of: SharePoint Training		Purchase Order/Contract No.: S30005	
Bid Expiration Date: N/A	Funding Source: Operating 0730-39054000	IFB No.: 04255	Lead: Douglas Doughty
			Responsible Dept.: Information Technology
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: N/A	Quantity: Six Students (plus one additional student at no cost)	Unit Cost: \$1,676.50 per student	Date Prepared: 1/7/2013
			Prior Expenditures: N/A

DBE Goal:
No DBE Goal-Procurement was awarded in accordance with Federal/General Services Supply Schedules utilizing prices determined by a General Services Administration (GSA) contract.

Action:
Award a purchase order to ASPE, Inc. This award was made in accordance with the U.S. General Services Administration Supply Schedules, utilizing prices determined by the United States Federal Supply Service and the General Services Administration (GSA) Contract No. GS-35-0571Y.

This procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e), which provides for goods or services procured from another governmental agency including, without limitation, procurements pursuant to joint government purchasing.

Background:
This award covers a SharePoint 2013 boot camp training class for Information Technology staff to be taught on-site at Metra in early 2013. The class covers the newest release, SharePoint 2013. Unique elements of the class include creating a governance road map to plan and manage deployment, defining the SharePoint architecture, understanding central administration, designing custom workflows, and performing the actual implementation. A total of seven employees will be trained. The training is for a four day period. SharePoint 2013 will be used to begin implementing a number of department projects that will allow collaboration of documents, data, and files throughout Metra's organization. The goal is to move from an aged file sharing technology to modern web-based access of corporate data that can be managed and maintained directly by the using departments.

By using the GSA pricing for this training, the cost per attendee is reduced from \$2,195.00 to \$1,676.50.

OPERATING

**Listing of Procurements
\$10,000 and Under**

January 18 through February 19, 2013

OPERATING

Listing of Procurements Under \$10,000
January 18 through February 19, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
B23617	2/18/2013	JEAN KRIPTON INC.	TEMPORARY LEGAL SECRETARY	\$9,800.00	SMITH
B30358	1/30/2013	WERNER PRINTING & ENGRAVING CO.	BLANKET CONTRACT FOR MISC. COPYING SERVICES	\$9,800.00	CARLTON
B30610	1/30/2013	WERNER PRINTING & ENGRAVING CO.	GENERAL OFFSET PRINTING FOR METRA LETTERHEAD, FORMS AND ENVELOPES	\$9,500.00	CARLTON
B30666	1/31/2013	DELTA INDUSTRIES INC.	BLANKET CONTRACT FOR MAINTENANCE/REPAIR OF AIR COMPRESSORS	\$9,800.00	LORENZINI
S23802	1/29/2013	CHICAGO SOFT, LTD.	MVS/QUICKREF SOFTWARE MAINTENANCE RENEWAL FOR IT DEPT.	\$4,628.00	DOUGHTY
S30106	1/18/2013	PLASSER AMERICAN CORP.	SWITCH, PROXIMITY TO REPLENISH INVENTORY	\$678.00	DARIN
S30137	1/31/2013	P S TECHNOLOGY, INC.	SOFTWARE MAINTENANCE SUPPORT FOR METRA'S CREW CALLING SYSTEM	\$5,600.00	DOUGHTY
S30164	1/18/2013	DICK'S INDUSTRIAL SUPPLY	CUP HOLDERS FOR LOCO CABS	\$148.84	DARIN
S30230	1/18/2013	GEXPRO	SWITCHES, LIMIT TO REPLENISH INVENTORY	\$198.60	DARIN
S30301	1/18/2013	L & W INDUSTRIES, INC.	DWARF SIGNAL TO REPLACE SIGNALS DAMAGED BY FREIGHT TRAIN DERAILMENT	\$3,489.12	LORENZINI
S30339	1/22/2013	EZTECH MFG., INC.	HLDRS, EXT. QUIET/FAMILY CARS SIGNAGE TO REPLENISH INVENTORY	\$7,200.00	DARIN
S30352	1/22/2013	GE TRANSP. PARTS (PPC/G&G)	HANGER, ASSEMBLY TO REPLENISH INVENTORY	\$1,192.90	DARIN
S30353	1/22/2013	MCMASTER CARR SUPPLY CORP.	IMPACT SOCKETS/TO STRIP TRACTION MOTOR	\$92.62	RYAN
S30355	1/23/2013	MCMASTER CARR SUPPLY CORP.	WRENCH 6 HANDLE	\$91.12	RYAN
S30356	2/15/2013	SOFTWARE ENGINEERING OF AMERICA	SYSTEM SOFTWARE SUPPORT TO ENABLE ARCHIVAL MATERIAL REPRINTING	\$6,644.63	DOUGHTY
S30372	1/23/2013	MCMASTER CARR SUPPLY CORP.	IMPACT SOCKET, SWIVEL JOINT ADAPTER	\$431.12	RYAN
S30407	1/31/2013	MACKINNEY SYSTEMS	SOFTWARE MAINTENANCE FOR MAINFRAME NIGHTLY BATCH JOB PROCESSING	\$750.00	DOUGHTY
S30408	1/25/2013	BBA PROJECT, INC.	SPEAKER, P.A SYSTEM WITH GRILL TO REPLENISH INVENTORY	\$2,280.00	DARIN
S30447	1/24/2013	HARRIS EQUIPMENT CORP.	LUBRICANT FOR HIGHLINER AIR COMPRES	\$9,021.00	DARIN
S30460	1/25/2013	MARCO SUPPLY COMPANY	PIPE, COUPLING, PVC FOR CABLE CONNECTION BET. SIGNALS AND RELAYS	\$2,771.80	DARIN

OPERATING

Listing of Procurements Under \$10,000

January 18 through February 19, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S30473	2/7/2013	INTERNATIONAL BUSINESS MACHINE	ANNUAL SOFTWR MAINT RENEW FOR SPSS	\$3,770.60	DOUGHTY
S30490	2/8/2013	GLORY (USA) INC.	MAINTENANCE FOR CURRENCY READERS FOR STATION SERVICES DEPT.	\$1,833.07	ORSENO
S30543	1/25/2013	MCMASTER CARR SUPPLY CORP.	CART FOR HAULING OLD BRAKE SHOES	\$308.19	RYAN
S30548	1/30/2013	WEST SIDE INDUSTRIAL SUPPLY	NUTS AND GRINDING DISCS	\$575.50	RYAN
S30561	1/29/2013	SAF-T-GARD INTERNATIONAL, INC.	GLOVES, HIGH VOLTAGE RUBBER	\$366.15	DARIN
S30574	1/31/2013	DICK'S INDUSTRIAL SUPPLY	WATER/ANTI-FREEZE MIXER FOR LOCO WATER TANK	\$2,227.00	RYAN
S30580	1/29/2013	MOTION INDUSTRIES, INC.	HEAVY DUTY HOSE REELS	\$1,511.46	RYAN
S30627	2/1/2013	STRATO INC.	HOSE, AIR TBU MK CARS	\$5,652.65	DARIN
S30718	2/13/2013	JAMES L HOWARD & CO.	LOCK, SLIDING DOOR, TOILET FOR BI-LEVEL COACH REPAIRS	\$5,305.44	DARIN
S30774	2/6/2013	MOTION INDUSTRIES, INC.	ADHESIVE SEALANT	\$92.80	RYAN
S30788	2/6/2013	CIRCLE TRACTOR	UTILITY GATOR DOOR	\$1,661.60	RYAN
S30790	2/7/2013	IRVING KANNET & ASSOC., INC.	DECAL MPI EPIC AIR BRAKE	\$232.50	RYAN
S30816	2/8/2013	OLIE M ERICKSEN, INC.	PLUG, ACETYLENE	\$530.00	DARIN
S30819	2/7/2013	CROWN BATTERY MFG. CO.	TANK, BLADDER WATERING BATTERY	\$578.00	DARIN
S30829	2/7/2013	TESCO, LLC	CONNECTING ROD ASSEMBLY	\$1,862.00	DARIN
S30834	2/7/2013	HARRIS EQUIPMENT CORP.	KIT, ELEMENT SEPARATOR - INVENTORY FOR AIR COMPRESSORS	\$10,000.00	DARIN
S30841	2/8/2013	ANC CAR APPEARANCE SYSTEMS, INC.	TANK FOR 47TH ST. CAR WASH	\$1,548.00	RYAN
S30845	2/7/2013	STANDARD COMPANIES	MISCELLANEOUS CLEANING ITEMS	\$486.43	RYAN
S30863	2/8/2013	DAVIS INSTRUMENTS	CALIBRATOR	\$1,662.83	RYAN
S30864	2/12/2013	SCHINDLER ELEVATOR CORP.	REPAIR OF ELEVATOR NO. 6 AT 547 W. JACKSON	\$729.57	LORENZINI

OPERATINGListing of Procurements Under \$10,000
January 18 through February 19, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S30865	2/8/2013	RAILS CO.	CLAMP, HEATER ADJUSTABLE SUPPORT	\$335.00	DARIN
S30881	2/11/2013	GRAINGER	MISC. TOOLS FOR ENGINEERING DEPT. USE	\$892.00	LORENZINI
S30885	2/11/2013	STEINER ELECTRIC CO.	CABLE CUTTERS FOR ENGINEERING DEPT. USE	\$542.00	LORENZINI
S30915	2/12/2013	GRAINGER	SPACE HEATERS FOR TICKET OFFICES	\$283.14	LORENZINI
S30936	2/13/2013	SAN MATEO, INC.	STAINLESS STEEL WASTE CONTAINER	\$557.40	DARIN
S30940	2/13/2013	DICK'S INDUSTRIAL SUPPLY	JACK PLUGS FOR 49TH ST SHOP	\$768.90	RYAN
S31040	2/15/2013	J-TEC METAL PRODUCTS, INC.	BAR, 480 CABLE TO REPLENISH INVENTORY	\$992.00	DARIN
S31073	2/15/2013	HARRIS EQUIPMENT CORP.	REPAIR KIT FOR WATTS DEAD ENGINE	\$368.00	DARIN
S31081	2/15/2013	DICK'S INDUSTRIAL SUPPLY	PREFILTERS FOR MECH. DEPT. SHOP AIR COMPRESSOR	\$1,287.26	RYAN
S31104	2/15/2013	GRAINGER	REPLACEMENT BATTERIES FOR METERS AT STOREHOUSE	\$37.20	RYAN
S31118	2/19/2013	RENEWAL COMPOUNDS, INC.	NON-SKID GRANOGRIP SAFETY KIT TO REPLENISH INVENTORY	\$5,310.00	DARIN
S31124	2/19/2013	SAFETY-KLEEN SYSTEMS, INC.	WASHER PARTS USED BY MACHINISTS AND ELECTRICIANS	\$4,180.00	RYAN
S31131	2/19/2013	DICK'S INDUSTRIAL SUPPLY	PAINT, POLYURETHANE ENAMEL TO REPLENISH INVENTORY	\$302.26	DARIN

ATTACHMENT D

Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects – Receive and File

Race Conscious Participation

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

Race conscious participation is achieved by setting contract-specific goals on projects with valid subcontracting opportunities.

To date, for the Federal fiscal year beginning in October 2012, Metra is achieving 0% race conscious participation.

Race Neutral Participation

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

Federal regulations 49 CFR Part 26.51 (a) require Metra to meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

To date, for the Federal fiscal year beginning in October 2012, Metra is achieving 3.49% race neutral participation.

*This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.

MINUTES OF A PUBLIC MEETING OF THE BOARD OF DIRECTORS OF THE COMMUTER RAIL DIVISION OF THE REGIONAL TRANSPORTATION AUTHORITY

The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority met in a public session for a Meeting of the Audit and Finance Committee on Thursday, March 7, 2013, immediately following the Capital Investment Committee. The meeting was held in the Metra Board Room at 547 West Jackson Boulevard, Chicago, Illinois, pursuant to notice.

The roll was then taken.

ROLL CALL

Present: Paul C. Darley, Chairman
Don A. De Graff
Mike W. McCoy
Stan Rakestraw
Jack Schaffer

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

- **Items Greater than \$100,000 (Consent Agenda)**
 - 1) **Contract Change Order for Accounting System Extended Support**
 - 2) **Blanket Purchase Order for Air Brake Hoses and Fittings (Rebid)**
 - 3) **Blanket Purchase Order to the Purchase, Installation, and Removal of Galvanized Metal Doors at Various Locations**
 - 4) **Blanket Purchase Order for Heating, Ventilation, and Air Conditioning Maintenance and Repair**
 - 5) **Contract Change Order for Banking Services**
- 6) **Items Less than \$100,000 (Receive & File Report)**

Chairman Darley asked if any of the committee members would like to remove any of those items for discussion. Chairman Darley asked that item 5 be removed for discussion, and Director Schaffer indicated that he had a question about item 3. Chairman Darley requested a motion to forward items 1, 2, 4, and 6 to the full Board for approval. Director De Graff moved and Director Rakestraw seconded. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

Director Schaffer asked staff that with regards to the galvanized doors, what door types are they talking about. He knows that these are not doors on the train. These appear to be building doors. Mr. Lorenzini, Chief Engineering Officer, responded that these doors will be used to replace the doors at all of Metra's facilities. He continued that these are doors that people would go through. At the last Board meeting, the members of the Board approved a contract for overhead doors, or garage doors. Director Schaffer stated that he wanted to be certain, because when he saw

**APPROVED BY THE
METRA BOARD AUDIT & FINANCE COMMITTEE
ON FRIDAY, APRIL 5, 2013**

galvanized metal doors, he was thinking of something else. Mr. Lorenzini responded that they get them galvanized so that they last longer. The doors are then primed and painted.

Chairman Darley stated that he has a question about item 5, the banking services contract and extending this for six months. He realizes that this is probably in a blackout period, but he is curious as to whether there is an estimated date of when we are anticipating a new award on the banking services. Mr. Clifford responded that staff has just received the go-ahead to put this RFP out on the street. Mr. Kisielius, Senior Division Director of General Administration added that it is anticipated that the RFP will be advertised a week from today. There will be a pre-proposal meeting, and staff is targeting for mid-April for proposals to be due.

Chairman Darley asked with the whole process, what would be the estimated time of award. He said that he knows that it was quite lengthy last time, and asked if staff anticipates additional extensions beyond the six months. Mr. Kisielius stated that they have a large group of banks that this RFP will be targeted to. He is anticipating that it will be lengthy. Depending upon the magnitude, and the number of proposals that will be received this will obviously determine if this will be a long process. He pointed out that with the legal services RFP they received over a hundred proposals. They are hoping that by the end of October that will be done and the determination will be made.

Chairman Darley requested a motion to approve items 3 and 5. Director De Graff moved, and Director Rakestraw seconded the motion to move those items to the full Board for approval. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

7. KPMG PRESENTATION ON METRA'S AUDIT PLAN

Joe Kowalski, a partner with KPMG, who is responsible for conducting the audit of Metra as the independent auditor, along with Julie Barrientos, who is the Senior Manager at KPMG discussed the audit plan. He stated that he will discuss their planning and activities that they have done to get ready for the next audit. He asked the committee to refer to their book that they have in front of them, as he would highlight a couple of those pages.

He stated that on page six, they have the audit timeline. They have been having conversations with management and working with them to try to move the time frame up a little. He believes that there has been some success there. Management has a couple of extra resources that they are using in the Finance Department, which they think will help them close the books a little bit quicker and would help them get to their audit faster. He explained that on page 17, they described some of the significant audit areas that they will be looking at this year. One of the areas that they have talked about when they finished last year's audit, was that there would be an item of emphasis this year of the obsolescence of inventory. This is an item that is already being looked at with management and talked about so that is one that they would expect that if there is any sort of difficult area this year, this would be the difficult area.

He concluded that there are a couple of new accounting pronouncements this year that they will be implementing, but none that will have a major impact on Metra's financial statements. There is one change about some of the way that things are worded on the financial statements. He said that they intend to come back to present the financial statements at the end of the audit, so they would go over those changes at that time.

Chairman Darley asked what meeting date is KPMG anticipating the presentation of the audit. Mr. Kowalski replied that he does not have a date yet. Ms. Barrientos added that the financials are due the 26th to the RTA. She believes that they will try to get on the May or June calendar.

Director Schaffer pointed out that looking at the cover sheet on the book KPMG provided he asked if they could show a better looking group of tracks next time. He then asked if there was anything new in the book, other than what was already mentioned. Mr. Kowalski stated that he does not believe so, only the obsolescence of inventory. Director Schaffer commented that he has noticed that the phrase "generally accepted accounting principles" is being used. He continued that he remembers when he was Commissioner of Banks and it was accounting principles, not just generally accepted.

Director Rakestraw stated that he believes that there was an issue last time of notification to the Board of the results of the audit. He asked if this has been taken care of. Mr. Clifford responded that there is the annual audit, and the single audit, which typically don't get done at the same time. He continued that last year, there was a decision by management to hold them and bring them both to the Board at the same time. He explained that to the extent that they are disconnected again this year, the audits will be brought to the Board individually. He said that whichever one comes first, the single or the annual, both will be brought to the Board.

Chairman Darley asked if there is a motion to send KPMG's audit plan to the full Board. Director Rakestraw moved and Director Schaffer seconded the motion. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

DISCUSSION WITH POSSIBLE ACTION – PSA SERVICE CHANGES

8) BNSF Service Change for Additional Coach Cleaners

9) UP Service Change for Additional Coach Cleaners

Jack Bauer, Department Head of Contracts and Energy Management, stated that in response to customer survey feedback related to equipment cleanliness, Metra is proposing to increase the number of coach cleaners authorized for the PSA carriers. There will be five for the Union Pacific and five for the Burlington Northern Santa Fe. He explained that this is the reason for the service change notices. He requests approval by the committee to forward these service changes to the full Board for approval.

Chairman Darley asked if Mr. Bauer could tell the Committee a little bit more about the complaints that have been received. He pointed out that this is a lot of money, and he has never received a complaint from passengers about the cleanliness of trains. He asked if staff is working off the hard

data. Mr. Clifford responded that last year, Metra conducted a survey where a number of the complaints were about cleanliness of the cars. Also there has been a trickle of complaints that come in through the regular customer complaint process. As a component of that program that was presented to the Board in the budget, management decided to go ahead and add some manpower across the system, for both the PSA's, the UP and BNSF. He continued that Metra is giving them the authorization, with the approval of the Board, to add more staff to clean the cars. He said that they are doing the same thing on the trains that Metra operates so that they can get those cars in a little cleaner condition and reduce those complaints.

Director McCoy asked if this was all in the budget. Mr. Clifford responded that it was. Chairman Darley asked if the \$22.14 per hour rate is a loaded rate. Mr. Bauer responded that this is a labor rate. Chairman Darley asked if Metra is contracting that labor. Mr. Bauer responded the BNSF and UP will each hire their own people. This is the union rate for those people. Chairman Darley asked if this is full on with our costs to Metra, and if the \$22.14 rate includes benefits and would the PSA's pay that. Mr. Bauer responded that the benefits are spelled out a little bit more in the detail. The \$22.14 rate is just the hourly wage. Chairman Darley asked where the detail is. Mr. Bauer responded that it is on the first page of the actual service change notice. There is a payroll additive of Tier One, Tier Two and then you also have health and welfare. Chairman Darley stated that he took the \$22.14, multiplied it by 2,080 times five and came up with \$220,000 or something like that. He asked if the \$50,000 delta in the contract is the benefit package for these employees. Mr. Bauer responded that with regards to the \$50,000 delta, he is not sure what that means. Chairman Darley said that if you take \$22,014, multiply it by 2,080, an average 40-hour work week for an employee, and you multiply it by five, he came up with \$220,000 or something like that. Mr. Bauer asked if this was for a full-year. Chairman Darley responded that it was. Mr. Bauer stated that for 2013, this will be for only nine months. Chairman Darley responded that he understands. He was trying to come up with where the benefit costs were. Mr. Bauer stated that this is a nine month cost, which includes the additives and the benefits.

Director Rakestraw asked how they assessed the need for five additional coach cleaners. He asked if this was based on scheduling of the trains. Mr. Ryan, Chief Mechanical Officer replied that after reviewing the customer feedback, management found that a lot of the complaints were coming on the early morning trains. Metra's goal is to try to get to the outlying points, add some additional help to outlying points to get those cars clean before they run on the morning cycles. He said that they did the math and calculated out how many people would be needed for each outlying point.

Director McCoy asked how many people were added on the Metra lines. Mr. Ryan responded that there is a total of 31. Five are going to the BNSF and five are going to the UP. The remainder will go across the three Metra lines. There will be eight on the Milwaukee lines, eight on the Electric and five on the Rock Island.

Chairman Darley asked if Metra has ever looked at outsourcing the cleaning of the cars. He asked if this was within the contracts to do so. Mr. Ryan responded that he is not aware of Metra ever looking at outsourcing the cleaning of the cars. This has always been contractual in-house at Metra.

Director Schaffer said that he would be interested in seeing if that is possible. He continued that he does not want to start any problems with this, but he would like to see if that would be possible.

Chairman Darley stated that if you take \$350,000 times two, this is \$700,000 plus, and if you multiply that again by two and a half times for the additional five lines, we are talking an extra roughly over \$2 million just in additional costs for cleaning. He asked if this was correct. Mr. Ryan responded that it is for the 31 positions. Director Schaffer asked how many positions in total does Metra has right now. Mr. Ryan responded that there are approximately 150 on the coach cleaning seniority roster. Director McCoy asked if we are going from 150 to roughly 181 coach cleaners. Mr. Ryan responded that you need to minus the ten, because on Metra's roster we would have 150.

Chairman Darley asked if there is a motion to forward these two items to the full Board for discussion. Director De Graff moved and Director Rakestraw seconded. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

10. DISCUSSION WITH POSSIBLE ACTION - CASH POLICY

Tom Farmer, Chief Financial Officer stated that they were asked at the last Board meeting to present to the Committee some thoughts on the cash policy, which might become a basis for formulating one. He then showed some goals for discussion, and authorization in terms of proposed goals behind the cash policy. The first goal will be to enable Metra to avoid any cash related disruptions to normal operations. The second goal would be to be able to make up timing differences in capital availability. The third goal would be to be able to fund any emergency capital actions. The fourth goal would be to be able to match any grant funds if they became available.

He pointed out that the first goal is fairly obvious, because we always want to be able to pay bills. He explained that the second one he would like to explain the timing differences and capital availability. He said that when they talked about the 2013 capital program, normally you would think of those funds being available on January 1st. However, the fact of the matter is that the federal government has for years and years been delaying the availability of those funds. He would fully expect that of that \$154 million that Ms. Ciavarella discussed, that about half of that will become available sometime in July and the other half will become available say in September. It is an inexact science. The point being that every now and then Metra needs to get something started earlier than that. He then will need to actually get authorization from the federal government to start spending before the grant is formally awarded. What this sometimes means is that the contract is awarded, but Metra actually has to spend the money, and then are reimbursed by the government later. He continued that in prior years that amount has run approximately from \$5 to \$10 million. He expects that with the recent federal government actions, things will tend to get delayed and that money will go up. He said that Metra will have to have some money available to do that, or there will be a delay in actions. He explained that to be able to fund emergency capital actions means that if something happens and Metra needs a million dollars, it needs to be there. The last goal, being able to match any grant funds that become available means that if the federal government has a new program and they come to us and say that they are going to provide \$40 million for a project, Metra has to provide the match of 20%. He said that we would want to react quickly if that availability came to us.

Mr. Farmer continued by describing what the cash reserves might cover. He stated that the first item would be items that Metra has already committed to spend. In other words, Meta has committed to spend certain Metra capital items. There are claims, reserves, and things like that where pretty much there is an accounting reserve. However, staff has a pretty good idea that the money will be spent at some point. Metra needs cash to run the railroad and reserves to cover temporary disruptions of inflow. This could also be taxes or revenues. There was an instance last month where the state delayed paying PTF for a month. This is about \$4 or \$5 million a month for Metra, but if the state stopped paying the RTA on an extended basis, the cost to Metra would be about \$15 million a month. As mentioned at previous meetings, Metra is only getting money from the RTA because the RTA is extending their borrowing authority.

He said that just a thought, the Government Finance Officers Association suggests government entities should have no less than two months of general fund expenditures available in reserves, and the otherwise unallocated fund balances. He stated that for Metra, our budget is \$713 million, or about \$59 million a month. For two months, this would be \$108 million, with the present cash balance. Chairman Darley asked if Metra has an operating set aside reserve right now. Mr. Farmer responded that we do not. He said that presently, we have about \$85 million in the bank, but \$60 million in commitments. He explained that this is claims reserves, Metra capital amounts that have been agreed to be spent, and that sort of thing. These are called checks that have already been written. This would leave Metra with about \$25 million of working cash. He will say that in any given month, it is not unusual to fluctuate between \$15, \$20 or \$25 million because of the way that we spend money throughout the month. At the end of the month, the State will then reimburse Metra. He added that really the unallocated reserves right now are about zero. The good news, though, is the \$60 million of commitments, this money is available to Metra right now, in what might be called short-term bank. In other words, it is there to absorb short-term fluctuations, but it is not available to fund long-term disruptions.

He explained that if there was a State PTF disruption, and if the RTA could not cover us, it would cost Metra about \$12 million a month. If the federal government slowed down on its capital payments, that would cost Metra about \$12 or \$13 million a month. Also, if for some reason the State could not fund their bond money for the highliner cars this would be about \$30 million a month, and lastly as described earlier, the grant funds are about \$5 million. He stated that what might be a permanent outlay would be something where the \$60 million would not be used as a buffer, but something where it would have to be replenished because it is a one-timer. This could include self-insurance. Right now this is \$7.5 million. However, if there was an incident Metra would be responsible for the first \$7.5 million. Diesel fuel could also be a risk inside the budget, because every dime fuel goes up we could have a problem. He would have to find other offsets for that, which he would bring to the Board. If there was a 5% drop in ridership, this would cost Metra \$15 million a year, or \$1.25 million a month. Management would have to look at cutting expenses or dip into the reserve. He continued that if the sale leaseback transaction that Metra entered several years ago got unwound, that would cost about \$14 million. He does not really believe that is a possibility, but would like to bring that to the committee's attention. If Metra wanted to have a match for a big grant, it could cost Metra approximately \$10 million. This is not an unreasonable number to put out there.

He continued that some of the points that he would want embodied in a policy would include: Where Metra has committed to spend money, those funds should be available to backup those commitments. Second point is that Metra needs to be able to absorb any short term fluctuations without disrupting operations or projects. He thinks that in this present fiscal government environment there will be short-term disruptions, and Metra should be able to handle an emergency without having to do something rash. Having said that, he does not think that we want to have a reserve for everything, Metra needs to have a well thought out policy. He stated that there are some constraints on Metra. The tax revenues are not a variable that can be easily changed. If ridership drops, we can advertise but that is about it. Metra can implement fare increase, but again, this is difficult. The RTA Act and other operating restrictions also limits Metra's ability to layoff people. Service cuts, of course, would be disruptive. He concluded that what he is trying to say is that if Metra ever found itself in a box, there is not a good way out of it, at least short term. Longer term, things could be adjusted. He added that he is not looking for the Committee's decision today. He just wanted to bring some of these points up, see if the members had any questions and if the Committee wanted staff to come back with a proposal in the future.

Director De Graff stated that from his perspective, he wants to look at remedies, and what are the options that have been available to Metra to make sure that we do not run into potential cash flow situations. He continued that budgeting obviously is premier upon what they want to make sure to eliminate these types of things, but what jumps out at him is if Metra has ever used historically revolving lines of credit to take care of working capital and/or emergency cash needs. His other question is what is Metra's bonding ability. He asked if Metra has bonding ability on a short, medium or long term basis that could potentially help with cash funds. Mr. Farmer responded that Metra has at least theoretically the ability to have, he believes, a billion dollars in bonds. However, in his time here, we have never gone to the extent of trying to go about activating that. He also believes that there is something in the RTA Act that would let Metra go to the RTA on an emergency basis for \$10 million of emergency working cash notes. Again, the machinery for activating this is not terribly clear because it is never been attempted.

Director De Graff said that it strikes him that whether or not there's economies of scale or whether or not we look at, even though it has not been activated, one of our most viable options is to look to the RTA and Metra's own bonding authority to accomplish some of these purposes relative to cash flow. He then asked about revolvers. He said that revolvers typically are what businesses use when they have cash flow situations. Mr. Farmer responded that they could look at this. He explained, though, that the point that he was trying to lead up to is if we had a short term cash disruption at some point, at least we have some of these old commitments sitting out there. We can dip into that as long as it is something where staff knows that it is a timing issue, it is going to hit us, and it going to come back. He continued that what he is saying is that the unallocated reserves being zero the problem can become something of a permanent nature then at some point we would effectively have to recover through a future cost cut of something else. The good news is that Metra could absorb a short-term shock. He added that the answer to the Director's question is that they could go to a revolver, but again, we would have to pay it back through some longer term action.

Director De Graff asked if Mr. Farmer had other potential ideas beyond this that would remedy the cash flow situation, generally speaking, without getting into specifics. Mr. Farmer responded that at the present time, he is not necessarily looking to suggest that Metra is in a dire position. At the

present time he sees Metra with enough liquidity to maintain operations without any actions. He would be reluctant to dip into those reserves on a permanent basis, but he does not know if we would need to necessarily stockpile more. He pointed out that if something dire did happen, and we found ourselves in difficult straits, the first thing that he would do is go to the RTA and say please issue Metra \$10 million of working cash notes. He said that he might also ask them for some help in perhaps assuming some of the receivables that he has with the State of Illinois right now for overdue payments, which is about \$22 million. The other thing that he might look to do if Metra got backed up would be securitizing our receivables. He said that honestly he has not done any research with Legal to figure out just exactly how he would go about doing so or even if he is empowered to do so.

Director De Graff commented that it seems to him that there may be some value to identifying what the financing costs would be relative to the RTA option and then also if Metra is looking at a banking package, perhaps a relatively inexpensive revolver, which as a result of that might be a good negotiating tool to bring the overall costs down. Mr. Farmer said that he agrees, and that he certainly would be happy to look into all of those, because he thinks that it is an important thing.

Director Schaffer said that up until a couple of years ago, he would not have thought to ask this type of question. However, the last couple of years watching, particularly the goings on in Springfield, he asked if Metra has an apocalyptic plan. He said that someone asked him the other day if the State can go bankrupt and just fold up. He said that he does not think so. He pointed to what has happened in Detroit, where payments were not being made and such. He asked how Metra would keep the trains running if this happened in the State. Mr. Farmer responded that let us just say that although the national economy does not have an apocalypse, but the State government does. Metra's exposure to the State government would, first of all, be any state bond funds that would be coming to the capital program. More importantly, though, for operations, it would be the PTF because the fare revenue comes directly to Metra and our share of the tax revenue comes directly to us. It would be any of the matching money, the PTF that the State puts up. If that valve was turned off, it would cost Metra \$14 million a month.

Director Schaffer asked what if the State stopped providing the sales tax money to the RTA. Mr. Farmer responded that he is pretty sure that they are legally obligated to turn that over to us. Director Schaffer replied that the State is also legally obligated to fund the pensions. Mr. Farmer said that his point is well taken. Director Schaffer commented that he is just drawing worst case scenario. He hopes that we never get there, but he said that he guesses that it would be nice to know that we had given some thought to how to keep the trains running for maybe 12 to 18 months while that type of a meltdown got worked out somehow with federal help or whatever. Mr. Farmer said that if the PTF stopped flowing, at about \$14 million a month, or about \$170 million a year, all of the service boards would be in trouble. He explained that we would all band together hopefully to figure out a way to make things run for a few months to buy some breathing space, at which point we would all probably go to our individual Boards and bring some policy recommendations.

Director Schaffer stated that his thought is that this is a little scary and that a lot of the options that would normally be on the table, like bonds, were funded by the State. He asked that if the State goes belly up, who is going to buy those bonds. Mr. Farmer responded that if the bonds were funded by Metra's share of the sales tax revenue, the State should not have any lien on that. This should still

be a dependable revenue stream that people would be willing to loan against. Director Schaffer said that he hopes that we never have to find out, but asked Mr. Farmer to think about it a little bit. He would like to think that Metra has a plan A, B, and C in line somewhere.

Director McCoy said that he assumes that the goal is to develop a reserve cash policy, and he has a couple of ideas. He thinks that having two months of operating is a good standard, and probably a common standard. However, he does not agree with some of the things that Mr. Farmer talked about on whether we should consider as part of the cash balance fund, like a rainy day fund in case grants come forward. He continued that the way he thinks the government should be run, is that this is the cash balance that we want to maintain in the fund. When it gets over that amount then the Board can direct that money into some other pots. In his opinion there are too many things here. He thinks that the cash balance should be a cash flow cushion used to operate the business. There are two months of reserve, and if something does happen, like the State or Federal government goes bankrupt, then at least there are two months to run the business for awhile to be able to adjust and do something to take care of it. He believes that some of those issues need to be redefined. He added that he also does not know how Metra can have zero unallocated expenses because he thinks that last year we underspent our budget. He asked if this is true, and if the money has already been allocated. He does not believe that this is in this year's budget as revenue.

Mr. Farmer stated that he does not know how much this had been looked at in front of the Board before his time, but he thinks that if you had taken a snapshot at the end of 2010 or 2011, Metra was in a position where there were more checks written possibly than what was in the bank to cover them. This was not going to be an immediate short-term cash flow problem. He said that everyone knew that these were coming in over time, but perhaps Metra was a little bit overextended and he thinks that it was good that they were able to add to the cash reserves over the course of last year and build this reserve up. He continued that in terms of Director McCoy's other comments, he may have miscommunicated a little bit, because he agrees entirely with what the Director said. He said that management does not want to have a bunch of little pockets of money. There is a cash reserve, which is intended to cover those, and he was just throwing out examples of what the reasons are why we might want to have them. However, he agrees entirely with what the Director said.

Director McCoy said that he thinks that they are good example, but believes that maybe somehow staff should try to define them into a policy that is a little more specific. He said that for example, if some of the minimum balances get over a certain point, then some different funds could be moved into categories with the Board's direction.

Director Schaffer remarked that he agrees with Director McCoy, but there is a danger. If the State finds out that we have money in a bank account, they will sweep it. They have swept everything else, like Breast Cancer program, and funding of crippled children. He is sure that they will get to us.

Director Rakestraw asked if this is an area that the auditors look at or the regulators might look at Metra negatively if we do not have those reserves. Mr. Farmer responded that the auditors want to make sure that they could say what he would call a going concern, meaning that Metra has enough money in the bank and enough money coming in on a periodic basis to maintain our operations. He

said that they have never expressed any issues that we have any going concern issues. They have never said that Metra's reserves are inadequate, or the cash balances were inadequate, or that the budget balance is imbalanced or anything. They have been okay with that.

Director Darley remarked that he had a few questions. He asked Mr. Farmer what the average time is to pay our vendors. Mr. Farmer responded that he thinks that we pay within 30 days, although he does not know the exact number. Chairman Darley asked if Mr. Farmer has any idea what the CTA's is. Mr. Farmer responded that he does not. Chairman Darley stated that a lot of companies will look for vendors willing to work with them on payment terms. He said that he is really surprised that Metra is not doing anything on the line of credit as Director De Graff has suggested. He said that even if it is not used, we can have it in our mind as our reserve, it is usually 25 basis points for an untapped line of credit. He asked Mr. Farmer how this would be funded. He stated that we have \$14 million left over in the operating surplus from last year, and he likes this overall concept. However, he just does not know if he likes the idea of having a two-month reserve, but he also does not think that he is for putting it in this rainy day bucket per se. He asked if Mr. Farmer would know how this would be funded, or would it simply be funded by operating surpluses each year. He asked if this is what Mr. Farmer is envisioning. Mr. Farmer responded that they would build up to a level that they feel is necessary through funding operating surpluses each year. He would not recommend that Metra go out and borrow money, because right now we do not really have a need for it. He continued that setting up lines of credit would be a little bit different scenario as long as it was low cost. He said that they have always had their eye on the expense line, so he would not go out and spend any money to set up a credit line that he really does not think that he would tap. Right now he does not envision any short-term cash needs that would drive Metra to that.

Chairman Darley stated that most banks will give you an internal guidance line, which they would say is for little or no cost. This is a common business practice. He continued that you can go and have those relationships, and now as Metra is negotiating a banking contract it is often a good time to have these discussions. He thinks that there might be ways to accomplish this. He likes the concept, and thinks two months out are reasonable. Mr. Farmer responded that staff could come up with an amount that they think is adequate. He pointed out that he just threw that up there. However this is not necessarily where Metra would have to end up; it is something that they think would be sufficient to cushion us.

Chairman Darley said that the last thing, if the Board goes ahead with some type of pool, he would be interested to know how staff plans to invest that money so at least we are staying ahead of inflation and if there are restrictions on whether or not that money has to be sitting in the bank. Mr. Farmer responded that the unfortunate side to that is that Metra is governed by the State of Illinois fund rules and they are pretty restrictive. The good news is that you are not likely to risk it. The bad news is that your chance of earning a relatively high return is kind of small. Essentially you are in money market funds.

Director McCoy remarked that he thinks that any excess that we have in cash balance, once the cash balance is established, somehow we have to get it into capital. This is obvious. He asked Mr. Farmer if he is saying that the cash balance now is zero. Mr. Farmer replied that it is not. It is \$85 million. Director McCoy asked if he is uncomfortable with \$85 million. Mr. Farmer responded that he is not uncomfortable with the amount. Chairman Darley added that this is just 35 days of reserve versus

60 days. Mr. Farmer agreed. He said that like he has mentioned over time, if these commitments get spent down, we may have to think about coming up with another way to form a buffer. However, he is not trying to ring the alarm bell and say that he thinks that Metra is in any form of danger right now. Director Schaffer stated that he cannot tell you how much he has enjoyed having a discussion about positive cash position in an Illinois unit of government.

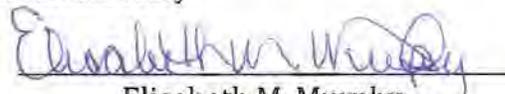
Mr. Clifford remarked that he would like to recommend that staff take the guidance that they received today, go back and hash out a draft policy to bring back to you. Staff will evaluate the idea of a line of credit and bring back a recommendation, as today was more of a brainstorming session. He would like staff to bring back something a little more concrete for the Committee to look at. Chairman Darley agreed with Mr. Clifford.

Director McCoy stated that he has just one request. This does not need a response or anything, but he has mentioned this several times. He would like to see a policy tying some type of railroad cost index to fare increases. He thinks that this should come out of this committee and sometime in the future he would like to see that. Mr. Clifford responded that he will be bringing that back next month.

11. ADJOURN

Director De Graff moved, and Director Rakestraw seconded the motion to adjourn. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley


Elisabeth M. Murphy
Assistant Secretary to the Board

I, Arlene J. Mulder, in my capacity as Board Secretary of the Commuter Rail Board of the Regional Transportation Authority do hereby attest that the following minutes are a true and accurate reflection of the Board's meeting on the date so stated. In compliance with the Illinois Open Meetings Act, I do hereby authorize their release and publication.


Arlene J. Mulder, Secretary to the Metra Board of Directors

METRA BOARD OF DIRECTORS

MEETING OF THE AUDIT & FINANCE COMMITTEE

FRIDAY, APRIL 5, 2013

METRA GENERAL OFFICES - BOARD ROOM

547 WEST JACKSON BOULEVARD, CHICAGO, ILLINOIS

IMMEDIATELY FOLLOWING CAPITAL OVERSIGHT COMMITTEE

ROLL CALL

MINUTES

1. **Approval of the Minutes from the Audit & Finance Committee Meeting**

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

Items Greater than \$100,000 (Consent Agenda)

2. **Blanket Purchase Order for Presorting and Mailing Services**
3. **Contract Change Order for Outside Counsel Litigation Services**

DISCUSSION WITH POSSIBLE ACTION

4. **Agreement between Metra and Keolis Rail Services for Training**

RECEIVE AND FILE

5. **Metra Procurements of \$100,000 and Under for February 20th through March 18, 2013 (Operating)**

6. APPROVAL OF AUDIT DEPARTMENT CHARTER/POLICIES & PROCEDURES

7. ADJOURN TO EXECUTIVE SESSION FOR MATTERS RELATING TO AUDIT (Section 2 (c) (28))

Metra will provide reasonable auxiliary aids or services necessary to afford an individual with a disability an equal opportunity to participate. Persons requiring assistance are requested to notify Metra of their needs well in advance to provide sufficient time to make these accommodations. Requests for services should be made to (312) 322-6966.



TO: Audit & Finance Committee

DATE: April 5, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Metra Procurements of Greater than \$100,000
for February 20 through March 18, 2013

ACTION: Recommend for Approval

BACKGROUND

Please find attached a Summary of Metra Operating procurements that are greater than \$100,000.00, for the February 20 through March 18, 2013 period.

Total recommended Operating procurements for this period are as follows:

Procurement Type	Operating
Blanket Purchase Orders/Blanket Contracts	\$450,000.00
Change Orders	\$500,000.00
New Purchase Orders/Contracts	\$0.00
Master Purchase Agreements	\$0.00
Professional Services	\$0.00
Operating Subtotal	\$950,000.00

ATTACHMENTS

Attachment A: OBDCR DBE Summary, Operating Projects – Receive & File

Attachment B: Operating Summary of Procurements Greater than \$100,000 for February 20 through March 18, 2013

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management



Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects over \$100,000

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

**Current report period is from February 20, 2013 through March 18, 2013.
Previous reporting periods cover October 2012 through March 2013.*

Race Conscious Participation

Race conscious participation is achieved by setting contract-specific goals on projects with valid subcontracting opportunities.

DBE utilization from the October 2012 board meeting to date is as follows.

Procurement Period	Total Awarded	Race Conscious DBE Participation
*Current Reporting Period (Feb 20-Mar 18)	\$ 950,000.00	\$ -
October 2012 through March 2013	\$ 14,098,530.00	\$ 140,000.00
<i>Total Dollars to Date</i>	<i>\$ 15,048,530.00</i>	<i>\$ 140,000.00</i>
<i>Total Percentage to Date</i>	<i>100.00%</i>	<i>0.93%</i>

Race Neutral Participation

Federal regulations state that DBE programs must meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation (49 CFR Part 26.51). Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

DBE utilization from the October 2012 board meeting to date is as follows.

Procurement Period	Total Awarded	Race Neutral DBE Participation
*Current Reporting Period (Feb 20-Mar 18)	\$ 950,000.00	\$ -
October 2012 through March 2013	\$ 14,098,530.00	\$ 605,000.00
<i>Total Dollars to Date</i>	<i>\$ 15,048,530.00</i>	<i>\$ 605,000.00</i>
<i>Total Percentage to Date</i>	<i>100.00%</i>	<i>4.02%</i>

This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.

DBE Participation

Federal Fiscal Year
October 2012 to Date

Consent Agenda - Over 100k

	Total Awarded	DBE Participation		
		Race Conscious	Race Neutral	Total
Capital \$	\$ 17,305,916.70	\$ 1,829,927.60	\$ 642,843.40	\$ 2,472,771.00
Capital %	53.49%	10.57%	3.71%	14.29%
Operating \$	\$ 15,048,530.00	\$ 140,000.00	\$ 605,000.00	\$ 745,000.00
Operating %	46.51%	0.93%	4.02%	4.95%
Total \$	\$ 32,354,446.70	\$ 1,969,927.60	\$ 1,247,843.40	\$ 3,217,771.00
Total %	100.00%	6.09%	3.86%	9.95%

Receive and File - Under 100k

	Total Awarded	Race Neutral DBE Participation
Capital \$	\$ 1,655,897.20	\$ 100,096.06
Capital %	49.82%	6.04%
Operating \$	\$ 1,667,793.65	\$ 125,949.71
Operating %	50.18%	7.55%
Total \$	\$ 3,323,690.85	\$ 226,045.77
Total %	100.00%	6.80%

Total - All Contracts

	Total Awarded	DBE Participation		
		Race Conscious	Race Neutral	Total
Capital \$	\$ 18,961,813.90	\$ 1,829,927.60	\$ 742,939.46	\$ 2,572,867.06
Capital %	53.15%	9.65%	3.92%	13.57%
Operating \$	\$ 16,716,323.65	\$ 140,000.00	\$ 730,949.71	\$ 870,949.71
Operating %	46.85%	0.84%	4.37%	5.21%
Total \$	\$ 35,678,137.55	\$ 1,969,927.60	\$ 1,473,889.17	\$ 3,443,816.77
Total %	100.00%	5.52%	4.13%	9.65%

OPERATING

**Summary of Procurements
Greater than \$100,000**

February 20 through March 18, 2013

OPERATING
Procurement Consent Agenda
February 20 through March 18, 2013

Operating		
B31181	Blanket Purchase Order for Presorting and Mailing Services	\$450,000.00
S84845 CO6	Contract Change Order for Outside Counsel Litigation Services	\$500,000.00
Operating Subtotal		\$950,000.00

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Prosort Services, located in Naperville, IL		Amount: \$450,000.00 (Not-to-Exceed)	
Procurement of: Presorting and Mailing Services		Purchase Order No.: B31181	
Bid Expiration Date: 5/7/13	Funding Source: 1680-3721-4000 1680-3730-4000	Operating	IFB No.: 49784
			Lead: R. Carlton Responsible Dept.: Customer Affairs & Communications
Bid Opening Date: 2/7/13	Public Notice Date: 1/15/13	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 1 Line Item	Unit Cost: \$19.00 Per Thousand	Date Prepared: 2/28/13
			Prior Expenditures: \$19,499.36 was previously expended on contract no. B91666 with Prosort Services, awarded on 11/10/09. (Note: the previous contract did not include first class bulk postage on the price list.)

DBE Goal: Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action:
Award a Blanket Purchase Order to Prosort Services, the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a three-year period and is not to exceed \$450,000.00.

Background:
This award provides for presorting and mailing services of Ticket-by-Internet, Ticket-by-Mail, and Fare Media tickets. This service includes processing and postage for U.S. Mail delivery of tickets to Metra customers. The Ticket Services Department utilizes this service for two reasons. First, for security reasons, mail is sorted by zip code, and then comingled with other mail having the same zip code. Second, Metra saves money on first class postage by utilizing the vendor's bulk mail rate.

The previous Blanket Purchase Order expires on July 31, 2013, and \$19,499.36 was expended from the \$24,000.00 Blanket Purchase Order total. It is important to note that the previous contract did not include first class bulk postage on the price list. Postage comprises \$425,000.00 of the \$450,000.00 new Blanket Purchase Order total.

This service (Operating) will be purchased and, when received, will be expensed to the requesting department.

Bid Tabulation:

Bid solicitations were emailed to 283 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide presorting and mailing services, solicitations were also mailed to 24 of the vendors known or considered more likely to provide this service. Two vendors responded, and one of them has previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Prosor Services	\$447,800.00
Palmer Printing	\$665,000.00

Bid Analysis:

Prosor Services is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Prosort Services is one of the nation's largest presorting companies, serving businesses of various industries and sizes. Prosort Services has been in business for over 25 years and processes approximately 1.5 million pieces of mail daily. Prosort Services processes first class mail, standard mail, international mail, and parcels.

B. Procurement Background

The solicitation was advertised on January 15, 2013, requesting sealed bids for services for a three-year period. Award was to be based upon a lot basis to the lowest responsive and responsible bidder.

C. DBE Goal

Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

D. Evaluation Criteria

Bid solicitations were emailed to 283 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide presorting and mailing services, solicitations were also mailed to 24 of the vendors known or considered more likely to provide this service. Two vendors responded, and one of them has previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Prosort Services	\$447,800.00
Palmer Printing	\$665,000.00

Prosort Services is the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Based upon the bids received, Prosort Services' pricing is 48.5 percent lower than Palmer Printing's (the next lowest responsive and responsible bidder) pricing. Prosort Services current bid pricing is competitive and appears to be fair and reasonable based on the foregoing comparison.



DATE: April 5, 2013

TO: Audit & Finance Committee

**FROM: Alex Clifford
Chief Executive Officer**

SUBJECT: Contract Change Order for Outside Counsel Litigation Services

ACTION: Approve Recommendation for Change Order No. 6

RECOMMENDATION

Authorize the Executive Director/CEO to execute Change Order No. 6 to Contract No. S84845 for the continued representation, on current cases only, to Swanson, Martin & Bell, LLP ("SMB"). This change order increases the value by \$500,000.00 from \$5,098,000.00 to \$5,598,000.00.

BACKGROUND

Contract No. S84545 was originally awarded to the highest ranking proposer. As a result of the proposal opening on November 27, 2007, SMB was the highest ranked of the 39 proposals received.

The initial contract with SMB was executed on March 28, 2008 for \$2,500,000.00. Because SMB is a larger firm, with the capability of taking on large projects very quickly, and had an excellent track record with Metra, Metra assigned its claims and cases arising out of the September 17, 2005 derailment to SMB, largely resulting in Change Order No. 1 for \$998,000.00, which was executed on October 4, 2010. The money paid out on Change Order No. 1 was offset by the more than \$1,000,000.00 reimbursement payment made to Metra by its excess insurance carrier, which was deposited into Metra's general operating budget, and not "credited" back to the contract balance.

Change Order No. 2 was executed on June 6, 2011 for \$850,000.00, Change Order No. 3 was executed on March 14, 2012 for \$500,000.00, and Change Order No. 4 was executed on September 14, 2012 for \$250,000.00. These three change orders reflect the costs associated with sophisticated cases that required a great deal more time in preparing Metra's defense posture, along with those cases transferred to SMB, over the years, as a consequence to in-house litigation personnel shortages. The no-cost Change Order No. 5 extended the contract from the original expiration date of March 28, 2013 to October 1, 2013.

DISCUSSION

Metra has experienced a steady decrease in the overall number of cases handled by outside counsel over the last three years. Thus, SMB's current Metra caseload has been pending for a number of years. As such, each case is reaching a critical juncture. Presiding judges are imposing deadlines to complete substantive tasks before assigning the cases to proceed to trial,

OPERATING

and we are in the course of making strategically sensitive decisions to ensure that Metra's position is properly defended.

After Change Order No. 3 was executed in March 2012, the Law Department began reviewing and drafting a new RFP for Legal Services. This process was extensive, detailed, and lengthy. In addition, meetings were held between senior level Law Department personnel and the Board's ad hoc committee, which resulted in further changes to the RFP. The RFP was advertised on Metra's website requiring proposers to submit their proposals by November 2, 2012. The process of assessing the proposals is currently ongoing. Meanwhile, the pending cases continue to require immediate action, necessitating the need for Change Order 6, which increases the contract amount to provide additional funds to continue work on eight ongoing lawsuits within the revised contract timeframe.

FISCAL IMPACT

Metra will fund this change order through 100 percent operating funds. Funding is available in the Law Department's budget, account 12700450, and is budgeted in 2013.

ALTERNATIVES

If this change order is not awarded, services may be interrupted and the cases may be at a standstill at a time when the clock is ticking in terms of court scheduling and court-imposed deadlines. The alternative of assigning on-going cases to other law firms, whose lawyers would have to review several years of work, would result in inefficiencies and increased attorneys' fees.

NEXT STEPS

After Board approval, the Change Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

A. Summary of Metra Change Order Procurement

Prepared by: Geoffrey Urban, Senior Director, Materials Management
James Barker, Department Head, Professional Services/Contracts
Edward H. Remus, Senior Contracting Agent

SUMMARY OF METRA CHANGE ORDER PROCUREMENT

Award To: Swanson, Martin & Bell, LLP (SMB)	Change Order (C/O) #6	
	Original Contract Amount:	\$2,500,000.00
	Previous Change Orders Sum:	\$2,598,000.00
	This Change Order Amount:	\$500,000.00
		Revised Contract Total: \$5,598,000.00

Procurement of: Outside Legal Counsel	Purchase Order/Contract No.: S84845
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Bid Expiration Date: N/A	Funding Source: Operating	IFB/RFP No.: N/A	Lead: T. A. Barnett
			Responsible Dept.: Law

Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A
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Term: Original Term: Five Years Extended by: 188 days	Quantity: One Lot	Unit Cost: \$500,000.00	Date Prepared: March 14, 2013
			Prior Expenditures: \$5,098,000.00

DBE Goal: No DBE goal; this procurement is for a Change Order on a contract previously awarded.

Action: Issue Change Order No. 6 to cover additional work within the general scope of the contract.

Background:
The contract covers legal services to defend Metra in serious injury cases.

The initial contract with SMB was executed in March 2008 for \$2,500,000.00.

Change Order No. 1 for \$998,000.00 increased the original contract not-to-exceed amount from \$2,500,000.00 to \$3,498,000.00, which was an increase of 39.9 percent.

Change Order No. 1 was issued because extraordinary and additional legal fees were incurred as a result of a derailment in 2005. Metra received reimbursement for those fees, but they were not credited back to this contract.

Change Order No. 2 for \$850,000.00 increased the contract not-to-exceed amount from \$3,498,000.00 to \$4,348,000.00, which was an increase of 24.3 percent.

Change Order No. 2 was issued for SMB to continue its involvement in critical parts of various cases the firm

was assigned.

Change Order No. 3 for \$500,000.00 increased the previous not-to-exceed amount from \$4,348,000.00 to \$4,848,000.00, an increase of 11.5 percent.

Change Order No. 3 was necessary to continue ongoing litigation services while Metra prepared to solicit a Request for Proposals for new legal services. To have discontinued the existing services would have interrupted on-going litigation and would have cost Metra a significant amount of dollars to change litigators.

Change Order No. 4 increased the current not-to-exceed amount of \$4,848,000.00 by \$250,000.00 to \$5,098,000.00, which was an increase of 5.2 percent.

Change Order No. 4 was necessary to continue providing on-going litigation services while Metra prepared to solicit a Request for Proposals for new legal services. To have discontinued the existing services would have interrupted on-going litigation and would have cost Metra a significant amount of dollars to change litigators. The scope of work did not include any new cases.

Change Order No. 5 is necessary to provide a time extension on the contract, which is scheduled to expire on March 28, 2013. A time extension of 188 days, which will extend the contract to expire on October 1, 2013, is necessary so that SMB can continue to provide services for on-going litigation.

Change Order No. 6 increases the current not-to-exceed amount of \$5,098,000.00 by \$500,000.00 to \$5,598,000.00, which is an increase of 9.8 percent.

Change Order No. 6 is necessary to continue providing on-going litigation services while Metra continues to evaluate proposals for new legal services. To discontinue the existing services would interrupt on-going litigation and would cost Metra a significant amount of dollars to change litigators. The scope of work includes eight ongoing lawsuits.

Cumulatively, Change Order Nos. 1, 2, 3, 4, 5 and 6 increase the original amount of Contract No. S84845 by \$3,098,000.00, from \$2,500,000.00 to \$5,598,000.00. This is an increase of 123.9 percent. All other terms and conditions remain unchanged.



DATE: April 5, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Agreement between Metra and Keolis Rail Services for Training

ACTION: Approve Recommendation for Metra Requisition No. 32317

RECOMMENDATION

Authorize the Executive Director/CEO to execute an agreement (S31848) with Keolis Rail Services Virginia, LLC ("Keolis") for Metra to provide training for Keolis' student locomotive engineers on Metra's locomotive simulators. The agreement is for Keolis to pay Metra \$2,500.00 per student per week of training.

BACKGROUND

Keolis has been currently training their locomotive engineers at the National Academy of Railroad Science (NARS) which focuses mainly on freight operations. Metra was contacted by a representative from Keolis, who was referred by NARS, inquiring about the possibility of Metra providing training for Keolis' locomotive engineers. On November 27, 2012, Metra's Training and Certification Department met with Keolis to discuss Metra's training program. Metra also provided Keolis with a tour of Metra's simulator training area. Metra's training program focuses on commuter operations and is very similar to the operations that Keolis performs under. At the conclusion of the meeting, Keolis indicated that it was very satisfied with what Metra had to offer. Subsequently, Keolis requested entering into a training agreement with Metra.

DISCUSSION

Keolis is requesting Metra to provide training in two week segments for an agreed amount of \$2,500.00 per week per student, with a maximum of only two students per training session. The initial training for two students is expected to commence in late April. Currently, Metra has the capacity to accommodate training for both Metra and Keolis staff. The Training and Certification Department will be conducting the training. It is anticipated that another two students will be trained in approximately six months. Beyond that time period, it is anticipated that additional training may occur on a more frequent basis that is mutually agreed upon between Keolis and Metra. The length of the contract is open; however, either party can terminate the Agreement after providing advance written notice.

FISCAL IMPACT

This agreement is revenue generating and will provide Metra with 100% operating funds. The initial training commitment for the two students will generate \$10,000, based on the agreed term of \$2,500 per week per student.

OPERATING

ALTERNATIVES

If this agreement is not approved, Metra will forego a revenue generating opportunity. Also, Metra would not realize the positive impact from it being viewed as an industry leader by providing training to other rail properties' staff.

NEXT STEPS

After Board approval, the Agreement will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Sole Source Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Jim Barker, Department Head, Professional Services and Contracts
AnnMarie Di Prima, Professional Services Associate

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Keolis Rail Services Virginia, LLC (“Keolis”) located in Manassas, VA		Amount: \$2,500.00 per week per student	
Procurement of: Student Locomotive Engineer Training		Purchase Order/Contract No.: S31848	
Bid Expiration Date: N/A	Funding Source: 00-0000-1000-0000	Operating	IFB No.: 32317
			Lead: D. Orseno
		Responsible Dept.: Training	
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: N/A	Quantity: Training Session	Unit Cost: See Amount above	Date Prepared: March 18, 2013
			Prior Expenditures: N/A

DBE Goal: No DBE goal.

Action:

Enter into an agreement with Keolis to provide training for Keolis’ student locomotive engineers. Keolis will pay \$2,500.00 per week per student for training on Metra’s locomotive simulators.

Background:

Metra was contacted by a representative from Keolis who was referred by the National Academy of Railroad Science (NARS), and investigating the possibility of Metra providing training for Keolis’ locomotive engineers. On November 27, 2012, Metra’s Training and Certification Department met with Keolis to discuss Metra’s training program. Metra also provided Keolis with a tour of the simulator training area. At the conclusion of the meeting, Keolis indicated that it was very satisfied with what Metra had to offer. Subsequently, Keolis requested entering into a training agreement with Metra.

Currently, Metra has the capacity to accommodate training for both Metra and Keolis staff. Keolis is requesting Metra provides training in two week segments for an agreed amount of \$2,500.00 per week per student.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Keolis Rail Services Virginia, LLC ("Keolis") is the largest private sector French transport group. It runs passenger railways, tramways, bus networks, funiculars, trolley buses, and airport services. The company, based in Paris, is majority owned by SNCF, the French state rail operator. AXA Private Equity and Caisse de dépôt et placement du Québec also holds ownership shares. Its turnover (revenue) reached €4,1b in 2007. Keolis has over 47,000 staff in France, UK, Sweden, Denmark, Netherlands, Belgium, Germany, Canada and the US. It is the largest provider of public-transportation services in France.

In the UK, Keolis is a minority partner in the Govia rail operating company with Go-Ahead Group. Govia currently operates the Southern, Southeastern and London Midland franchises. Keolis itself also operates the Transpennine Express rail franchise in partnership with First Group. Keolis designs transportation systems jointly with local governments and claims to strive to provide public transport that allies a spirit of service with innovation and efficiency.

In eastern Canada, Keolis is involved in the operation of two intercity bus companies; Orléans Express and Acadian Lines. Keolis is also the operator of Lyon's public transit system.

In 2008, it was announced that the company was shortlisted in joint ventures bidding for the rights to operate the tram network and the suburban train network in Melbourne, Australia. Keolis won the tram contract, but not the train operation.

Keolis lost out to First Group (UK's largest bus and rail company) for the UK's Intercity West Coast rail network.

Keolis is preferred bidder for the Nottingham Express Transit Tram Operation in Nottingham, UK as part of a consortium with the Wellglade Group.

On October 16, 2009, the Virginia Railway Express (VRE) Operations Board approved an \$85 million contract with Keolis to operate and maintain VRE trains for five years. Keolis began operating VRE on July 12, 2010 after a two-week delay, ending Amtrak's 18 year tenure as operator. Both Amtrak and Keolis had staffed the VRE lines with about 80 employees. However, during the bidding, a group of Holocaust survivors and Maryland politician Heather Mizeur called for investigations into SNCF's role in transportation of Nazi prisoners to concentration camps during World War II before the Keolis contracts could move forward. The operator of the train line, Amtrak, also challenged the propriety of hiring a foreign company.

Keolis has also bid to run some California commuter rail segments and two MARC lines in Maryland, even though with the latter, the company is running into similar issues with

the VRE bidding. Another group of Holocaust survivors, led this time by Leo Bretholz also requested investigations of SNCF's involvement in the war. As a result, a law was passed to enforce this, leading to major criticism because SNCF had already documented its role in the deportation and had in fact released its archives for research and educational purposes in 1996. Eventually however, Keolis would lose to Canadian company Bombardier Transportation.

On November 29, 2011, Keolis announced the acquisition of Tectrans Inc., a California-based privately held provider of contract transportation services. Tectrans holdings included in the acquisition included Mobility Plus Transportation, Western Transit Systems, and Diversified Transportation.

In August 2012, Keolis was one of two companies, Massachusetts Bay Commuter Railroad Company (MBCR) and Keolis Commuter Services (KCS), to bid on a commuter rail contract for the Massachusetts Bay Transportation Authority (MBTA) in Boston, Massachusetts. The contract was to operate 664 miles of passenger service.

B. Procurement Background

Metra was contacted by a representative from Keolis who was referred by the National Academy of Railroad Science (NARS), and investigating the possibility of Metra providing training for Keolis' locomotive engineers. On November 27, 2012, Metra's Training and Certification Department met with Keolis to discuss Metra's training program. Metra also provided Keolis with a tour of the simulator training area. At the conclusion of the meeting, Keolis indicated that it was very satisfied with what Metra had to offer. Subsequently, Keolis requested entering into a training agreement with Metra.

Currently, Metra has the capacity to accommodate training for both Metra and Keolis staff. Keolis is requesting Metra provides training in two week segments for an agreed amount of \$2,500.00 per week per student.

C. DBE Goal

No DBE goal.

D. Evaluation Criteria

N/A

E. Cost/Price Analysis

This agreement is revenue generating as Keolis will be paying Metra for this training.



TO: Audit & Finance Committee **DATE:** April 5, 2013
FROM: Alex Clifford
Chief Executive Officer
SUBJECT: Metra Procurements of \$100,000 and Under
for February 20 through March 18, 2013
ACTION: Receive and File

BACKGROUND

Please find attached a Summary of Metra Operating procurements that are \$100,000.00 or less, for the period of February 20 through March 18, 2013.

Total Metra Operating procurements in the amount of \$10,000.01 - \$100,000 for this period are as follows:

Procurements \$10,000.01 - \$100,000	Operating
Budgeted	\$216,744.00
Unbudgeted	\$0.00
Operating Subtotal	\$216,744.00

The attached Board Procurement Summaries contain explanations for the DBE participation.

Race neutral DBE participation is defined as identifying opportunities for DBE's to participate as primes through providing technical assistance, unbundling contracts and assisting with bonding, if applicable.

Race neutral DBE participation for the procurements \$100,000 and Under for the period of February 20 through March 18, 2013 was \$155,390.00. The Office of Business Diversity and Civil Rights (OBDCR) race neutral outreach efforts for this period included:

- Two certification consultations (explaining the certification application to potential DBE firms)
- Two outreach events
 - Metra Construction Contractor Certified Payroll & Davis Bacon Related Acts Seminar
 - 18th Annual Procurement Conference, Cosmopolitan Chamber of Commerce
- Emailed 22 DBE firms of upcoming bid opportunities; 2 DBEs submitted bids

ATTACHMENTS

Attachment A: OBDCR DBE Summary, Operating Projects \$100,000 and Under

Attachment B: Operating Procurements for February 20 through March 18, 2013
B-1: Operating Summary of Procurements \$10,000.01 - \$100,000
B-2: Operating Listing of Procurements Under \$10,000

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management



Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects \$100,000 and Under

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

**Current report period is from February 20, 2013 through March 18, 2013.
Previous reporting periods cover October 2012 through March 2013.*

DBE Participation

Federal regulations state that DBE programs must meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation (49 CFR Part 26.51). For procurements under \$100,000, Metra has a dedicated Race Neutral DBE Program that includes directly reaching out to DBE firms to notify them of opportunities, and offering assistance in developing small businesses so they can compete on a level playing field.

Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

DBE utilization from the October board meeting to date is as follows.

Procurement Period	Total Awarded	Race Neutral DBE Participation
*Current Reporting Period (Feb 20-Mar 18)	\$ 350,685.25	\$ 80,000.00
October 2012 through March 2013	\$ 1,317,108.40	\$ 45,949.71
<i>Total Dollars to Date</i>	<i>\$ 1,667,793.65</i>	<i>\$ 125,949.71</i>
<i>Total Percentage to Date</i>	<i>100.00%</i>	<i>7.55%</i>

This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.

DBE Participation

Federal Fiscal Year
October 2012 to Date

Consent Agenda - Over 100k

	Total Awarded	DBE Participation		
		Race Conscious	Race Neutral	Total
Capital \$	\$ 17,305,916.70	\$ 1,829,927.60	\$ 642,843.40	\$ 2,472,771.00
Capital %	53.49%	10.57%	3.71%	14.29%
Operating \$	\$ 15,048,530.00	\$ 140,000.00	\$ 605,000.00	\$ 745,000.00
Operating %	46.51%	0.93%	4.02%	4.95%
Total \$	\$ 32,354,446.70	\$ 1,969,927.60	\$ 1,247,843.40	\$ 3,217,771.00
Total %	100.00%	6.09%	3.86%	9.95%

Receive and File - Under 100k

	Total Awarded	Race Neutral DBE Participation
Capital \$	\$ 1,655,897.20	\$ 100,096.06
Capital %	49.82%	6.04%
Operating \$	\$ 1,667,793.65	\$ 125,949.71
Operating %	50.18%	7.55%
Total \$	\$ 3,323,690.85	\$ 226,045.77
Total %	100.00%	6.80%

Total - All Contracts

	Total Awarded	DBE Participation		
		Race Conscious	Race Neutral	Total
Capital \$	\$ 18,961,813.90	\$ 1,829,927.60	\$ 742,939.46	\$ 2,572,867.06
Capital %	53.15%	9.65%	3.92%	13.57%
Operating \$	\$ 16,716,323.65	\$ 140,000.00	\$ 730,949.71	\$ 870,949.71
Operating %	46.85%	0.84%	4.37%	5.21%
Total \$	\$ 35,678,137.55	\$ 1,969,927.60	\$ 1,473,889.17	\$ 3,443,816.77
Total %	100.00%	5.52%	4.13%	9.65%

OPERATING

**Summary of Procurements
\$10,000.01 - \$100,000**

February 20 through March 18, 2013

OPERATING

February 20 through March 18, 2013

Operating			
B-1	B30028	Blanket Purchase Order to Evergreen Supply Company, located in Chicago, IL, for Stand-By Power Receptacles	\$80,000.00
B-2	B30536	Blanket Purchase Order to Pierini Iron Works, located in Chicago, IL, for Maintenance and Repair of Overhead Doors	\$100,000.00
B-3	S30250	Professional Services Contract to S3, Inc., located in Los Angeles, CA, for Senior Leadership Training	\$25,500.00
B-4	S30404	Purchase Order to Great Lakes Hotel Supply Co, located in Detroit, MI, for Ice Machines and Ice Storage Bins	\$11,244.00
Operating Subtotal			\$216,744.00

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Evergreen Supply Co., located in Chicago, IL		Amount: \$80,000.00	
Procurement of: Stand-By Power Receptacles		Purchase Order/Contract No.: B30028	
Bid Expiration Date: 2/2/13	Funding Source: 4722-3195-3000 4722-3172-3000	Operating	IFB No.: 44958-A
			Lead: P. A. Kisielius Responsible Dept.: Materials
Bid Opening Date: 11/2/12	Public Notice Date: 10/16/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: Item #1 Item #2	Unit Cost: \$2,989.13 \$2,989.13	Date Prepared: 01/03/13
			Prior Expenditures: A \$9,800.00 blanket purchase order B20474, dated 3/20/12 was issued to Nabson, Inc; \$8,985.00 has been expended.

DBE Goal: No DBE Goal. Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process. Prime (Evergreen Supply Co.) is a DBE firm, therefore this contract is counted towards race neutral participation.

Action: Award a blanket purchase order to Evergreen Supply Co., the lowest responsive and responsible bidder. Award was made on a low lot basis.

Background: This award covers the procurement of power receptacles used for standby power on highliner multiple unit cars. This material will be used by the Mechanical Department at the 18th Street and KYD Yards. It is noted that the two previous blanket contracts for these receptacles were valued at \$9,800.00 each and both were expended prior to the contract terms' expiration. Therefore, the current award amount reflects an increased amount of funding for the contract term.

Bid Tabulation: Bid solicitations were emailed to 111 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide power receptacles, solicitations were also mailed to 16 of the vendors known or considered more likely to provide this material. Two vendors responded, and both of them have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Evergreen Supply Co.	\$35,869.56
Alstom Transportation, Inc.	\$39,858.00

Nabson, Inc. was the previous contract holder on blanket purchase order no. B20474, dated 3/20/12. Their lot total extension was \$13,227.00 for a quantity of three on each line item. Evergreen Supply Co.'s lot total extension is for a quantity of six on each line item.

Bid Analysis:

A Canvass was conducted of non-bidders to determine why they did not bid. See attached Canvass Sheet.

Evergreen Supply Co. is responsive to all the terms and conditions of the invitation for bid.



Canvass

Date: 1/03/13
 IFB/RFP No.: 44958-A
 IFB/RFP Title: Stand-by Power Receptacles
 P.O. # (when assigned): B30028

Metra is required under state and Federal Procurement Regulations to provide an open and competitive environment for soliciting bids. Metra is also required, by State Law, to advertise upcoming bids over \$10,000.00 in a major local newspaper with circulation within Metra's six-county area. Metra is required to send bids to those firms that request such, and Metra cannot preclude a firm from bidding.

Below is a sample canvass of the non-bidders on the IFB/RFP identified above.

Vendor	Date	Phone/Other	Response
Nabson, Inc.	11/08/12	(781) 821-9622	It is easier to let the distributor handle this lower volume procurement. Nabson is the manufacturer of these items.
J.P. Simons	11/02/12	No Offer Bid Sheet	Could not find anyone to quote items.
Ansaldo STS USA	11/02/12	No Offer Bid Sheet	Does not perform this service.
Mencom Corporation	11/02/12	No Offer Bid Sheet	They manufacture a different style of connector.
Alstom Transporation	11/02/12	No Offer Bid Sheet	Cannot bid competitively.
GMI, LLC	11/02/12	No Offer Bid Sheet	Does not perform this service.
Westside Industrial	11/02/12	No Offer Bid Sheet	States that the manufacturer will quote us directly.

It is the Procurement Department's recommendation to award a purchase order to Evergreen Supply Co. based on the fact the receptacles are manufactured by Nabson, Inc., and all quotations are coming from distributors. Drawings were provided to vendors, but new vendors who quote would have to reverse engineer the power receptacles, which is not cost effective for vendors considering the low volume purchase of an estimated 12 receptacles per year.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Pierini Iron Works, located in Chicago, IL

Amount: \$100,000.00 (Not to Exceed)

Procurement of: Maintenance and Repair of Overhead Doors

Purchase Order/Contract No.: B30536

Bid Expiration Date:
4/8/13

Funding Source: Operating

IFB No.: 39002

Lead: J. Lorenzini

Responsible Dept.:
Engineering

Bid Opening Date:
1/8/13

Public Notice Date: 12/14/12

Publication: Chicago Sun-Times

Term: 2 years

Quantity: Five line items
Unit Cost: From \$0.00 to \$120.00

Date Prepared: February 5, 2013

Prior Expenditures: \$134,396.53 was previously expended on contract B05217 with Pierini Iron Works that was issued on 12/29/10.

DBE Goal: No DBE goal - Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action: Award a Blanket Purchase Order (BPO) to Pierini Iron Works, the lowest responsive and responsible bidder. Award was made on a low lot basis. This BPO will be for a two-year period and is not to exceed \$100,000.00.

Background: This award covers the procurement of maintenance and repair of existing overhead doors, on an as-needed basis, at various Metra facilities (engineering storehouses, etc.) throughout Metra's six-county service region. The Engineering Department is overseeing this contract.

Bid Tabulation:

Bid solicitations were emailed to 35 vendors registered for two relevant commodities, "Lock and Locksmith Services" and "Metal Cleaning & Maintenance," in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide overhead door maintenance and repair, solicitations were also mailed to ten of the vendors known or considered more likely to provide this training. Four vendors responded, and all of them have previously transacted business with Metra. The bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Pierini Iron Works	\$17,410.00
Midwest Dock Solutions	\$18,840.00
Door Systems	\$22,470.00
Builders Chicago Corp.	\$24,060.00

Bid Analysis: Pierini Iron Works is responsive to all terms and conditions of the invitation for bid

SUMMARY OF METRA PROCUREMENT

Award To: S3, Inc., located in Los Angeles, CA		Amount: \$25,500.00	
Procurement of: Senior Leadership Training		Purchase Order/Contract No.: S30250	
Proposal Expiration Date: N/A	Funding Source: Operating 00-0707-38985500	RFP No.: 04280	Lead: Alex Wiggins
			Responsible Dept.: HR Training
Proposal Opening Date: N/A	Public Notice Date: N/A	Publication: Chicago Sun-Times	
Term: N/A	Quantity: 3 phases	Unit Cost: \$25,500.00	Date Prepared: February 5, 2013
			Prior Expenditures: N/A

DBE Goal: No DBE goal due to the value of the contract being below \$50,000.00. This procurement provided an opportunity for DBE firms to directly participate in the competitive process.

Action:
Award a professional services contract to S3, Inc. for senior leadership training in three phases.

This contract is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03 (g) because the contract is for the acquisition of professional services, and Section 4.02 (a) as the contract is in an amount under \$100,000.00. The contract is for a not-to-exceed amount of \$25,500.00.

Background:

The Management Development Department is requesting to acquire senior leadership training in three phases from S3, Inc. This training is to enhance senior leadership skills to help achieve Metra's goal of operating in the most efficient manner possible. S3, Inc. was chosen because their owner, David Jensen, is the principal researcher and author of the XML Leadership method, which equips executive leaders with new skills to recognize core strengths and identify opportunities for development. Mr. Jensen has modified his leadership program so that it pertains specifically to those who work in the transit industry. APTA has adopted the XML Leadership method as one of its core offerings to transit CEO and executive officers. In addition, the XML method was also recently featured in the industry publication, Mass Transit Magazine.

S3's scope of work was accepted internally on December 21, 2012 based upon the proposal they had submitted to Metra in mid-2012. Inadvertently, the Using Department directed the consultant to start work at Metra on February 5, 2013 prior to the contract execution which occurred on February 25, 2013, and the issuance of the "Notice to Proceed" authorization document. Subsequently, additional "steps" have been implemented to prevent future work being performed prior to the issuance of a "Notice to Proceed" document.

The services are to be provided in three phases:

- Phase I: Data Collection, Planning Session, and Research Presentation: Beginning with this approach ensures the development of teamwork and leadership skills using an agenda that is based on actual needs and practical solutions.
- Phase II: Executives' Expansive Leadership Model Assessment and Metra Customization: Gathering and analyzing data received in executive sessions ensures the course is customized to address individual and team priorities. This includes "360" evaluations of the senior leadership team.
- Phase III: Program Delivery: A two-day, facilitated teaching session, delivered by an instructor familiar with transit agencies, APTA membership, and executive experience, equips leaders with practical skills related to strategic issues.

AD

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Great Lakes Hotel Supply Co., located in Detroit, MI		Amount: \$11,244.00	
Procurement of: Ice Machines and Ice Storage Bins		Purchase Order/Contract No.: S30404	
Bid Expiration Date: 04/9/13	Funding Source: Operating 005911-3710-3100	IFB No.: 52307	Lead: Joseph Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: 01/9/13	Public Notice Date: 12/14/12	Publication: Chicago Sun-Times	
Term: 14 days	Quantity: Two Items	Unit Cost: \$5,622.00 ea.	Date Prepared: 01/24/13
			Prior Expenditures: \$3,118.00 was previously expended on contract S14465 with Dick's Industrial Supply dated 5/27/11 for one ice machine.
DBE Goal: No DBE goal - Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.			
Action:			
Award a purchase order to Great Lakes Hotel Supply Co., the lowest responsive and responsible bidder. Award was made on a low-lot basis.			
Background:			
This award covers a purchase order for two ice machines and ice storage bins, which will be used at Metra's Blue Island facility. These units are needed to replace existing units which are past their useful lives. Ice machines are needed to provide ice for Metra workers, particularly those individuals working outside or in other non-cooled environments during warm weather months.			
Bid Tabulation:			
Bid solicitations were emailed to 95 vendors registered for the commodities "Ice Service" and "General Plant Equipment" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material or service, solicitations were also mailed to 20 of the vendors known or considered more likely to supply these parts, and a request for a bid package was received from one additional vendor. Ten vendors responded, six of whom have previously transacted business with Metra. The ten bids received are summarized below:			

<u>Bidder</u>	<u>Amount</u>
Great Lakes Hotel Supply Co.	\$11,244.00
Cross Town Distributors	\$11,284.20
Culinary Depot	\$11,364.00
Douglas Equipment	\$11,455.22
Sam Tell & Sons	\$11,899.20
Globe Electric Co., Inc.	\$11,996.00
Dick's Industrial Supply Co.	\$12,351.10
Federal Supply Co.	\$12,690.04
Empire Cooler Service	\$14,260.94
Chicago United Industries Ltd.	\$14,880.18

Bid Analysis:

Great Lakes Hotel Supply Co. is responsive to all terms and conditions of the invitation for bid.

OPERATING

**Listing of Procurements
\$10,000 and Under**

February 20 through March 18, 2013

OPERATING

Listing of Procurements Under \$10,000

February 20 through March 18, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
B23103	3/13/2013	DIEBOLD, INC.	SAFE REPAIR AT VARIOUS METRA LOCATIONS	\$9,800.00	ORSENO
B30672	3/4/2013	CANON SOLUTIONS AMERICA, INC.	SIEIMAGE SOFTWARE 3YR	\$5,000.00	DOUGHTY
B31184	2/20/2013	DELTA INDUSTRIES INC.	BPO FOR MAINT & REPAIR OF AIR COMPR	\$9,500.00	LORENZINI
B31363	2/27/2013	WAREHOUSE DIRECT	SPECIALTY STAMPS (E.G. DATE, SENIOR, STUDENT) FOR TICKET SALES CLERKS	\$9,800.00	LORENZINI
B31451	3/5/2013	DIGITAL IMAGING RESOURCES, INC.	PHOTO PRINTING SRVCS/WALL DISPLAYS FOR MEDIA RELATIONS DEPT.	\$9,800.00	CARLTON
B31661	3/7/2013	ILLINOIS TOOL SERVICE, INC.	R&R POWER TOOLS/BLUE ISLAND	\$9,800.00	LORENZINI
B31776	3/11/2013	CAROL ANN MARKETING	BPO FOR MAILED FULFILLMENT FOR MARKETING DEPT.	\$9,500.00	CARLTON
B31817	3/12/2013	PROXIM WIRELESS CORP.	BPO 3YR TO COVER REPAIR & RETURN	\$9,800.00	LORENZINI
S23618	2/22/2013	WONDERLIC PERSONNEL TEST, INC.	MECHANICAL DEPT APPRENTICE TESTING	\$9,975.00	RYAN
S30646	2/22/2013	FOUR POINTS TECHNOLOGY, LLC	TECHNOLOGY MOBILE MESSAGING SERVER	\$4,860.30	DOUGHTY
S30886	2/20/2013	SCHINDLER ELEVATOR CORP.	REPAIR FRIEGHT ELEVATOR AT 547 W. JACKSON	\$560.71	LORENZINI
S30887	2/20/2013	SCHINDLER ELEVATOR CORP.	REPAIR ELEVATOR #7AT 547 W. JACKSON	\$2,755.95	LORENZINI
S31065	2/25/2013	ID WHOLESALER	PRINTER RIBBON	\$345.00	SMITH
S31193	2/21/2013	NORMAN EQUIPMENT CO., INC.	FILTER, MICRON 6 FOR MAINTENANCE OF WAY EQUIPMENT	\$222.54	DARIN
S31194	2/21/2013	LOWEN CORP.	SIGN, BRAILLE	\$600.00	DARIN
S31197	2/21/2013	SEILER INSTRUMENTS & MFG. CO.	TRIMBLE NOMAD SERIAL BOTTOM BOOT FOR MECH. DEPT. HANDHELD COMPUTER	\$62.00	RYAN
S31203	3/4/2013	DICK'S INDUSTRIAL SUPPLY	CFR CHEMICAL SYSTEMS	\$159.00	DARIN
S31236	2/22/2013	K D K UPSET FORGING CO.	HANDHOLD FOR AMERAIL CAR REHABILITATION	\$6,519.48	DARIN
S31256	2/22/2013	GE TRANS SYSTEMS GLOBAL SIGNAL, LLC	RECTIFIER, TRACK	\$605.00	DARIN
S31283	2/25/2013	DICK'S INDUSTRIAL SUPPLY	CUP HOLDER, LOCO CAB	\$216.00	DARIN

OPERATING**Listing of Procurements Under \$10,000****February 20 through March 18, 2013**

PO Number	PO Approval	Vendor	Description	Amount	Lead
S31310	2/27/2013	DICK'S INDUSTRIAL SUPPLY	PAINT, POLYURETHANE ENAMEL FOR ELECTRIC DIST. USE	\$2,957.34	DARIN
S31316	2/26/2013	GRAINGER	WELDING SCREENS	\$224.82	RYAN
S31335	2/26/2013	A-1 AIR COMPRESSOR CORP.	FILTER, INTAKE BATTERY	\$600.00	DARIN
S31345	2/27/2013	OSCO, INC.	REMOTE LOCOMOTIVE FUELING	\$3,745.77	RYAN
S31362	2/26/2013	DICK'S INDUSTRIAL SUPPLY	STORAGE CABINET TO STORE MECH. DEPT. PERSONAL PROTECTIVE EQUIPMENT	\$564.00	RYAN
S31378	2/28/2013	BEST BUY FOR BUSINESS	DIGITAL CAMERA TO DOCUMENT INJURIES OR OTHER EMERGENCY SITUATIONS	\$402.24	RYAN
S31398	3/4/2013	DICK'S INDUSTRIAL SUPPLY	PAINT & PRIMER (INVENTORY)	\$2,022.56	DARIN
S31405	3/4/2013	DICK'S INDUSTRIAL SUPPLY	ACTIVATOR, POLY ENAMEL (INVENTORY)	\$1,746.00	DARIN
S31463	3/4/2013	ALLIED ELECTRONICS INC.	CIRCUIT BREAKERS	\$88.14	DARIN
S31464	3/4/2013	OEM AIR COMPRESSOR INC.	SEPERATOR ELEMENT FOR INVENTORY	\$303.00	DARIN
S31520	3/5/2013	ANSALDO STS USA, INC.	CONTACT SPRINGS, RELAY (INVENTORY)	\$417.00	DARIN
S31553	3/5/2013	DATA DISPLAY PRODUCTS	LAMP, DOOR INDICATOR	\$2,022.40	DARIN
S31556	3/5/2013	KELLY INDUSTRIAL COATINGS INC.	SOLVENT, CLEANING	\$288.36	DARIN
S31580	3/6/2013	HARRIS EQUIPMENT CORP.	FILTER, AIR INTAKE	\$2,362.50	DARIN
S31594	3/6/2013	CHICAGO CHAIN & TRANS. CO.	PLATE, LOCKING CLASS-F (INV)	\$1,312.00	DARIN
S31599	3/8/2013	COLUMBIA PIPE & SUPPLY	PIPES FOR LOCOMOTIVE COOLING SYSTEMS	\$449.80	RYAN
S31605	3/8/2013	OFFICEMAX	BATTERY CHARGER FOR DELL LAPTOP	\$98.62	RYAN
S31660	3/7/2013	GRAINGER	WHITE DRY ERASE BOARD	\$150.95	RYAN
S31766	3/12/2013	POWER PARTS SIGN DIVISION OF	BLANK DECALS FOR MECHANICAL DEPT. USE	\$750.00	RYAN
S31787	3/11/2013	INDUSTRIAL TOOL PRODUCTS, INC.	HEAVY DUTY GRINDER	\$524.00	RYAN

OPERATING

Listing of Procurements Under \$10,000

February 20 through March 18, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S31802	3/11/2013	ELECTROSWITCH	SWITCH FOR LOCO HEATER CONTROL	\$520.60	RYAN
S31807	3/11/2013	ELECTROSWITCH	SWITCH, CAB MAKEUP	\$525.85	DARIN
S31816	3/12/2013	POWERRAIL DISTRIBUTION INC	HOLDER, FUSEES TORPEDO FLAG	\$202.00	DARIN
S31831	3/13/2013	SNAP-ON TOOLS CORP.	OPEN END WRENCH	\$180.39	RYAN
S31841	3/12/2013	GRAINGER	DUMPING HOPPER TYPE B	\$1,999.98	RYAN
S31844	3/12/2013	MCMASTER CARR SUPPLY CORP.	CARBIDE BURR SETS	\$191.96	RYAN
S31846	3/13/2013	LINOVAION INC.	BASE, AAR PA AMPLIFIER (INVENTORY)	\$4,263.75	DARIN
S31853	3/13/2013	BARBER SPRING CO.	SPRING, EQUALIZER DOUBLE COIL	\$1,458.52	DARIN
S31889	3/14/2013	ADAMS & WESTLAKE, LTD.	KEEPER FOR COACH CAR DOOR LATCHES	\$362.72	RYAN
S31943	3/18/2013	NATIONAL ELECTRICAL CARBON PRODUCTS	TRACTION MOTOR BRUSH FOR F40PH LOCO	\$3,325.00	DARIN

MINUTES OF A PUBLIC MEETING OF THE BOARD OF DIRECTORS OF THE COMMUTER RAIL DIVISION OF THE REGIONAL TRANSPORTATION AUTHORITY

The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority met in a public session for a Meeting of the Audit and Finance Committee on Friday, April 5, 2013, immediately following the Capital Investment Committee. The meeting was held in the Metra Board Room at 547 West Jackson Boulevard, Chicago, Illinois, pursuant to notice.

The roll was then taken.

ROLL CALL

Present: Paul C. Darley, Chairman (Teleconference)
Don A. De Graff
Mike W. McCoy
Stan Rakestraw
Jack Schaffer

MINUTES

1. Approval of the Minutes from the Audit & Finance Committee Meeting

Director McCoy moved, and Director Schaffer seconded approval of the minutes from the Audit & Finance Committee in March. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

Items Greater than \$100,000 (Consent Agenda)

- 2. Blanket Purchase Order for Presorting and Mailing Services**
- 3. Contract Change Order for Outside Counsel Litigation Services**

Director De Graff moved, and Director Rakestraw seconded the motion to move the consent agenda items to the full Board for approval. Chairman Darley requested leave for the previous roll call. The Committee granted leave, and the motion was carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

Director Schaffer asked that with regards to Item 2, how many monthly tickets get mailed out. He is not opposed to buying the equipment, but would like to know how many are mailed. Ken Ruminski, Department Head, Ticket Services responded that his department sends out approximately 30,000 per month. Chairman Darley remarked that he would like to see at some point that this be done electronically.

**APPROVED BY THE
AUDIT & FINANCE COMMITTEE
THURSDAY, MAY 2, 2013**

DISCUSSION WITH POSSIBLE ACTION

4. Agreement between Metra and Keolis Rail Services for Training

Don Orseno, Chief Operations Officer explained that this agreement is with Keolis Rail Services, who have asked Metra to provide training for Keolis' student locomotive engineers on Metra's locomotive simulators. Staff has worked with the Law Department and Risk Management Department to come up with an idea and also be very instrumental in their training. He continued that they are hoping to phase it in so that Metra can offset the costs of what we have put out in cash outlay for the simulators for Metra's staff. He believes that this could be very lucrative for Metra and it is also recognized in the industry of Metra's efforts in their training.

Director Schaffer asked if the newer members of the Board have had a chance to go through those training facilities. He knows that this was done a while back, and if it has not been done, it should be. He added that it is really impressive. Mr. Orseno responded that he would also encourage those Board members who have not been in the training facility to see it. He would be more than happy to set up some time and get everyone in there, because it is amazing to see.

Director Schaffer added that it is really amazing, and he is not surprised that other companies would want to take advantage of that technology. He continued that Metra spent a lot of money to get the simulators, and he is sure that it has been quite helpful in training the Metra people.

Chairman Darley stated that he applauds the efforts of staff of getting any other type of revenue generation that we can do that is core to Metra, and hopes that it continues. He added that he also wants to make sure that staff has been properly indemnified from any type of lawsuits in the future where someone comes back and says that they were trained improperly or something to that effect.

Director McCoy moved the recommendation to forward this item to the full Board for approval. Director Schaffer seconded. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

RECEIVE AND FILE

5. Metra Procurements of \$100,000 and Under for February 20th through March 18, 2013 (Operating)

The Metra Procurements of \$100,000 and Under for February 20th through March 18, 2013 for Operating was recommended to be presented to the full Board for receive and file.

6. APPROVAL OF AUDIT DEPARTMENT CHARTER/POLICIES & PROCEDURES

Rick Capra, Chief Auditor and Compliance Officer, explained that the committee members were sent earlier this week a draft charter, draft policies and procedures to govern the Audit Department. The charter is basically the governing document that the Audit and Finance Committee would approve to give the Audit Department both its role authorization and reporting obligations. The policies and

procedures document is an internal document that would be used by the individual auditors to govern audits that are performed.

Director Schaffer asked if they were paying by the word. He noticed that he had to get to Page 20 before he got the paragraph on how things should be concise. He continued that in full disclosure, he started out as an accountant, and has some education in that background as well as spending his whole life reading mostly governmental audits. He understands that the industry is a subculture and that there is a lot of information that apparently was thrown in here to reference. However, he served with a gentleman by the name of Pate Phillips for many years who was President of the Senate, and he had an expression that used to drive the staff crazy. Senator Phillips used to ask staff for a one pager. He said that he is just saying that sometimes when you get things so long and so detailed, nobody reads or uses it. He thinks that sometimes you are better off to have a shorter, concise and very clear standard rather than something so long that everybody finds a paragraph they can use as a dodge.

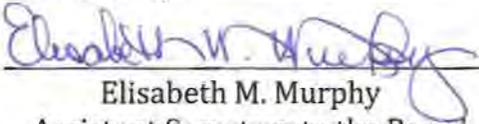
Chairman Darley asked if there were any comments. Hearing none, he requested a motion to submit this to the full Board for consideration and suggested approval. Director De Graff moved, and Director Rakestraw seconded the motion. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

7. ADJOURN TO EXECUTIVE SESSION FOR MATTERS RELATING TO AUDIT (Section 2 (c) (28))

Director McCoy moved, and Director De Graff seconded to adjourn to Executive Session for matters relating to audit. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley


Elisabeth M. Murphy
Assistant Secretary to the Board

METRA BOARD OF DIRECTORS

MEETING OF THE AUDIT & FINANCE COMMITTEE

THURSDAY, MAY 2, 2013

METRA GENERAL OFFICES - BOARD ROOM

547 WEST JACKSON BOULEVARD, CHICAGO, ILLINOIS

IMMEDIATELY FOLLOWING CAPITAL OVERSIGHT COMMITTEE

ROLL CALL

PUBLIC COMMENT

MINUTES

1. Approval of the Minutes from the Audit & Finance Committee Meeting on Friday, April 5, 2013

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

Items Greater than \$100,000 (Consent Agenda)

2. Blanket Purchase Order for Ni-Cad Batteries for Commuter Coaches
3. Blanket Purchase Order for Fairmont Tamper Parts
4. Blanket Purchase Order for Welding Supplies
5. Blanket Purchase Order for Sintered Brake Shoes
6. Blanket Purchase Order for Plumbing Supplies
7. Blanket Purchase Order for Tread Brake Unit Repair Kits for Bi-Level Coaches (Group I)
8. Blanket Purchase Order for Vehicle Collision/Body Repairs
9. Blanket Purchase Order for Tread Brake Unit Repair Kits for Highliner Cars (Group II)
10. Blanket Purchase Order for Quartzite Track Ballast
11. Blanket Purchase Order for Sewer Cleaning Service



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Metra Operating Procurements Greater than \$100,000
for March 19 through April 11, 2013

ACTION: Recommend for Approval

BACKGROUND

Please find attached a Summary of Metra Operating procurements that are greater than \$100,000.00, for the March 19 through April 11, 2013 period.

Total recommended Operating procurements for this period are as follows:

Procurements Greater than \$100,000	Operating
Blanket Purchase Orders/Blanket Contracts	\$8,990,000.00
Change Orders	\$0.00
New Purchase Orders/Contracts	\$0.00
Master Purchase Agreements	\$10,000,000.00
Professional Services	\$194,489.00
Operating Total	\$19,184,489.00

ATTACHMENTS

Attachment A: OBD CR DBE Summary, Operating Projects over \$100,000

Attachment B: Operating Summary of Procurements Greater than \$100,000 for March 19 through April 11, 2013

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management



ATTACHMENT A

Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects over \$100,000

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

Procurements for this period include \$1.3m for coach batteries, \$2.35m for various train brake parts, \$1m for track ballast, \$10m for train wheels and \$3.2m for Verizon Wireless service, all of which offer no DBE opportunities.

Race Conscious Participation

Race conscious participation is achieved by setting contract-specific goals on projects with valid subcontracting opportunities.

DBE utilization from the October 2012 board meeting to date is as follows.

Procurement Period	Total Awarded	Race Conscious DBE Participation
*Current Reporting Period-May Board Meeting (Mar 19-Apr 11)	\$ 19,184,489.00	\$ -
Board Meetings - Oct 2012 through Apr 2013	\$ 15,048,530.00	\$ 140,000.00
<i>Total Dollars to Date</i>	<i>\$ 34,233,019.00</i>	<i>\$ 140,000.00</i>
<i>Total Percentage to Date</i>	<i>100.00%</i>	<i>0.41%</i>

Race Neutral Participation

Federal regulations state that DBE programs must meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation (49 CFR Part 26.51). Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

DBE utilization from the October 2012 board meeting to date is as follows.

Procurement Period	Total Awarded	Race Neutral DBE Participation
*Current Reporting Period-May Board Meeting (Mar 19-Apr 11)	\$ 19,184,489.00	\$ -
Board Meetings - Oct 2012 through Apr 2013	\$ 15,048,530.00	\$ 605,000.00
<i>Total Dollars to Date</i>	<i>\$ 34,233,019.00</i>	<i>\$ 605,000.00</i>
<i>Total Percentage to Date</i>	<i>100.00%</i>	<i>1.77%</i>

This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.

OPERATING

**Summary of Procurements
Greater than \$100,000**

March 19 through April 11, 2013

OPERATING

March 19 through April 11, 2013

Procurements Greater than \$100,000		
B30625	Blanket Purchase Order for Ni-Cad Batteries for Commuter Coaches	\$1,300,000.00
B31230	Blanket Purchase Order for Fairmont Tamper Parts	\$400,000.00
B31386	Blanket Purchase Order for Welding Supplies	\$175,000.00
B31449	Blanket Purchase Order for Sintered Brake Shoes	\$850,000.00
B31474	Blanket Purchase Order for Plumbing Supplies	\$250,000.00
B31674	Blanket Purchase Order for Tread Brake Unit Repair Kits for Bi-Level Coaches (Group I)	\$945,000.00
B31677	Blanket Purchase Order for Vehicle Collision/Body Repairs	\$150,000.00
B31764	Blanket Purchase Order for Tread Brake Unit Repair Kits for Highliner Cars (Group II)	\$555,000.00
B31815	Blanket Purchase Order for Quartzite Track Ballast	\$1,000,000.00
B32247	Blanket Purchase Order for Sewer Cleaning Service	\$165,000.00
B32249	Blanket Purchase Order for Verizon Wireless Service	\$3,200,000.00
P0230	Master Purchase Agreement for Group I: Locomotive Wheels	\$2,300,000.00
P0231	Master Purchase Agreement for Group II: Coach Wheels Group III: Highliner Wheels	\$7,700,000.00
S31927	Professional Services Contract for Project Management Consulting Services	\$194,489.00
Operating Total		\$19,184,489.00



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Ni-Cad Batteries

ACTION: Approve Recommendation for Metra IFB No. 49446

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B30625) with Saft America, Inc. for Ni-Cad batteries for commuter coaches in response to IFB No. 49446. The contract term is for three years, and the contract amount is not to exceed \$1,300,000.00.

BACKGROUND

The previous Blanket Purchase Order B04896 will expire on November 30, 2013 and \$967,512.00 has been expended from the \$1,000,000.00 Blanket Purchase Order total. IFB No. 49446 has been solicited to continue procuring Ni-Cad batteries used on commuter coaches.

DISCUSSION

On November 15, 2012 Metra published an IFB soliciting firms to submit sealed bids for Ni-Cad batteries. The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award covers the procurement of Ni-Cad batteries utilized by the Mechanical Department on coach cars in Metra's diesel locomotive powered districts. These batteries are installed on bi-level coaches to provide electrical power for the coaches when power is not being furnished by a locomotive's auxiliary generator.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$1,300,000. Funding is available in the Materials Department budget, accounts 5750-10300400 and 6760-10300400, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015, and 2016 budgets. It is estimated that \$433,333.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 126 vendors registered for three relevant commodities in Metra's Email Vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material or service, solicitations were also mailed to 40 of the vendors known or considered more likely to supply these items. Three vendors responded and two of them have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Saft America, Inc.	\$411,870.00
Redhawk Energy Systems, LLC	\$446,230.00
Alstom Transportation, Inc.	\$549,031.50

* Saft America, Inc. held the previous contract and its bid price was \$312,450.00.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, it is anticipated that the current blanket purchase order for Ni-Cad coach batteries will be completely expended shortly given ordering patterns. A lack of replacement batteries has the potential of keeping coaches out of service, thereby impacting commuter service on Metra's diesel locomotive powered districts.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Joseph Onesto, Sr. Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Saft America, Inc., located in Cockeysville, MD		Amount: \$1,300,000.00 (Not To Exceed)	
Procurement of: Ni-Cad Batteries for Commuter Coaches		Purchase Order/Contract No.: B30625	
Bid Expiration Date: 03/10/13, extended to 05/10/13	Funding Source: 5750-1030-0400 6760-1030-0400	Operating	IFB No.: 49446
			Lead: Bruce Darin
			Responsible Dept.: Materials
Bid Opening Date: 12/10/12	Public Notice Date: 11/15/12	Publication: Chicago Sun-Times	
Term: Three years	Quantity: Three Line Items	Unit Cost: \$738.00 To \$2,277.00	Date Prepared: 2/4/13
			Prior Expenditures: \$967,512.00 was previously expended on contract no. B04896 with Saft America, Inc., which was issued on 12/16/10.

DBE Goal: No certified DBE firms to provide Ni-Cad batteries for commuter coaches.

Action:

Award a Blanket Purchase Order (BPO) to Saft America, Inc., the lowest responsive responsible bidder. Award was made on a low lot basis. This BPO will be for a three-year period and is not to exceed \$1,300,000.00.

Background:

This award covers the procurement of Ni-Cad batteries utilized by the Mechanical Department on coach cars in Metra's diesel locomotive powered districts. These batteries are installed on bi-level coaches to provide electrical power for the coaches when power is not being furnished by a locomotive's auxiliary generator. This material (Operating) will be purchased as needed into inventory. Batteries are charged out by the Mechanical Department as required for installation in the coach cars.

Bid Tabulation:

Bid solicitations were emailed to 126 vendors registered for three relevant commodities in Metra's Email Vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material or service, solicitations were also mailed to 40 of the vendors known or considered more likely to supply these items. Three vendors responded and two of them have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Saft America, Inc.	\$411,870.00
Redhawk Energy Systems, LLC	\$446,230.00
Alstom Transportation, Inc.	\$549,031.50

Bid Analysis:

- * Saft America, Inc. held the previous contract, and its bid price was \$312,450.00

Saft America, Inc. is responsive to all the terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Saft America, Inc. is a world leader in the design and manufacture of advanced technology batteries for industrial and defense applications. Based in France, it has 16 production facilities worldwide. Batteries supplied to Metra would be produced in the Valdosta, GA, USA facility.

B. Procurement Background

On November 15, 2012 Metra published an IFB soliciting firms to submit sealed bids for Ni-Cad batteries. The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

C. DBE Goal

No certified DBE firms to provide Ni-Cad batteries for commuter coaches.

D. Evaluation Criteria

<u>Bidder</u>	<u>Amount</u>
* Saft America, Inc.	\$411,870.00
Redhawk Energy Systems, LLC	\$446,230.00
Alstom Transportation, Inc.	\$549,031.50

* Saft America, Inc. held the previous contract, and its bid price was \$312,450.00.

E. Cost/Price Analysis

The aggregate pricing of \$411,870.00 indicates a 4.64% increase from Saft America, Inc.'s 2010 aggregate pricing for like items and quantities. The Producers Price Index (P.P.I.) allows for a 6.1% increase from 2010 to 2013. This percentage is furnished by the U.S. Department of Labor, Bureau of Labor Statistics and based on a U.S. National average. Additionally, the price quoted by Saft America, Inc. is 8.34% lower than the next lowest bidder's price for the same items and quantities. Based on these factors, the Procurement Division finds the Saft America, Inc.'s offered price to be fair and reasonable.



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Fairmont Tamper Parts

ACTION: Approve Recommendation for Metra IFB No. 39060

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31230) with Harsco Rail, a division of Harsco Corp., to provide Fairmont Tamper Parts in response to Metra IFB No. 39060. The contract term is for three years, and the contract amount is not to exceed \$400,000.00.

BACKGROUND

The previous Blanket Purchase Order is to expire on April 30, 2013, and \$383,272.85 has been expended from a not-to-exceed value of \$485,000.00.

This is a sole source procurement because these parts are proprietary to Harsco Rail. Harsco Rail is the manufacturer of Fairmont tamper parts and does not use distributors for its parts. Therefore, these parts are only available from Harsco Rail.

DISCUSSION

A published solicitation was not requested because this procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (c), which provides for goods or services that are economically procurable from only one source. The Engineering Department has primary responsibility for this contract.

This award covers the procurement of direct replacement Fairmont tamper parts. These various replacement parts include pressure valves, lamps, bushings, axle tubes, relay sockets, air cylinders, hook weldments, retaining rings and receiver kits. This material will be used to replace broken and worn parts on Metra's tamper equipment utilized by Metra's Engineering Work Equipment Maintenance section.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As material is needed, the Engineering Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$400,000.00. Funding is available in the Engineering Department's Work Equipment Maintenance Section's Equipment and Machine

OPERATING

budget, account 34203100, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$133,333.00 will be used on an annual basis.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra will not be able to efficiently purchase replacement tamper parts resulting in equipment being unavailable to perform track maintenance and repairs.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Sole Source Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Denise Johnson, Buyer

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Harsco Rail, a division of Harsco Corp., located in West Columbia, SC		Amount: \$400,000.00 (Not-to-Exceed)	
Procurement of: Fairmont Tamper Parts		Purchase Order/Contract No.: B31230	
Bid Expiration Date: N/A	Funding Source: 5971-3420-3100 5971-3420-4000	Operating	IFB No.: 39060
			Lead: J. Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: 3 Years	Quantity: 19 Line Items	Unit Cost: Ranging from \$1.17 to \$4,081.74	Date Prepared: 02/21/13
			Prior Expenditures: \$383,272.85 was previously expended on contract no. B02925 with Harsco Rail a division of Harsco Corp., awarded on 6/3/10.

DBE Goal: Sole Source Procurement - Material only available from a single source (Harsco Rail).

Action: Award a blanket purchase order to Harsco Rail, a division of Harsco Corp. The award was made on a sole source basis. This blanket purchase order will be for a three-year period and will not exceed \$400,000.00.

This procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, per Section 2.03, Paragraph (c), which provides for goods or services that are economically procurable from only one source.

Background: This award covers the procurement of Fairmont tamper parts. These various replacement parts include pressure valve, lamps, bushings, axle tubes, relay sockets, air cylinders, hook weldments, retaining rings and receiver kits.

These parts are proprietary. Harsco Rail sells the parts direct to the end user and does not use distributors. These parts are only available from Harsco Rail.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Harsco Rail, a division of Harsco Corp., was formed in October 1999 by the merger of two worldwide leaders in the manufacture of railway track construction and maintenance equipment, Fairmont Tamper and Pandrol Jackson, Inc.

Fairmont Railway Motors was founded in Fairmont, Minnesota in 1909. Originally a supplier of railway track motor cars, Fairmont became a pioneer in the development of mechanized track maintenance equipment and introduced hydraulic power to the difficult tasks of pulling and driving track spikes and replacing ties. In the 1940's Fairmont developed road/rail guide wheel attachments, and its HY-RAIL® guide wheel units revolutionized track inspection transportation. Fairmont was acquired by Harsco Corporation in 1979 and became a major supplier of tie replacement and spike driving equipment, rail grinders, and road/rail equipment.

Tamper Corporation, originally founded in Canada in 1934, had been headquartered in West Columbia, South Carolina since 1966. Tamper's strength was in a complete line of automated tamping equipment for lifting, leveling, lining, and tamping track. A pioneer in the development of high-speed, computer-controlled tamping equipment, Tamper became the leader in user-friendly leveling and lining software. Ballast under cutters and regulators, tie replacement equipment, track inspection and utility vehicles, as well as new track construction and track renewal trains, were a part of the Tamper equipment line. A Contract Services Unit handled maintenance-of-way projects on railways throughout the world.

Electric Tamper and Equipment Company (Pandrol Jackson) was founded in 1922 by Corwill Jackson in Ludington, Michigan. The company manufactured electric vibratory hand tampers. Incorporated as Jackson Vibrators in 1937, the company later acquired the O.F. Jordan Company and became Jackson Jordan. The product line later expanded to include production and switch tampers as well as tie gang equipment.

Pandrol International Ltd., a subsidiary of Charter plc., acquired Jackson Jordan in 1990, along with Speno Rail Services and Dapco, and formed the Track Maintenance Division. The division was known as Pandrol Jackson and was comprised of the main offices and manufacturing facility in Ludington, Michigan; the grinder re-manufacturing and operations facility in Syracuse, New York; and the rail flaw detection research and manufacturing facility in Danbury, Connecticut. The rail flaw detection division was sold to Sperry Rail Services in 2002.

Today, Harsco Rail is the largest railroad maintenance equipment company in the western hemisphere and a single international source for over 130 types and models of railway track construction and maintenance machines, road/rail vehicles, and contract services.

B. Procurement Background

This blanket purchase order will be for a three-year period and will not exceed \$400,000.00.

This procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, per Section 2.03, Paragraph (c), which provides for goods or services that are economically procurable from only one source.

C. DBE Goal

Sole Source Procurement - Material only available from a single source (Harsco Rail).

D. Evaluation Criteria

Harsco Rail is the sole source for this procurement. These parts are only available from Harsco Rail. Harsco Rail is a responsive and responsible vendor.

E. Cost/Price Analysis

A price comparison between new prices submitted by Harsco Rail and existing prices from the previous blanket purchase order (B02925 from 2010) indicates the prices for 18 similar items increased in total approximately only 2 percent. The combined 2010-2013 Producers Price Index (PPI) and Crude Materials Index (CMI) increased a total of 11.3 percent. As such, the Procurement Division deems the prices quoted to be fair and reasonable.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$175,000.00. Funding is available in various department budgets, accounts 33403000, 37103000, 34003000, 33363000, and 31463000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$58,333.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 95 vendors registered for the commodity "Welding Gauges; Hose & Accessories; Welding Tools; Welding Rod, Solder, Flux, and related items" in the Metra email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material, solicitations were also mailed to 30 of the vendors known or considered more likely to supply these parts. Three vendors responded, and each of them has previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Welding Industrial Supply Co. (WISCO)	\$53,526.45
The Welding Center	\$53,573.84
** JM Industrial Supply	\$124,774.48

- * WISCO failed to sign its bid, which renders it materially non-responsive. Accepting WISCO's bid would place it in an unfairly competitively advantageous position in relation to the other bidders because WISCO could disavow its offer after all bids are received and opened. Thus, consistent with Illinois law, WISCO's bid must be rejected.
- ** The bid submitted by JM Industrial Supply, (\$124,774.48) was deemed non-responsive because the firm did not quote on all items as required by page 2 of 4 under Basis of Award of the Invitation for Bid, which states:

BIDDERS MUST BID ON ALL ITEMS TO BE RESPONSIVE.

The failure to quote on all items as required is deemed a material deviation from the terms and conditions of the Invitation for Bid. In addition, JM Industrial Supply was not the lowest responsive and responsible bidder.

The Welding Center is responsive and responsible to all terms and conditions of the Invitation for Bid.

ALTERNATIVES

If this Blanket Purchase Order is not issued, Metra would not be able to efficiently purchase welding supplies for track maintenance and the repair and rehabilitation of locomotives, coaches and highliner cars on all Metra Districts. This would adversely impact day-to-day operations and service.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Brenda Resendez, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: The Welding Center, located in Bedford Park, IL.		Amount: \$175,000.00 (Not to Exceed)		
Procurement of: Welding Supplies		Purchase Order/Contract No.: B31386		
Bid Expiration Date: 5/20/13	Funding Source: 5921-3340-3000 5734-3710-3000 6921-3400-3000 7921-3336-3000 6722-3146-3000	Operating	IFB No.: 44921-A	Lead: B. Darin
				Responsible Dept.: Materials
Bid Opening Date: 12/20/12	Public Notice Date: 11/29/12	Publication: Chicago Sun-Times		
Term: Three Years	Quantity: 48- Line Items	Unit Cost: From \$0.33 to \$386.50	Date Prepared: 2/27/13	
			Prior Expenditures: \$149,943.61 was previously expended on contract no. B91714 with Welding Industrial Supply Co. (WISCO), which was issued on 11/2/09.	

DBE Goal: Procurement identified for race neutral participation. One DBE (JM Industrial Supply) bid on the project, but was not the low bidder.

Action: Award a Blanket Purchase Order (BPO) to The Welding Center, the lowest responsive and responsible bidder. Award was made on a low lot basis. This BPO will be for a three-year period, with a not-to-exceed value of \$175,000.00.

Background: This is the second solicitation of this requirement. The initial bid opening occurred on October 30, 2012. All bids were rejected because the solicitation's price list contained items that were discontinued and no longer available. The Materials Department subsequently revised the price list. On November 29, 2012, Metra published an IFB for the second time, soliciting firms to submit sealed bids for welding supplies. The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award includes supplies such as welding gauges; hose & accessories; welding tools; welding rods, solder, flux; and related items to be utilized by the Materials Department on all Districts. This material will be purchased and stored in one of Metra's storehouses until used.

Bid Tabulation: Bid solicitations were emailed to 95 vendors registered for the commodity "Welding Gauges; Hose & Accessories; Welding Tools; Welding Rod, Solder, Flux, and related items" in the Metra email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material, solicitations were also mailed to 30 of the vendors known or considered more likely to supply these

parts. Three vendors responded, and each of them has previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Welding Industrial Supply Co. (WISCO) The Welding Center	\$53,526.45 \$53,573.84
** JM Industrial Supply	\$124,774.48

WISCO had the previous contract with a bid price of \$41,710.81.

Bid Analysis:

- * WISCO failed to sign its bid, which renders it materially non-responsive. Accepting WISCO's bid would place it in an unfairly competitively advantageous position in relation to the other bidders because WISCO could disavow its offer after all bids are received and opened. Thus, consistent with Illinois law, WISCO's bid must be rejected.
- ** The bid submitted by JM Industrial Supply, (\$124,774.48) was deemed non-responsive because the firm did not quote on all items as required by page 2 of 4 under Basis of Award of the Invitation for Bid, which states:

BIDDERS MUST BID ON ALL ITEMS TO BE RESPONSIVE.

The failure to quote on all items as required is deemed a material deviation from the terms and conditions of the Invitation for Bid. In addition, JM Industrial Supply was not the lowest responsive and responsible bidder.

The Welding Center is responsive and responsible to all terms and conditions of the Invitation for Bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

The Welding Center offers a broad range of welding, cutting and safety supplies and equipment. They provide hundreds of products to maximize the productivity of their client companies. A few of the brands that are available are: Miller, Lincoln, ESAB and Thermal Dynamics. The Welding Center offers daily deliveries serving the Chicagoland and Northwest Indiana regions.

Their management team has over 100 years experience providing its customers with products and services. They are committed to providing a business relationship built upon trust and the quality of service to depend on.

B. Procurement Background

This is the second solicitation of this requirement. The initial bid opening occurred on October 30, 2012. All bids were rejected because the solicitation's price list contained items that were discontinued and no longer available. The Materials Department subsequently revised the price list.

On November 29, 2012, Metra published an IFB for the second time, soliciting firms to submit sealed bids for welding supplies. The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

C. DBE Goal

Procurement identified for race neutral participation. One DBE (JM Industrial Supply) bid on the project, but was not the low bidder.

D. Evaluation Criteria

Bid solicitations were emailed to 95 vendors registered for the commodity "Welding Gauges; Hose & Accessories; Welding Tools; Welding Rod, Solder, Flux, and related items" in the Metra email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply this type of material, solicitations were also mailed to 30 of the vendors known or considered more likely to supply these parts. Three vendors responded, and each of them has previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Welding Industrial Supply Co. (WISCO)	\$53,526.45
The Welding Center	\$53,573.84
** JM Industrial Supply	\$124,774.48

- * WISCO failed to sign its bid, which renders it materially non-responsive. Accepting WISCO's bid would place it in an unfairly competitively advantageous position in relation to the other bidders because WISCO could disavow its offer after all bids are received and opened. Thus, consistent with Illinois law, WISCO's bid must be rejected.
- ** The bid submitted by JM Industrial Supply, (\$124,774.48) was deemed non-responsive because the firm did not quote on all items as required by page 2 of 4 under Basis of Award of the Invitation for Bid, which states:

BIDDERS MUST BID ON ALL ITEMS TO BE RESPONSIVE.

The failure to quote on all items as required is deemed a material deviation from the terms and conditions of the Invitation for Bid. In addition, JM Industrial Supply was not the lowest responsive and responsible bidder.

The Welding Center is responsive and responsible to all terms and conditions of the Invitation for Bid.

E. Cost/Price Analysis

Based upon the bids received, WISCO's pricing is only 0.089 percent lower than The Welding Center. Since WISCO's bid was deemed non-responsive, the award was made to The Welding Center, the next lowest responsive and responsible bidder. The Welding Center's pricing is competitive in relation to the other bids received; therefore, it appears to be fair and reasonable based on the foregoing comparison.



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Sintered Brake Shoes

ACTION: Approve Recommendation for Metra IFB No. 49591

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31449) with Anchor Brake Shoe Co. to provide sintered brake shoes in response to IFB No. 49591. The contract term is for three years, and the contract amount is not to exceed \$850,000.00.

BACKGROUND

The previous Blanket Purchase Order expired on November 30 2012, and \$892,220.40 was expended from the \$900,000.00 Blanket Purchase Order total. IFB No. 49591 has been solicited to continue procuring sintered brake shoes used in the maintenance of the Highliner cars.

DISCUSSION

On February 4, 2013, Metra published an IFB soliciting firms to submit sealed bids for sintered brake shoes. The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award covers the procurement of sintered brake shoes utilized by the Mechanical Department to maintain the Highliner cars. These brake shoes wear out through normal use and are replaced on an as-needed basis at an average annual rate of 4,500 per year.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$850,000.00. Funding is available in the Mechanical Department's budget, accounts 31463000, 31543000 and 31773000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$283,333.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 138 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however,

OPERATING

for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide brake shoes, solicitations were also mailed to 20 of the vendors known or considered more likely to supply brake shoes. Two vendors responded, and both of them have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Anchor Brake Shoe Co.	\$243,000.00
Railroad Friction Products Corp.	\$292,500.00

Anchor Brake Shoe Co. is the lowest responsive and responsible bidder.

The U.S. railroad equipment (“rolling stock”) manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest companies account for about 95 percent of the industry’s revenue. (Source: Hoover’s Inc., a Dun & Bradstreet Company)

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra would not be able to efficiently maintain the Highliner cars. If worn brake shoes are not replaced, Highliner cars could be withheld from service, thereby impacting commuter service.

NEXT STEPS

After Board approval, the Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Denise Johnson, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Anchor Brake Shoe Co. located in West Chicago, IL		Amount: \$850,000.00	
Procurement of: Sintered Brake Shoes		Purchase Order/Contract No.: B31449	
Bid Expiration Date: 5/27/13	Funding Source: 00-4722-3146-3100 Operating 00-4722-3154-3000 00-4722-3177-3000	IFB No.: 49591	Lead: B. Darin
			Responsible Dept.: Materials
Bid Opening Date: 2/27/13	Public Notice Date: 2/4/13	Publication: Chicago Sun-Times	
Term: 3 Years	Quantity: 1 Line Item	Unit Cost: \$54.00	Date Prepared: 02/28/13
			Prior Expenditures: \$892,220.40 was previously expended on contract no. B99908 with Anchor Brake Shoe Co. awarded on 5/29/09.

DBE Goal:
No certified DBE firms to provide sintered brake shoes.

Action:
Award a Blanket Purchase Order to Anchor Brake Shoe Co., the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a three-year period and will not exceed \$850,000.00.

Background:
This award covers the procurement of sintered brake shoes utilized by the Mechanical Department to maintain the Highliner cars. These brake shoes wear out over time through normal use and must be replaced.

A previous Blanket Purchase Order expired 11/30/12, and \$892,220.40 was expended from a not-to-exceed value of \$900,000.00.

This material (Operating) will be purchased and when received, will be expensed to the requesting operating department.

Bid Tabulation:

Bid solicitations were emailed to 138 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide brake shoes, solicitations were also mailed to 20 of the vendors known or considered more likely to supply brake shoes. Two vendors responded, and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Anchor Brake Shoe Co.	\$243,000.00
Railroad Friction Products Corp.	\$292,500.00

Anchor Brake Shoe Co. had the previous contract, and its bid price was \$186,084.00 for the same price list, which contained one line item but had a lower quantity.

Bid Analysis:

Anchor Brake Shoe Co. is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Anchor Brake Shoe Co. manufactures and markets locomotive and freight car brake shoes. The company was incorporated in 1994 and is based in West Chicago, Illinois. As of December 5, 2008, Anchor Brake Shoe Co. operates as a subsidiary of New York Air Brake Corporation.

B. Procurement Background

The solicitation was advertised on February 4, 2013 requesting sealed bids for materials for a three-year period. Award was to be based upon a lot basis to the lowest responsive and responsible bidder.

This award covers the procurement of sintered brake shoes utilized by the Mechanical Department to maintain the Highliner cars. This award covers the procurement of sintered brake shoes utilized by the Mechanical Department to maintain the Highliner cars. These brake shoes wear out through normal use and are replaced on an as-needed basis at an average annual rate of 4,500 per year.

C. DBE Goal

No certified DBE firms to provide sintered brake shoes.

D. Evaluation Criteria

Bid solicitations were emailed to 138 vendors registered three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide brake shoes, solicitations were also mailed to 20 of the vendors known or considered more likely to supply brake shoes. Two vendors responded, and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Anchor Brake Shoe Co.	\$243,000.00
Railroad Friction Products Corp.	\$292,500.00

Anchor Brake Shoe Co. is the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Based upon the bids received, Anchor Brake Shoe Co.'s pricing is 20.37 percent lower than Railroad Friction Products Corp.'s pricing. Based upon this comparison, Anchor Brake Shoe Co.'s pricing is determined to be fair and reasonable.



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Plumbing Supplies

ACTION: Approve Recommendation for Metra IFB No. 39053

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31474) with Marco Supply Co., Inc. to provide plumbing supplies (non-stock) in response to IFB No. 39053. The contract term is for two years, and the contract amount is not to exceed \$250,000.00.

BACKGROUND

The previous Blanket Purchase Order expires on November 30, 2013, and \$199,947.20 has been expended from the \$200,000.00 Blanket Purchase Order total. Therefore, IFB No. 39053 has been solicited at this time to continue procuring plumbing supplies used by the Engineering Department for maintenance and repairs at Metra facilities system wide.

DISCUSSION

On January 25, 2013, Metra published an IFB soliciting firms to submit sealed bids for plumbing supplies (non-stock). The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award includes supplies such as valves, elbows, copper pipes, adapters and unions. These parts will be used by Metra Engineering's field forces located at Blue Island, KYD and Western Avenue to perform maintenance and repair work as necessary at facilities system wide.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As material is needed, the Engineering Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for two years and a total of \$250,000.00. Funding is available in the Engineering Department's Repair & Maintenance - Building & Structure budget, account 34003100, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014 and 2015 budgets. It is estimated that \$125,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 72 vendors registered for the commodities "Plumbing Materials and Supplies" and "Pipes and Fittings" in Metra's Email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide plumbing supplies, solicitations were also mailed to 17 of the vendors known or considered more likely to supply plumbing supplies. Also, the Office of Business Diversity and Civil Rights identified an additional four firms that were mailed solicitations. Six vendors responded, and five of the six have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Marco Supply Co., Inc.	\$86,488.00
** E. E. Bailey Building Material	\$90,060.00
Leeps Plumbing	\$98,686.00
Columbia Pipe	\$135,677.00
Standard Companies	\$156,839.00
Rae Products	\$199,380.00

* Marco Supply Co., Inc. was the previous contract holder in 2011.

** The bid submitted by E. E. Bailey Building Materials was deemed non-responsive because it failed to include the Acknowledgement of Addendum No. 1, which added Exhibit 1-L, Buy America Certificate. This means that E. E. Bailey Building Material did not submit a complete bid. E. E. Bailey Building Material's failure to sign the Acknowledgement renders its bid materially non-responsive.

Additionally, E. E. Bailey Building Materials was not the lowest responsive and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, the Engineering Department will lack efficient access to non-stock plumbing supplies and may be unable to perform necessary maintenance and repair work at Metra facilities in a timely manner.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn Capranica, Department Head, Procurement
Jennifer Zellers, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Marco Supply Co., Inc., located in East Chicago, IN		Amount: \$250,000.00 (Not-to-Exceed)	
Procurement of: Plumbing Supplies (Non-Stock)		Purchase Order/Contract No.: B31474	
Bid Expiration Date: 5/26/13	Funding Source: 004911-3400-3100 004911-3402-3100 004911-3403-3100 004911-3404-3100 005911- " - " 006911- " - " 007911- " - " 008911- " - "	Operating	IFB No.: 39053
			Lead: J. Lorenzini
		Responsible Dept.: Engineering	
Bid Opening Date: 2/19/13 extended to 2/26/13	Public Notice Date: 1/25/13	Publication: Chicago Sun-Times	
Term: Two Years	Quantity: 33 Line Items	Unit Cost: From: \$0.40 to \$125.10	Date Prepared: 2/28/13
			Prior Expenditures: \$199,947.20 was previously expended on contract no. B15497 with Marco Supply Co., Inc., awarded on 11/09/11.
DBE Goal: Procurement identified for race neutral participation. One DBE (E. E. Bailey Building Material) bid on the project, but was not the low bidder.			
Action: Award a blanket purchase order to Marco Supply Co., Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis.			
Background: This award includes supplies such as valves, elbows, copper pipes, adapters and unions. These parts will be used by Metra Engineering's field forces located at Blue Island, KYD and Western Avenue to perform maintenance and repair work as necessary at facilities system wide.			
Bid Tabulation: Bid solicitations were emailed to 72 vendors registered for the commodities "Plumbing Materials and Supplies" and "Pipes and Fittings" in Metra's Email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide plumbing supplies, solicitations were also mailed to 17 of the vendors known or considered more likely to supply plumbing supplies. Also, the Office of Business Diversity and Civil Rights identified an additional four firms that were mailed solicitations. Six vendors responded, and five of the six have previously transacted business with Metra. The six bids received are summarized below:			

<u>Bidder</u>	<u>Amount</u>
* Marco Supply Co., Inc.	\$86,488.00
** E. E. Bailey Building Material	\$90,060.00
Leeps Plumbing Supply	\$98,686.00
Columbia Pipe & Supply	\$135,677.00
Standard Companies	\$156,839.00
Rae Products	\$199,380.00

Bid Analysis:

- * Marco Supply Co., Inc. was the previous contract holder in 2011.
- ** The bid submitted by E. E. Bailey Building Materials was deemed non-responsive because it failed to include the Acknowledgement of Addendum No. 1 which added Exhibit 1-L, Buy America Certificate. This means that E. E. Bailey Building Material did not submit a complete bid. E. E. Bailey Building Material's failure to sign the Acknowledgement renders its bid materially non-responsive.

Additionally, E. E. Bailey Building Materials was not the lowest responsive and responsible bidder.

Marco Supply Co., Inc. is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Founded in 1954, Marco Supply Co., Inc. has developed a reputation as a leader in the plumbing and heating wholesale supply arena. Marco Supply Co., Inc. is well versed in multiple-branch operations. With two locations, it commands a combined total of 60,000 square feet of warehouse space and carries more than 30,000 different SKUs in stock.

B. Procurement Background

On January 25, 2013, Metra published an IFB soliciting firms to submit sealed bids for plumbing supplies (non-stock). The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award includes supplies such as valves, elbows, copper pipes, adapters and unions. These parts will be used by Metra Engineering's field forces located at Blue Island, KYD and Western Avenue to perform maintenance and repair work as necessary at facilities system wide.

C. DBE Goal

Procurement identified for race neutral participation. One DBE (E. E. Bailey Building Material) bid on the project, but was not the low bidder.

D. Evaluation Criteria

Bid solicitations were emailed to 72 vendors registered for the commodities "Plumbing Materials and Supplies" and "Pipes and Fittings" in Metra's Email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide plumbing supplies, solicitations were also mailed to 17 of the vendors known or considered more likely to supply plumbing supplies. Also, the Office of Business Diversity and Civil Rights identified an additional four firms that were mailed solicitations. Six vendors responded, and five of the six have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Marco Supply Co., Inc.	\$86,488.00
** E. E. Bailey Building Material	\$90,060.00
Leeps Plumbing	\$98,686.00
Columbia Pipe	\$135,677.00
Standard Companies	\$156,839.00
Rae Products	\$199,380.00

- * Marco Supply Co., Inc. was the previous contract holder in 2011.
- ** The bid submitted by E. E. Bailey Building Materials was deemed non-responsive because it failed to include the Acknowledgement of Addendum No. 1 which added Exhibit 1-L, Buy America Certificate. This means that E. E. Bailey Building Material did not submit a complete bid. E. E. Bailey Building Material's failure to sign the Acknowledgement renders its bid materially non-responsive.

Additionally, E. E. Bailey Building Materials was not the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Based upon the bids received, the price quoted by Marco Supply Co., Inc. was 4.1 percent lower than the next lowest bidder and 130 percent lower than the highest bid. Marco Supply Co., Inc's bid appears to be fair and reasonable based on the comparison of competing bids for the same material.



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Tread Brake Unit Repair Kits (Group I)

ACTION: Approve Recommendation for Metra for IFB No. 49384

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31674) with Wabtec Passenger Transit for tread brake unit repair kits for bi-level coaches (Group I) in response to IFB No. 49384. The contract term is for three years, and the contract amount is not to exceed \$945,000.00.

BACKGROUND

The previous Blanket Purchase Order (B87702) expired on November 30, 2011, and \$1,216,165.95 was expended from the \$2,000,000.00 Blanket Purchase Order total. IFB No. 49384 has been solicited to continue procuring tread brake unit repair kits for bi-level coaches.

DISCUSSION

On January 16, 2013, Metra published an IFB soliciting firms to submit sealed bids for tread brake unit repair kits for bi-level coaches and Highliner cars. A single bid was received for Tread Brake Unit Repair Kits (Group I). A canvass was conducted of non-bidders in an effort to determine why they did not bid. The canvass sheet is attached (Attachment C).

The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended on a group basis to the lowest responsive and responsible bidder.

The groups are as follows: Group I – Tread Brake Unit Repair Kits for Bi-Level Coaches
Group II – Tread Brake Unit Repair Kits for Highliner Cars

This award covers the procurement of Group I. This material will be used by the Mechanical Department for maintenance and repairs for bi-level coaches on an as-needed basis. The primary function of tread brake units is the brake application on the wheel surface. The tread brake unit repair kits are used to repair, replace or upgrade the braking system.

Group II will be awarded under a different contract.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$945,000.00. Funding is available in the Materials Department budget, accounts 4751-10300400 and 6760-10300400, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$315,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide tread brake unit repair kits, solicitations were also mailed to 26 of the vendors known or considered more likely to supply tread brake unit repair kits. Solicitations were also mailed to an additional six vendors located via internet research. One vendor responded for Group I and has previously transacted business with Metra. The single bid received is summarized below:

<u>Bidder</u>	<u>Amount</u>
* Wabtec Passenger Transit	\$216,670.00

- * Wabtec Passenger Transit's bid was non-responsive because it contained supplemental terms and conditions pertaining to release authorization, warranties and indemnification. These were material deviations from the terms and conditions of the Invitation for Bid. However, because only a single bid was received, and because this procurement is for specialized material with a limited number of vendors, Metra elected to convert the non-responsive bid to a negotiated procurement and accept the submitted terms and conditions with the vendor. Metra's Law Department and the vendor previously agreed to language that is acceptable and therefore enables this procurement to proceed and this award to be recommended.

The U.S. railroad equipment ("rolling stock") manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest companies account for about 95 percent of the industry's revenue. (Source: Hoover's Inc., a Dun & Bradstreet Company).

Durox Co. was the previous contract holder in 2008. Subsequently in 2009, Wabtec Passenger Transit acquired Durox Co.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra will be unable to repair or improve the existing tread brake units on bi-level coaches. A lack of tread brake unit repair kits will keep coaches out of service, thereby impacting commuter service.

OPERATING

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History
- C. Canvass

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Jennifer Zellers, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Wabtec Passenger Transit, located in Spartanburg, SC		Amount: \$945,000.00	
Procurement of: Tread Brake Unit Repair Kits for Bi-Level Coaches (Group I)		Purchase Order/Contract No.: B31674	
Bid Expiration Date: 4/16/13 extended to 5/16/13	Funding Source: 4751-1030-0400 6760-1030-0400	Operating	IFB No.: 49384
			Lead: B. Darin
			Responsible Dept.: Materials
Bid Opening Date: 1/16/13	Public Notice Date: 12/12/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: Four Line Items (Kits)	Unit Cost: From: \$368.00 to \$534.00	Date Prepared: 3/06/13
			Prior Expenditures: \$1,216,165.95 was previously expended on contract no. B87702 with Durox Co. awarded on 12/3/08.

DBE Goal: No certified DBE firms to provide tread brake unit repair kits for bi-level coaches.

Action: Award a Blanket Purchase Order to Wabtec Passenger Transit, the single responsive and responsible bidder. Award was made on a group basis. The Blanket Purchase Order will be for a three-year period and is not to exceed \$945,000.00.

Background:

This material will be used by the Mechanical Department for maintenance and repairs to bi-level coaches. The primary function of tread brake units is the brake application on the wheel surface. The tread brake unit repair kits are used to repair, replace or upgrade the braking system.

Bid Tabulation:

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide tread brake unit repair kits, solicitations were also mailed to 26 of the vendors known or considered more likely to supply tread brake unit repair kits. Solicitations were also mailed to an additional six vendors located via internet research. One vendor responded for Group I and has previously transacted business with Metra. The single bid received is summarized below:

<u>Bidder</u>	<u>Amount</u>
* Wabtec Passenger Transit	\$216,670.00

The U.S. railroad equipment (“rolling stock”) manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest companies account for about 95 percent of the industry’s revenue. (Source: Hoover’s Inc., a Dun & Bradstreet Company).

Bid Analysis:

- * Wabtec Passenger Transit’s bid was non-responsive because it contained supplemental terms and conditions pertaining to release authorization, warranties and indemnification. These were material deviations from the terms and conditions of the Invitation for Bid. However, because only a single bid was received, and because this procurement is for specialized material with a limited number of vendors, Metra elected to convert the non-responsive bid to a negotiated procurement and accept the submitted terms and conditions with the vendor. Metra’s Law Department and the vendor previously agreed to language that is acceptable and there enables this procurement to proceed and this award to be recommended.

Durox Co. was the previous contract holder in 2008. Subsequently in 2009, Wabtec Passenger Transit acquired Durox Co.

Because only one bid was received, a canvass was conducted of non-bidders to determine why they did not bid. See attached Canvass Sheet.

Wabtec Passenger Transit is the single responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Wabtec Passenger Transit (“Wabtec”) designs and manufactures a vast array of pneumatic, electronic and mechanical devices such as braking equipment, controllers, current collectors and couplers for the transit industry worldwide.

B. Procurement Background

The solicitation was advertised on January 16, 2013 requesting sealed bids for tread brake unit repair kits for bi-level coaches and Highliner cars. The award was on a group basis.

C. DBE Goal

No certified DBE firms to provide tread brake unit repair kits for bi-level coaches.

D. Evaluation Criteria

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide tread brake unit repair kits, solicitations were also mailed to 26 of the vendors known or considered more likely to supply tread brake unit repair kits. Solicitations were also mailed to an additional six vendors located via internet research. One vendor responded for Group I and has previously transacted business with Metra. The single bid received is summarized below:

<u>Bidder</u>	<u>Amount</u>
* Wabtec Passenger Transit	\$216,670.00

* Wabtec Passenger Transit’s bid was non-responsive because it contained supplemental terms and conditions pertaining to release authorization, warranties and indemnification. These were material deviations from the terms and conditions of the Invitation for Bid. However, because only a single bid was received, and because this procurement is for specialized material with a limited number of vendors, Metra elected to convert the non-responsive bid to a negotiated procurement and accept the submitted terms and conditions with the vendor. Metra’s Law Department and the vendor previously agreed to language that is acceptable and there enables this procurement to proceed and this award to be recommended.

The U.S. railroad equipment (“rolling stock”) manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest companies account for about 95 percent of the industry’s revenue. (Source: Hoover’s Inc., a Dun & Bradstreet Company).

Durox Co. was the previous contract holder in 2008. Subsequently in 2009, Wabtec Passenger Transit acquired Durox Co.

E. Cost/Price Analysis

According to the separate Price Analysis performed on this procurement, compared to the prices in the 2008 contract, there has been an average 77 percent increase. Group I includes four kits. All four kits were designed by Metra personnel and approved by both Metra and Wabtec Engineers. These four kits were produced specifically for Metra; therefore, a published price list for this material does not exist. Durox Co., the previous provider of this material, has since been acquired by Wabtec. Wabtec is now the original equipment manufacturer (OEM) for the material.

Wabtec has provided Metra with invoices to other customers for similar material. According to these invoices, the prices quoted to Metra appear fair and reasonable. Wabtec has also signed Exhibit 1-I, Price Certification of the Invitation for Bid stating that Wabtec Passenger Transit hereby certifies that the prices quoted to Metra are the same prices that would be quoted to any other potential customer for the same quantity under the same terms and conditions and like circumstances.



Canvass

Date: 1/16/13
 IFB/RFP No.: 49384
 IFB/RFP Title: Tread Brake Unit Repair Kits
 P.O. # (when assigned): B31674

Metra is required under state and Federal Procurement Regulations to provide an open and competitive environment for soliciting bids. Metra is also required, by State Law, to advertise upcoming bids over \$10,000.00 in a major local newspaper with circulation within Metra's six-county area. Metra is required to send bids to those firms that request such, and Metra cannot preclude a firm from bidding.

Below is a sample canvass of the non-bidders on the IFB identified above.

Vendor	Date	Phone/Other	Person	Response
Durox Co.	1/17/13	Phone Call	Zoltan Kovacs	Wabtec Passenger Transit acquired Durox Co. (the previous provider for this material). Wabtec's corporate decision was to have Wabtec submit for Group I – Gallery Car components and to have Durox Co. submit for Group II – Highliner Car components.
Wabtec Passenger Transit	1/17/13	Phone Call	Zoltan Kovacs	Wabtec Passenger Transit acquired Durox Co. (the previous provider for this material.) Wabtec's corporate decision was to have Wabtec submit for Group I – Gallery Car components and to have Durox Co. submit for Group II – Highliner Car components.
Ellcon-National, a division of Faiveley Transport	1/17/13	Email	Becky Ellis	Did not quote Group I because the material was not their manufacturer.
National Railway Equipment	1/16/13	NO OFFER BID SHEET	J. Jackson	Do not perform this service.
Industry-Railway Suppliers	1/16/13	NO OFFER BID SHEET	Customer Service Manager	Not an item they are able to supply.
Motive Power, Inc.	1/16/13	NO OFFER BID SHEET		Bid should be completed by sister company, Wabco Loco., a Wabtec company.

Vendor	Date	Phone/Other	Person	Response
Southern Parts & Equipment, Inc.	1/16/13	NO OFFER BID SHEET	Walter Couch	Cannot comply with specifications.
Alstom Transportation	1/16/13	NO OFFER BID SHEET	Gerardo	Cannot bid competitively.
Central Sales & Service	1/16/13	NO OFFER BID SHEET	Thomas Cook	Do not perform this service.
Railroad Friction Products	1/16/13	NO OFFER BID SHEET	Ken Deceuster	Parts not manufactured by RFPC.
Power Rail Distribution	1/16/13	NO QUOTE BID PROVIDED ON BID OPENING DAY	Jim May	Do not supply this material.
Wheel Truing Brake Shoe Co.	1/16/13	NO QUOTE BID PROVIDED ON BID OPENING DAY	Mike Gorang	Not their product.
Dayton Phoenix	1/16/13	NO QUOTE BID PROVIDED ON BID OPENING DAY	J. B. Richard	Not their product.

For Group I:

The Procurement Department's recommendation is to award this blanket purchase order to Wabtec Passenger Transit. Wabtec is the OEM for this material. The market for tread brake units and tread brake unit repair kits is historically very small. Wabtec's primary competition in the past was Durox Co. Durox Co. is now a Wabtec company.

According to the above Canvass, solicitation for this material was not unduly restrictive, and adequate competition requirements have been fulfilled.

Group II will be awarded under a different contract.



TO: Audit & Finance Committee **DATE:** May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Vehicle Collision/Body Repairs

ACTION: Approve Recommendation for Metra IFB No. 55567A

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31677) with Charlie's Auto Body Repair Shop to provide collision/body repairs for vehicles operating from Metra's Blue Island, IL location in response to IFB No. 55767A. The contract term is for two years, and the contract amount is not to exceed \$150,000.00.

BACKGROUND

Two previous Blanket Purchase Orders (B87849 and B87850) for this service (to adequately cover Metra's service region) expired in 2011. \$68,019.07 was expended from contract B87849 with Charlie's Auto Body Repair Shop that expired on October 31, 2011.

DISCUSSION

This is the second solicitation of this requirement. IFB No. 55567 was initially solicited on May 7, 2012; however, only one response was received. In an effort to obtain additional competition, the requirement was re-solicited. On November 15, 2012, Metra again published an IFB soliciting firms to submit sealed bids for vehicle collision/body repairs.

This award provides for the procurement of collision/body repairs to automobiles, vans, SUVs, and light duty trucks operating from Metra's Blue Island facility located at 2067 W. 123rd St., Blue Island, IL. The solicitation intends to award up to four contracts to provide service in conjunction with Metra's four Fleet locations within the service region. Other locations will be awarded to other firms under different blanket purchase orders.

The Fleet Maintenance Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder for the Blue Island, IL location.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As service is needed, the Fleet Maintenance Department will issue release notices for the required service to the recommended vendor.

The Blanket Purchase Order is for two years and a total of \$150,000.00. Funding is available in the Fleet Maintenance Department's budget, accounts 004771-3421-4000, 005771-3421-4000, 004771-3892-5000, 005771-3892-5000, 006771-3421-4000, 006771-3892-5000, 005770-3421-4000, and 005770-3892-5000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014 and 2015 budgets. It is estimated that \$75,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 53 vendors registered for two commodities, "Vehicle Body Repair and Paint Shop" and "Vehicle Maintenance - North," in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide collision/body repairs, solicitations were also mailed to 20 of the vendors known or considered more likely to provide this service. Four vendors responded for the Blue Island, IL location (one vendor submitted two separate bids), and three of them have previously transacted business with Metra. The bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>	<u>Location Bidding</u>
* GDL Auto Body	\$80,800.00	Blue Island
* GDL Auto Body	\$91,800.00	Blue Island
** Ogden Automotive Center	\$98,800.00	Grand Ave. Jackson Blvd. Blue Island
*** Kerry's Auto Body, Inc.	\$123,850.00	Grand Ave. Jackson Blvd. Blue Island
Charlie's Auto Body Repair Shop	\$133,300.00	Blue Island

- * GDL Auto Body is non-responsive because it failed to quote all items and include a signed Buy America Certificate with its bid. These are material deviations from the terms and conditions of the invitation for bid. It is noted that one of GDL Auto Body's bids only quoted mechanical repairs while its other bid only quoted body paint/collision repairs. If the two bids were submitted as one bid, GDL Auto Body's pricing would have been \$161,800.00, including a single line item for parts/materials markup. The submission of two separate bids each included a parts/materials markup line item, which accounts for the difference in the sum total pricing of \$161,800.00. If the two bids were submitted as one bid, GDL Auto Body's pricing would have been the highest received.
- ** Ogden Automotive Center is non-responsive because it is not equipped with a paint booth; painting is outsourced to other locations, which is considered to be a material deviation from the requirements of the specification.

*** Kerry's Auto Body is non-responsive because it is not located within 10 miles from the Blue Island location. This is a requirement of the specification and, therefore, a material deviation from the specification. Kerry's Auto Body is located 11.9 miles from the Blue Island location.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra would lack the ability to efficiently have collision damaged support vehicles repaired, thereby potentially impacting Blue Island fleet vehicle availability for service.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution. After execution, the required Insurance Certificates will be requested.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
James Barker, Department Head, Professional Services/Contracts
AnnMarie Di Prima, Professional Services Associate

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Charlie's Auto Body Repair Shop, located in South Holland, IL		Amount: \$150,000.00	
Procurement of: Collision/Body Repairs to Automobiles, Vans, SUVs, and Light Duty Trucks – Blue Island, IL Location		Purchase Order/Contract No.: B31677	
Bid Expiration Date: 4/30/13	Funding Source: 004771-3421-4000 005771-3421-4000 004771-3892-5000 005771-3892-5000 006771-3421-4000 006771-3892-5000 005770-3421-4000 005770-3892-5000	Operating	IFB No.: 55767A
			Lead: M. Simos Responsible Dept.: Fleet Maintenance
Bid Opening Date: 12/5/12	Public Notice Date: 11/15/12	Publication: Chicago Sun-Times	
Term: 2 Years	Quantity: Various Hourly Labor Rates and Parts mark-up	Unit Cost: From: \$19.00 to \$50.00/hour; 25% mark-up	Date Prepared: March 7, 2013 Prior Expenditures: \$68,019.07 was expended from contract B87849 with Charlie's Auto Body Repair Shop that expired on October 31, 2011.
DBE Goal: Procurement identified for race neutral participation. One DBE (Weld-Tech) bid on the project, but was not the low bidder.			
Action: Award a Blanket Purchase Order (BPO) to Charlie's Auto Body Repair Shop, the lowest responsive and responsible bidder for the Blue Island, IL location. Award was made on a low lot and location basis. This BPO will be for a two-year period and is not to exceed \$150,000.00.			
Background: This award provides for the procurement of collision/body repairs to automobiles, vans, SUVs, and light duty trucks. The solicitation intended to award up to four contracts to provide service in conjunction with Metra's four Fleet locations within the service region. This contract covers the location of 2067 W. 123 rd St., Blue Island, IL.			
Bid Tabulation: Bid solicitations were emailed to 53 vendors registered for two commodities, "Vehicle Body Repair and Paint Shop" and "Vehicle Maintenance - North," in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids.			

Because not all of the solicited vendors provide collision/body repairs, solicitations were also mailed to 20 of the vendors known or considered more likely to provide this service. Four vendors responded for the Blue Island, IL location (one vendor submitted two separate bids), and three of them have previously transacted business with Metra. The bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>	<u>Location Bidding</u>
* GDL Auto Body	\$80,800.00	Blue Island
* GDL Auto Body	\$91,800.00	Blue Island
** Ogden Automotive Center	\$98,800.00	Grand Ave. Jackson Blvd. Blue Island
*** Kerry's Auto Body, Inc.	\$123,850.00	Grand Ave. Jackson Blvd. Blue Island
Charlie's Auto Body Repair Shop	\$133,300.00	Blue Island

Bid Analysis:

- * GDL Auto Body is non-responsive because it failed to quote all items and include a signed Buy America Certificate with its bid. These are material deviations from the terms and conditions of the invitation for bid. It is noted that one of GDL Auto Body's bids only quoted mechanical repairs while its other bid only quoted body paint/collision repairs. If the two bids were submitted as one bid, GDL Auto Body's pricing would have been \$161,800.00, including a single line item for parts/materials markup. The submission of two separate bids each included a parts/materials markup line item, which accounts for the difference in the sum total pricing of \$161,800.00. If the two bids were submitted as one bid, GDL Auto Body's pricing would have been the highest received.
- ** Ogden Automotive Center is non-responsive because it is not equipped with a paint booth; painting is outsourced to other locations, which is considered to be a material deviation from the requirements of the specification.
- *** Kerry's Auto Body is non-responsive because it is not located within 10 miles from the Blue Island location. This is a requirement of the specification and, therefore, a material deviation from the specification. Kerry's Auto Body is located 11.9 miles from the Blue Island location.

For the location of Blue Island, IL, Charlie's Auto Body Repair Shop is responsive to all terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Charlie's Auto Body Repair Shop has been serving Illinois since 1979. Charlie's offers just about everything when it comes to collision and body repairs. From motorcycles to 2.5 ton trucks, Charlie's can repair anything that has to do with collision, mechanical, welding, fabricating, and painting.

B. Procurement Background

Two previous Blanket Purchase Orders (B87849 and B87850) for this service (to adequately cover Metra's service region) expired in 2011. \$68,019.07 was expended from contract B87849 with Charlie's Auto Body Repair Shop that expired on October 31, 2011. IFB No. 55567A has been solicited to continue to provide for collision body repair services for Metra vehicles.

C. DBE Goal

Procurement identified for race neutral participation. One DBE (Weld-Tech) bid on the project, but was not the low bidder.

D. Evaluation Criteria

Bid solicitations were emailed to 53 vendors registered for two commodities, "Vehicle Body Repair and Paint Shop" and "Vehicle Maintenance - North," in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide collision/body repairs, solicitations were also mailed to 20 of the vendors known or considered more likely to provide this training. Four vendors responded for the Blue Island, IL location (one vendor submitted two separate bids), and three of them have previously transacted business with Metra. The bids received are summarized below:

	<u>Bidder</u>	<u>Amount</u>	<u>Location Bidding</u>
*	GDL Auto Body	\$80,800.00	Blue Island
*	GDL Auto Body	\$91,800.00	Blue Island
**	Ogden Automotive Center	\$98,800.00	Grand Ave. Jackson Blvd. Blue Island
***	Kerry's Auto Body, Inc.	\$123,850.00	Grand Ave. Jackson Blvd. Blue Island
	Charlie's Auto Body Repair	\$133,300.00	Blue Island

Shop

- * GDL Auto Body is non-responsive because it failed to quote all items and include a signed Buy America Certificate with its bid. These are material deviations from the terms and conditions of the invitation for bid. It is noted that one of GDL Auto Body's bids only quoted mechanical repairs while its other bid only quoted body paint/collision repairs. If the two bids were submitted as one bid, GDL Auto Body's pricing would have been \$161,800.00, including a single line item for parts/materials markup. The submission of two separate bids each included a parts/materials markup line item, which accounts for the difference in the sum total pricing of \$161,800.00. If the two bids were submitted as one bid, GDL Auto Body's pricing would have been the highest received.
- ** Ogden Automotive Center is non-responsive because it is not equipped with a paint booth; painting is outsourced to other locations, which is considered to be a material deviation from the requirements of the specification.
- *** Kerry's Auto Body is non-responsive because it is not located within 10 miles from the Blue Island location. This is a requirement of the specification and, therefore, a material deviation from the specification. Kerry's Auto Body is located 11.9 miles from the Blue Island location.

E. Cost/Price Analysis

The price quoted by Charlie's Auto Body Repair Shop for the Blue Island, IL location is the lowest responsive and responsible price received and is deemed fair and reasonable based on a comparison with competing bid prices for the same services.



TO: Audit & Finance Committee **DATE:** May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Tread Brake Unit Repair Kits (Group II)

ACTION: Approve Recommendation for Metra for IFB No. 49384

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31764) with Ellcon-National, a Division of Faiveley Transport Group, for tread brake unit repair kits for Highliner cars (Group II) in response to IFB No. 49384. The contract term is for three years, and the contract amount is not to exceed \$555,000.00.

BACKGROUND

The previous Blanket Purchase Order (B87702) expired on November 30, 2011, and \$1,216,165.95 was expended from the \$2,000,000.00 Blanket Purchase Order total (the previous contract included tread brake unit repair kits for bi-level coaches and Highliner cars). IFB No. 49384 has been solicited to continue procuring tread brake unit repair kits for the Highliner cars.

DISCUSSION

On January 16, 2013, Metra published an IFB soliciting firms to submit sealed bids for tread brake unit repair kits for bi-level coaches and Highliner cars. Two bids were received for Tread Brake Unit Repair Kits (Group II). A canvass was conducted of non-bidders in an effort to determine why they did not bid. The canvass sheet is attached (Attachment C). The Materials Department has primary responsibility for this Blanket Purchase Order. Award is recommended on a group basis to the lowest responsive and responsible bidder.

The groups are as follows: Group I – Tread Brake Unit Repair Kits for Bi-Level Coaches
Group II – Tread Brake Unit Repair Kits for Highliner Cars

This award covers the procurement of Group II. This material will be used by the Mechanical Department for maintenance and repairs for Highliner cars on as needed basis. The primary function of tread brake units is the brake application on the wheel surface. The tread brake unit repair kits are used to repair, replace or upgrade the braking system.

Group I will be awarded under a different contract.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for three years and a total of \$550,000. Funding is available in the Materials Department budget, accounts 4751-10300400 and 6760-10300400, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$185,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide tread brake unit repair kits, solicitations were also mailed to 26 of the vendors known or considered more likely to supply tread brake unit repair kits. Solicitations were also mailed to an additional six vendors located via internet research. Two vendors responded for Group II, and both have previously transacted business with Metra. The two bids received are summarized below:

	<u>Bidder</u>	<u>Amount</u>
*	Ellcon-National, a Division of Faiveley Transport Group	\$158,262.20
**	Durox Co.	\$175,254.88

* Ellcon-National, a Division of Faiveley Transport Group, could not certify compliance with Buy America. A 25% penalty was added to its bid for evaluation purposes ($\$126,609.76 + \$31,652.44$ (25% penalty) = $\$158,262.20$). Even with this penalty added Ellcon-National, a Division of Faiveley Transport Group, is still the lowest bidder.

** Durox Co. was the previous contract holder in 2008.

The U.S. railroad equipment ("rolling stock") manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest companies account for about 95 percent of the industry's revenue. (Source: Hoover's Inc., a Dun & Bradstreet Company).

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra will be unable to repair or improve the existing tread brake units on Highliner cars. A lack of tread brake unit repair kits will keep cars out of service, thereby impacting commuter service.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

OPERATING

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History
- C. Canvass

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Jennifer Zellers, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Ellcon-National, a Division of Faiveley Transport Group, located in Greenville, SC		Amount: \$555,000.00	
Procurement of: Tread Brake Unit Repair Kits for Highliner Cars (Group II)		Purchase Order/Contract No.: B31764	
Bid Expiration Date: 4/16/13 extended to 5/16/13	Funding Source: 4751-1030-0400 6760-1030-0400	Inventory	IFB No.: 49384
			Lead: B. Darin
			Responsible Dept.: Materials
Bid Opening Date: 1/16/13	Public Notice Date: 12/12/12	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: Four Line Items (Kits)	Unit Cost: From: \$104.48 to \$403.40	Date Prepared: 3/06/13
			Prior Expenditures: \$1,216,165.95 was previously expended on contract no. B87702 with Durox Co. awarded on 12/3/08.

DBE Goal: No certified DBE firms to provide tread brake unit repair kits for Highliner cars.

Action: Award a Blanket Purchase Order to Ellcon-National, a Division of Faiveley Transport Group, the lowest responsive and responsible bidder. Award was made on a group basis. The Blanket Purchase Order will be for a three-year period and is not to exceed \$555,000.00.

Background: This material will be used by the Mechanical Department for maintenance and repairs to Highliner cars. The primary function of tread brake units is the brake application on the wheel surface. The tread brake unit repair kits are used to repair, replace or upgrade the braking system.

Bid Tabulation: Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide tread brake unit repair kits, solicitations were also mailed to 26 of the vendors known or considered more likely to supply tread brake unit repair kits. Solicitations were also mailed to an additional six vendors located via internet research. Two vendors responded for Group II and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Ellcon-National, a Division of Faiveley Transport Group	\$126,609.76
** Durox Co.	\$175,254.88

The U.S. railroad equipment ("rolling stock") manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest

companies account for about 95 percent of the industry's revenue. (Source: Hoover's Inc., a Dun & Bradstreet Company).

Bid Analysis:

- * Ellcon-National, a Division of Faiveley Transport Group, could not certify compliance with Buy America. A 25% penalty was added to its bid for evaluation purposes ($\$126,609.76 + \$31,652.44$ (25% penalty) = $\$158,262.20$). Even with this penalty added Ellcon-National, a Division of Faiveley Transport Group, is still the lowest bidder.
- ** Durox Co. was the previous contract holder in 2008.

Ellcon-National, a Division of Faiveley Transport Group, is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Ellcon-National, a Division of Faiveley Transport Group, is a world leader in the manufacture of AAR approved Hand Brakes, Truck Mounted Brakes, Empty Load Devices and Slack Adjusters. It continues its proud tradition of building high quality railcar products designed for long-life and minimum maintenance. Located in two modern facilities totaling 400,000 sq. ft., Ellcon-National uses innovative manufacturing processes to build railcar products that far exceed AAR quality standards.

B. Procurement Background

The solicitation was advertised on January 16, 2013 requesting sealed bids for tread brake unit repair kits for bi-level coaches and Highliner cars. The basis of award was on a group basis.

C. DBE Goal

No certified DBE firms to provide tread brake unit repair kits for Highliner cars.

D. Evaluation Criteria

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide tread brake unit repair kits, solicitations were also mailed to 26 of the vendors known or considered more likely to supply tread brake unit repair kits. Solicitations were also mailed to an additional six vendors located via internet research. Two vendors responded for Group II, and both have previously transacted business with Metra. The two bids received are summarized below:

	<u>Bidder</u>	<u>Amount</u>
*	Ellcon-National, a Division of Faiveley Transport Group	\$126,609.76
**	Durox Co.	\$175,254.88

* Ellcon-National, a Division of Faiveley Transport Group, could not certify compliance with Buy America. A 25% penalty was added to its bid for evaluation purposes ($\$126,609.76 + \$31,652.44$ (25% penalty) = $\$158,262.20$). Even with this penalty added Ellcon-National, a Division of Faiveley Transport Group, is still the lowest bidder.

** Durox Co. was the previous contract holder in 2008.

E. Cost/Price Analysis

The prices quoted by Ellcon-National, a Division of Faiveley Transport Group, are 38% lower than the competing bid and 41% lower than the previous contract's prices. As such, the prices quoted by Ellcon National a Division of Faiveley Transport Group are considered fair and reasonable.



Canvass

Date: 1/16/13
 IFB/RFP No.: 49384
 IFB/RFP Title: Tread Brake Unit Repair Kits
 P.O. # (when assigned): B31764

Metra is required under state and Federal Procurement Regulations to provide an open and competitive environment for soliciting bids. Metra is also required, by State Law, to advertise upcoming bids over \$10,000.00 in a major local newspaper with circulation within Metra's six-county area. Metra is required to send bids to those firms that request such, and Metra cannot preclude a firm from bidding.

Below is a sample canvass of the non-bidders on the IFB identified above.

Vendor	Date	Phone/Other	Person	Response
Durox Co.	1/17/13	Phone Call	Zoltan Kovacs	Wabtec Passenger Transit acquired Durox Co. (the previous provider for this material). Wabtec's corporate decision was to have Wabtec submit for Group I – Gallery Car components and to have Durox Co. submit for Group II – Highliner Car components.
Wabtec Passenger Transit	1/17/13	Phone Call	Zoltan Kovacs	Wabtec Passenger Transit acquired Durox Co. (the previous provider for this material.) Wabtec's corporate decision was to have Wabtec submit for Group I – Gallery Car components and to have Durox Co. submit for Group II – Highliner Car components.
Ellcon-National, a division of Faiveley Transport	1/17/13	Email	Becky Ellis	Did not quote Group I because the material was not their manufacturer.
National Railway Equipment	1/16/13	NO OFFER BID SHEET	J. Jackson	Do not perform this service.
Industry-Railway Suppliers	1/16/13	NO OFFER BID SHEET	Customer Service Manager	Not an item they are able to supply.
Motive Power, Inc.	1/16/13	NO OFFER BID SHEET		Bid should be completed by sister company, Wabco Loco., a Wabtec company.

Vendor	Date	Phone/Other	Person	Response
Southern Parts & Equipment, Inc.	1/16/13	NO OFFER BID SHEET	Walter Couch	Cannot comply with specifications.
Alstom Transportation	1/16/13	NO OFFER BID SHEET	Gerardo	Cannot bid competitively.
Central Sales & Service	1/16/13	NO OFFER BID SHEET	Thomas Cook	Do not perform this service.
Railroad Friction Products	1/16/13	NO OFFER BID SHEET	Ken Deceuster	Parts not manufactured by RFPC.
Power Rail Distribution	1/16/13	NO QUOTE BID PROVIDED ON BID OPENING DAY	Jim May	Do not supply this material.
Wheel Truing Brake Shoe Co.	1/16/13	NO QUOTE BID PROVIDED ON BID OPENING DAY	Mike Gorang	Not their product.
Dayton Phoenix	1/16/13	NO QUOTE BID PROVIDED ON BID OPENING DAY	J. B. Richard	Not their product.

For Group II:

The award to Ellcon-National is recommended based on two viable bids. In the past, Durox Co. was the lowest bidder, but Ellcon-National has provided competitive pricing. Again, award is based on lack of economic competition to produce the goods and a lack of viable substitute goods.

Group I will be awarded under a different contract.



TO: Audit & Finance Committee **DATE:** May 2, 2013

FROM: Alex Clifford
~~Chief Executive Officer~~

SUBJECT: Blanket Purchase Order for Quartzite Track Ballast

ACTION: Approve Recommendation for Metra IFB No. 39070

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B31815) with Michels Materials to provide quartzite track ballast in response to IFB No. 39070. The contract term is for two years, and the contract amount is not to exceed \$1,000,000.00.

BACKGROUND

The previous Blanket Purchase Order will expire on June 30, 2013, and \$785,388.87 has been expended from a not-to-exceed value of \$1,000,000.00. IFB No. 39070 has been solicited to continue procuring quartzite track ballast used in the maintenance of Metra's railroad track.

DISCUSSION

On January 30, 2013, Metra published an IFB soliciting firms to submit sealed bids for quartzite track ballast. The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award covers the procurement of quartzite track ballast to be utilized by the Engineering Department along various Metra rail lines. Ballast is crushed stone that forms the track bed upon which railroad ties are laid. Ballast also maintains track stability as trains pass. Ballast is compacted between, below and around the ties to facilitate drainage of water and distribute trains' weighted loads from the ties.

FISCAL IMPACT

Metra will fund the Blanket Purchase Order through 100 percent operating funds. As material is needed, the Engineering Department will issue release notices for the required material to the recommended vendor.

The Blanket Purchase Order is for two years and a total of \$1,000,000. Funding is available in the Engineering Department's budget, accounts 4911-10300400, 5921-10300400, 6911-10300400, 6921-10300400, 6927-10300400, 6941-10300400 and 7921-10300400, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014 and 2015 budgets. It is estimated that \$500,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 52 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide quartzite track ballast, solicitations were also mailed to 28 of the vendors known or considered more likely to supply quartzite track ballast. Three vendors responded, and two of the three have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Mathy Construction Co.	\$225,475.00
Michels Materials	\$2,059,480.00
Ontario Trap Rock	\$2,904,980.00

- * The bid submitted by Mathy Construction Co. was deemed non-responsive because it did not bid all items as required by the basis of award on page 2 of 3 of the IFB. Mathy Construction Co. only bid 10 out of 22 line items that were required for this procurement. This is a material deviation from the terms and conditions of the IFB.

Additionally, Mathy Construction Co. was not the lowest responsive and responsible bidder on the line items it quoted.

Michels Materials is the lowest responsive and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra will not be able to efficiently replace and install quartzite track ballast. Without this material, the Engineering Department will not be able to properly maintain Metra's rail lines which can result in slow orders and impact day-to-day service operations.

NEXT STEPS

After Board approval, the Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Denise Johnson, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Michels Materials located in Brownsville, WI		Amount: \$1,000,000.00	
Procurement of: Quartzite Track Ballast		Purchase Order/Contract No.: B31815	
Bid Expiration Date: 05/26/13	Funding Source: 4911-10300400 5921-10300400 6911-10300400 6921-10300400 6927-10300400 6941-10300400 7921-10300400	Operating	IFB No.: 39070
			Lead: J. Lorenzini
		Responsible Dept.: Engineering	
Bid Opening Date: 02/26/13	Public Notice Date: 01/30/13	Publication: Chicago Sun-Times	
Term: Two Years	Quantity: 22 Line Items	Unit Cost: From: \$26.30 to \$39.00	Date Prepared: 02/27/13
			Prior Expenditures: \$785,388.87 was previously expended on contract no. B14516 with Michels Materials awarded on 6/22/11.
DBE Goal: No certified DBE firms to provide quartzite track ballast.			
Action: Award a Blanket Purchase Order to Michels Materials the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a two-year period and will not exceed \$1,000,000.00.			
Background: This award covers the procurement of quartzite track ballast to be utilized by the Engineering Department along various Metra rail lines. Ballast is crushed stone that forms the track bed upon which railroad ties are laid. Ballast also maintains track stability as trains pass. Ballast is compacted between, below and around the ties to facilitate drainage of water and distribute trains' weighted loads from the ties.			
This material (Operating) will be purchased and when received, will be expensed to the requesting operating department.			
Bid Tabulation:			
Bid solicitations were emailed to 52 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide quartzite track ballast, solicitations were also mailed to 28 of the vendors known or considered more likely to supply quartzite track ballast. Three vendors responded, and two of the three have previously transacted business with Metra. The three bids received are summarized below:			

<u>Bidder</u>	<u>Amount</u>
* Mathy Construction Co.	\$225,475.00
Michels Materials	\$2,059,480.00
Ontario Trap Rock	\$2,904,980.00

Michels Materials had the previous contract, and its bid price was \$1,940,850 for same price list which contained 22 line items.

Bid Analysis:

- * The bid submitted by Mathy Construction Co. was deemed non-responsive because it did not bid all items as required by the basis of award on page 2 of 3 of the IFB. Mathy Construction Co. only bid 10 out of 22 line items that were required for this procurement. This is a material deviation from the terms and conditions of the IFB.

Additionally, Mathy Construction Co. was not the lowest responsive and responsible bidder on the line items it quoted.

Michels Materials is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Michels Materials is the largest aggregate producer in Wisconsin, operating more than 100 limestone quarries and gravel pits.

The company is a Wisconsin Department of Transportation road-building contractor that operates quarries and sand and gravel deposits throughout the state. The company supplies a wide variety of crushed aggregates for the construction industry.

Michels Materials has highway construction operations varying from specialized under drain systems and shouldering to complete construction of roadways, including base course placement and grading. It operates an inventory of mining and crushing equipment, including mobile crushing plant spreads, mobile wash plants and screening plants used for the separation of specific aggregate sizes and types. It is also involved in custom aggregate crushing for other contractors and municipalities.

B. Procurement Background

The solicitation was advertised on January 30, 2013 requesting sealed bids for quartzite track ballast for a two-year period. Award was to be based upon a lot basis to the lowest responsive and responsible bidder.

C. DBE Goal

No certified DBE firms to provide quartzite track ballast.

D. Evaluation Criteria

Bid solicitations were emailed to 52 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide quartzite track ballast, solicitations were also mailed to 28 of the vendors known or considered more likely to supply quartzite track ballast. Three vendors responded, and two of the three have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Mathy Construction Co.	\$225,475.00
Michels Materials	\$2,059,480.00
Ontario Trap Rock	\$2,904,980.00

- * The bid submitted by Mathy Construction Co. was deemed non-responsive because it did not bid all items as required by the basis of award on page 2 of 3 of the IFB. Mathy Construction Co. only bid 10 out of 22 line items that were required for this

procurement. This is a material deviation from the terms and conditions of the IFB.

Additionally, Mathy Construction Co. was not the lowest responsive and responsible bidder on the line items it quoted.

E. Cost/Price Analysis

Based upon the bids received, Michels Materials pricing is 41 percent lower than Ontario Trap Rock, the next lowest responsive and responsible bidder. As such, Michels Materials pricing is deemed to be fair and reasonable.



TO: Audit & Finance Committee

DATE: May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Sewer Cleaning Service

ACTION: Approve Recommendation for Metra IFB No. 39066

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B32247) with Tierra Environmental Services, Inc. to provide sewer cleaning service in response to IFB No. 39066. The contract term is for two years and the contract amount is not to exceed \$165,000.00.

BACKGROUND

The previous Blanket Purchase Order (B14308) expires on May 31, 2013, and \$143,399.50 has been expended from the \$165,000.00 Blanket Purchase Order total. IFB No. 39066 has been solicited to continue providing sewer cleaning service at various facility locations within the six-county service region.

DISCUSSION

In March 2013, Metra published an IFB soliciting firms to submit sealed bids for sewer cleaning service. The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award covers jet rodding, sewer truck service, septic tank cleaning and disposal services to be provided at various Metra facilities such as yards, depots, terminals, maintenance facilities and along mainline tracks on an as needed basis.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100 percent operating funds. As service is required, the Engineering Department will issue release notices for the required service to the recommended vendor.

The Blanket Purchase Order is for two years and a total of \$165,000.00. Funding is available in the Engineering Department's budget, accounts 4911, 5921, 6911, 6921, 6927, 6941, and 7921, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014 and 2015 budgets. It is estimated that \$82,500.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 23 vendors registered for the commodity "Sewer Sludge Removal Service" in Metra's email vendor database. Vendors can request to be entered into this database, however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide "Sewer Sludge Removal Service", solicitations were also mailed to eight of the vendors known or considered more likely to provide this service. Three vendors responded, and one of them has previously transacted business with Metra. The three bids are summarized below:

<u>Bidder</u>	<u>Amount</u>
Tierra Environmental Services, Inc.	\$137,912.00
Windmill Environmental Service Co.	\$198,800.00
AMI-MZI, Co.	\$368,510.00

Tierra Environmental Services, Inc. is the lowest responsive and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra would lack the ability to keep drain tiles and sewer lines at yards, depots, terminals, maintenance facilities and mainline tracks clean and functioning properly.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
James Barker, Department Head, Professional Services
Edward Remus, Sr. Contracting Agent

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Tierra Environmental Services, Inc. located in East Chicago, IN		Amount: \$165,000.00	
Procurement of: Sewer Cleaning Service		Purchase Order/Contract No.: B32247	
Bid Expiration Date: 6/18/13	Funding Source: 4911, 5921, 6911, 6921, 6927, 6941, 7921	Operating	IFB No.: 39066
			Lead: J. Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: 3/20/13	Public Notice Date: 3/4/13	Publication: Chicago Sun Times	
Term: 2 Years	Quantity: 5 Line Items	Unit Cost: From \$35.00/hr to \$150.00/hr	Date Prepared: 4/3/13
	3 Line Items	From \$0.19/Gal to \$2.73/Gal.	
Prior Expenditures: \$143,399.50 was previously expended on contract no. B14308 with Tierra Environmental Services, Inc. issued on 6/6/11.			

DBE Goal: Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action: Award a blanket purchase order to Tierra Environmental Services, Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis. This blanket purchase order will be for a two-year period and is not to exceed \$165,000.00.

Background: This award provides for jet rodder, sewer truck service, and septic tank cleaning and disposal service. This blanket purchase order will be utilized by the Engineering Department on an "as needed" basis.

Bid Tabulation: Bid solicitations were emailed to 23 vendors registered for the commodity "Sewer Sludge Removal Service" in Metra's email vendor database. Vendors can request to be entered into this database, however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide sewer cleaning service, solicitations were also mailed to eight of the vendors known or considered more likely to provide this service. Three vendors responded, and one of them has previously transacted business with Metra. The three bids are summarized below:

<u>Bidder</u>	<u>Amount</u>
Tierra Environmental Services, Inc.	\$137,912.00
Windmill Environmental Service Co.	\$198,800.00
AMI-MZI, Co.	\$368,510.00

Tierra Environmental Services, Inc. is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Tierra Environmental Services, Inc. (“Tierra”) is an industrial sewer sludge removal and hauling business located in East Chicago, Indiana and has contracted with Metra in excess of five years for cleaning, pumping, rodding, repairing and maintaining the multitude of Metra’s sewers and drains—both sanitary and storm. Their service as a licensed hauler and transporter of waste, including hazardous, has been reliable and has exceeded Metra’s expectations. Tierra can also offer emergency response and TV sewer/video inspections of drains and sewers.

B. Procurement Background

The solicitation was advertised on March 4, 2013 requesting sealed bids for sewer cleaning service for a two-year period. Award was to be based upon a lot basis to the lowest responsive and responsible bidder.

C. DBE Goal

Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

D. Evaluation Criteria

Bid solicitations were emailed to 23 vendors registered for the commodity “Sewer Sludge Removal Service” in Metra’s email vendor database. Vendors can request to be entered into this database, however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide sewer cleaning service, solicitations were also mailed to eight of the vendors known on considered more likely to provide this service. Three vendors responded, and one of them has previously transacted business with Metra. The three bids are summarized below:

<u>Bidder</u>	<u>Amount</u>
Tierra Environmental Services, Inc.	\$137,912.00
Windmill Environmental Service Co.	\$198,800.00
AMI-MZI, Co.	\$368,510.00

Tierra Environmental Services, Inc. is the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Based on the bids received, the prices quoted by Tierra Environmental Services, Inc. were 30.6 percent lower than the next lowest bidder’s prices and only 4.6 percent higher than the previous price from two years ago. Tierra Environmental Services, Inc.’s quote appears to be fair and reasonable based on the foregoing comparisons.



TO: Audit & Finance Committee **DATE:** May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Verizon Wireless Service

ACTION: Approve Recommendation for Metra Requisition No. 09284

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B32249) with Cellco Partnership d/b/a Verizon Wireless ("Verizon") to provide wireless services for Metra under State of Illinois Contract No. CMS033559PA, in response to Metra Requisition No. 09284. The contract term is for approximately three years and the contract amount is for \$3,200,000.00.

BACKGROUND

On October 13, 2009, the State of Illinois Central Management Services ("CMS") publicly solicited wireless voice and data services through request for proposal 22016963. On March 9, 2010, contract CMS033559P was awarded to Verizon Wireless through March 8, 2013 with three additional one-year renewal options. CMS has currently exercised all three renewal options.

DISCUSSION

This procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e), which provides for goods or services procured from another governmental agency including, without limitation, procurements pursuant to joint government purchasing.

This award covers the procurement of wireless services, equipment, and accessories for Metra's voice and data communications throughout the entire organization, including wireless handset devices, Metra's Train Trac System, wireless "Voice-of-Metra" system, Metra Police CAD system, test modems, and Aircards. The Engineering Communications Department has primary responsibility for this Blanket Purchase Order.

This contract is being made in accordance with the State of Illinois Joint Purchasing Act utilizing pricing determined by CMS. This award is being made under the renewal of Verizon services, which began March 9, 2013 and runs through March 8, 2016. Utilizing CMS' contract with Verizon allows Metra to take advantage of competitive prices obtained by CMS for wireless voice and data services.

FISCAL IMPACT

Metra will fund this blanket purchase order through 100% operating funds, project account no. 5961. Services will be billed on a monthly basis.

The Blanket Purchase Order is for approximately three years (until March 8, 2016) and a total of \$3,200,000.00. Funding is available in the Engineering Communications Department budget, account 33903100, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that approximately \$1,066,667.00 will be used on an annual basis.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra would lack wireless service for its employees and computerized systems thereby compromising efficient and timely communications.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
James Barker, Department Head, Professional Services and Contracts
AnnMarie Di Prima, Professional Services Associate

SUMMARY OF METRA PROCUREMENT

Award To: Cellco Partnership d/b/a Verizon Wireless ("Verizon"), located in Basking Ridge, NJ		Amount: \$3,200,000.00	
Procurement of: Wireless Service		Purchase Order/Contract No.: B32249	
Bid Expiration Date: N/A	Funding Source: 00-5961-3390-3100	Operating	IFB No.: 09284
			Lead: J. Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: 3 years	Quantity: N/A	Unit Cost: N/A	Date Prepared: March 27, 2013
			Prior Expenditures: \$702,740.67 was previously expended on contract no. B15349 that was issued to Verizon Wireless on 10/3/11.

DBE Goal: No DBE goal, this procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e).

Action:

Award a blanket purchase order to Verizon. This award was made in accordance with the State of Illinois Joint Purchasing Act utilizing pricing determined by the State of Illinois Central Management Services ("CMS"), Contract CMS033559PA, for wireless voice and data services.

This procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e), which provides for goods or services procured from another governmental agency including, without limitation, procurements pursuant to joint government purchasing.

Background:

On October 13, 2009, CMS publicly solicited wireless voice and data services through request for proposal 22016963. On March 9, 2010, contract CMS033559P was awarded to Verizon Wireless through March 8, 2013 with three additional one-year renewal options. CMS has currently exercised all three renewal options.

This award is being made under the renewal of Verizon services, which began March 9, 2013 and runs through March 8, 2016. Utilizing CMS' contract with Verizon allows Metra to take advantage of competitive prices obtained by CMS for wireless voice and data services.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Cellco Partnership d/b/a Verizon Wireless (“Verizon”) is an innovative wireless communications company that connects people and businesses with the most advanced wireless technology and service available.

The company launched the nation’s first 3G wireless broadband network. Also, they were the first tier-one wireless provider in the nation to build and operate a 4G LTE network. With 4G LTE, customers can access the Internet and stream media faster than ever—and experience their mobile world in real-time.

As the nation’s largest wireless company, they serve 98.2 million retail connections and operate more than 1,900 retail locations in the United States. Globally, they offer voice and data services in more than 200 destinations.

Founded in 2000 as a joint venture of Verizon Communications, Inc. (NYSE, NASDAQ:VZ) and Vodafone (NASDAQ, LSE: VOD), Verizon is headquartered in Basking Ridge, NJ.

B. Procurement Background

On October 13, 2009, the State of Illinois Central Management Services (“CMS”) publicly solicited wireless voice and data services through request for proposal 22016963. On March 9, 2010, contract CMS033559P was awarded to Verizon Wireless through March 8, 2013 with three additional one-year renewal options. CMS has currently exercised all three renewal options.

This award is being made under the renewal of Verizon services, which began March 9, 2013 and runs through March 8, 2016. Utilizing CMS’ contract with Verizon allows Metra to take advantage of competitive prices obtained by CMS for wireless voice and data services.

C. DBE Goal

No DBE goal, this procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e).

D. Evaluation Criteria

This contract is being made in accordance with the State of Illinois Joint Purchasing Act utilizing pricing determined by CMS under Contract CMS033559PA, for wireless voice and data services.

E. Cost/Price Analysis

This contract ensures that Metra receives guaranteed government pricing, which was competitively solicited by CMS and therefore deemed to be fair and reasonable.



TO: Audit & Finance Committee **DATE:** May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Master Purchase Agreement for Locomotive Wheels

ACTION: Approve Recommendation for Metra IFB No. 49449

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Master Purchase Agreement (MPA) (P0230) with TSS, Inc. to provide locomotive wheels in response to IFB No. 49449. The contract term is three years, and the contract amount is not to exceed \$2,300,000.00.

BACKGROUND

The previous MPA (P0159) was issued on October 21, 2008 and expired on October 21, 2011. \$8,727,384.00 was expended from the \$10,000,000.00 MPA total. IFB No. 49449 has been solicited to continue procuring three groups of railroad wheels.

DISCUSSION

On January 9, 2012 Metra published an IFB soliciting firms to submit sealed bids for three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III).

This award covers the procurement of Group I: Locomotive Wheels. Groups II and III will be awarded under a separate contract. The Materials Department has primary responsibility for this MPA. Award is recommended on a group basis to the lowest responsive and responsible bidder.

On average, Metra mounts 250 locomotive wheels per year. This three-year contract seeks to purchase 750 locomotive wheels, with an average useful life of five years.

The wheels are mounted in pairs on steel axles for installation on the locomotives. The wheels are either forged or cast iron manufactured to Association of American Railroads (AAR) specifications. These wheels will be used on Metra's locomotives on all districts, including the Union Pacific and Burlington Northern Santa Fe railroads, on an as-needed basis.

This award is a master purchase agreement. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids.

FISCAL IMPACT

Metra will fund this MPA through 100 percent operating funds. As material is needed, the Materials Department will issue purchase orders for the required material to the recommended vendor.

The Master Purchase Agreement is for three years and a total of \$2,300,000.00. Funding is available in the Materials Department budget, accounts 4721-10300400 and 5750-10300400, and is budgeted in 2013. Funding will also be scheduled to be included in 2014, 2015 and 2016 budgets. Approximately \$766,667.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 53 vendors registered for the commodities "General – Locomotive & Car Wheels and Axles" and "Wheel Blanks" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad wheels, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>GROUP I:</u> <u>Locomotive</u>
* TSS, Inc.	\$1,361,250.00
Standard Steel, LLC	\$1,527,285.00
Summit Railroad Products	\$1,527,285.00
* Alstom Transportation, Inc.	\$1,525,312.50
* CAF-c/o JLB International, Inc.	\$1,625,625.00
* MWL Brasil Rodas & Eixos Ltda	\$1,692,187.50

- * The bids submitted by TSS, Inc., Alstom Transportation, Inc., CAF-c/o JLB International, Inc., and MWL Brasil Rodas & Eixos Ltda do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to their bids:

TSS, Inc.: $\$1,089,000.00 + \{\$272,250.00 \text{ (penalty)}\} = \$1,361,250.00$

Alstom Transportation, Inc.: $\$1,220,250.00 + \{\$305,062.50 \text{ (penalty)}\} =$
 $\$1,525,312.50$

CAF-c/o JLB Intl: $\$1,300,500.00 + \{\$325,125.00 \text{ (penalty)}\} = \$1,625,625.00$

MWL Brasil Rodas & Eixos Ltda: $\$1,353,750.00 + \{\$338,437.50 \text{ (penalty)}\} =$
 $\$1,692,187.50.$

Even with this penalty, TSS, Inc. is still the lowest bidder.

ALTERNATIVES

If this MPA is not awarded, Metra's Materials Department would not be able to replace old and worn locomotive wheels when they require replacement. Failing to replace wheels when they no longer meet AAR minimum requirements will result in locomotives being withheld from service, thereby impacting commuter operations.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Master Purchase Agreement Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Lori Lee, Sr. Buyer

SUMMARY OF METRA MASTER PURCHASE AGREEMENT PROCUREMENT

Award To: TSS, Inc., located in Pinehurst, NC		Amount: \$2,300,000.00 (Not-to-Exceed)	
Procurement of: Locomotive Wheels (Group I)		Contract No.: P0230	
Bid Expiration Date: 5/8/13	Funding Source:	Operating	IFB No.: 49449
		4721-1030-0400 5750-1030-0400	
			Responsible Dept.: Materials
Bid Opening Date: 2/8/13	Public Notice Date:	1/9/13	Publication: Chicago Sun-Times
Term: 3 Years	Quantity:	Unit Cost:	Date Prepared: 3/8/13
	750 (estimated)	\$1,357.00 each	

DBE Goal: No certified DBE firms to provide locomotive wheels.

Action: Award a Master Purchase Agreement to TSS, Inc. This award was made on a low group basis. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids. This Master Agreement will be for a three-year period and will not exceed \$2,300,000.00.

Background: On January 9, 2012 Metra published an IFB soliciting firms to submit sealed bids for three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III).

The Materials Department has primary responsibility for this MPA. Award is recommended on a group basis to the lowest responsive and responsible bidder.

This award covers the procurement of Group I: Locomotive Wheels. Groups II and III will be awarded under a separate contract.

The wheels are mounted in pairs on steel axles for installation on the locomotives. The wheels are either forged or cast iron manufactured to Association of American Railroads (AAR) specifications. These wheels will be used on Metra's locomotives on all districts, including the Union Pacific and Burlington Northern Santa Fe railroads, on an as-needed basis.

This award is a master purchase agreement. A master purchase agreement is a consolidation of operating and

capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids.

Bid Tabulation: Bid solicitations were emailed to 53 vendors registered for the commodities "General – Locomotive & Car Wheels and Axles" and "Wheel Blanks" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad wheels, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>GROUP I: Locomotive</u>
* TSS, Inc.	\$1,361,250.00
Standard Steel, LLC	\$1,527,285.00
Summit Railroad Products	\$1,527,285.00
* Alstom Transportation, Inc.	\$1,525,312.50
* CAF-c/o JLB International, Inc.	\$1,625,625.00
* MWL Brasil Rodas & Eixos Ltda	\$1,692,187.50

Standard Steel, LLC had the previous contract, and its bid was \$1,580,316.75 in 2008.

Bid Analysis: This Invitation for Bid consisted of three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III). This award provides for the procurement of Group I: Locomotive Wheels. Groups II and III will be awarded to another vendor under a separate contract.

- * The bids submitted by TSS, Inc., Alstom Transportation, Inc., CAF-c/o JLB International, Inc., and MWL Brasil Rodas & Eixos Ltda do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to their bids:

TSS, Inc.: $\$1,089,000.00 + \{\$272,250.00 \text{ (penalty)}\} = \$1,361,250.00$

Alstom Transportation, Inc.: $\$1,220,250.00 + \{\$305,062.50 \text{ (penalty)}\} = \$1,525,312.50$

CAF-c/o JLB Intl: $\$1,300,500.00 + \{\$325,125.00 \text{ (penalty)}\} = \$1,625,625.00$

MWL Brasil Rodas & Eixos Ltda: $\$1,353,750.00 + \{\$338,437.50 \text{ (penalty)}\} = \$1,692,187.50$.

Even with this penalty, TSS, Inc. is still the lowest bidder.

TSS, Inc. is responsive to all terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Transit Sourcing Services, Inc. (TSS, Inc.) is the exclusive North American sales and service agent for Bonatrans since 1994. Bonatrans is the leading supplier for wheel sets for railway passenger transport. Bonatrans supplies to leading global manufacturers of passenger rolling stock and locomotives in Europe, Asia and America. In addition to original equipment manufacturer, Bonatrans supplies wheels and axles also as spare parts to a number of world major railways and large transportation undertakings. Bonatrans products are used in 70 countries on five continents.

On June 14, 2006 TSS, Inc. (formerly Transit Associates) was approved by Mr. Richard Soukup, Chief Mechanical Officer, to supply Metra with Bonatrans' wheels for Metra use on Metra's fleet of locomotives and commuter cars.

B. Procurement Background

On January 9, 2012 Metra published an IFB soliciting firms to submit sealed bids for three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III).

This award covers the procurement of Group I: Locomotive Wheels. Groups II and III will be awarded under a separate contract. The Materials Department has primary responsibility for this MPA. Award is recommended on a group basis to the lowest responsive and responsible bidder.

On average, Metra mounts 250 locomotive wheels per year. This three-year contract seeks to purchase 750 locomotive wheels, with an average useful life of five years.

The wheels are mounted in pairs on steel axles for installation on the locomotives. The wheels are either forged or cast iron manufactured to Association of American Railroads (AAR) specifications. These wheels will be used on Metra's locomotives on all districts, including the Union Pacific and Burlington Northern Santa Fe railroads, on an as-needed basis.

This award is a master purchase agreement. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids.

C. DBE Goal

No certified DBE firms to provide locomotive wheels.

D. Evaluation Criteria

Bid solicitations were emailed to 53 vendors registered for the commodities “General – Locomotive & Car Wheels and Axles” and “Wheel Blanks” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad wheels, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>GROUP I:</u> <u>Locomotive</u>
* TSS, Inc.	\$1,361,250.00
Standard Steel, LLC	\$1,527,285.00
Summit Railroad Products	\$1,527,285.00
* Alstom Transportation, Inc.	\$1,525,312.50
* CAF-c/o JLB International, Inc.	\$1,625,625.00
* MWL Brasil Rodas & Eixos Ltda	\$1,692,187.50

- * The bids submitted by TSS, Inc., Alstom Transportation, Inc., CAF-c/o JLB International, Inc., and MWL Brasil Rodas & Eixos Ltda do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to their bids:

TSS, Inc.: $\$1,089,000.00 + \{\$272,250.00 \text{ (penalty)}\} = \$1,361,250.00$

Alstom Transportation, Inc.: $\$1,220,250.00 + \{\$305,062.50 \text{ (penalty)}\} = \$1,525,312.50$

CAF-c/o JLB Intl: $\$1,300,500.00 + \{\$325,125.00 \text{ (penalty)}\} = \$1,625,625.00$

MWL Brasil Rodas & Eixos Ltda: $\$1,353,750.00 + \{\$338,437.50 \text{ (penalty)}\} = \$1,692,187.50$.

Even with this penalty, TSS, Inc. is still the lowest bidder.

TSS, Inc. is the lowest responsive and responsible bidder. Based upon the process outlined above, the recommendation is to issue an MPA for locomotive wheels, as listed in IFB No. 49449, to TSS, Inc., the lowest responsive and responsible bidder.

E. Cost/Price Analysis

TSS, Inc.’s pricing is 12 percent lower than Alstom Transportation, Inc.’s, the next lowest bidder, and 41 percent lower than the independent cost estimate. Therefore, based upon these comparisons, TSS, Inc.’s bid pricing is competitive and appears to be fair and reasonable.



TO: Audit & Finance Committee **DATE:** May 2, 2013
FROM: Alex Clifford
Chief Executive Officer
SUBJECT: Master Purchase Agreement for Bi-Level Coach and Highliner Car Wheels
ACTION: Approve Recommendation for Metra IFB No. 49449

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Master Purchase Agreement (MPA) (P0231) with Alstom Transportation, Inc. to provide bi-level coach and Highliner car wheels in response to IFB No. 49449. The contract term is for three years, and the contract amount is not to exceed \$7,700,000.00.

BACKGROUND

The previous MPA (P0159) was issued on October 21, 2008 and expired on October 21, 2011. \$8,727,384.00 was expended from the \$10,000,000.00 MPA total. IFB No. 49449 has been solicited to continue procuring three groups of railroad wheels.

DISCUSSION

On January 9, 2012 Metra published an IFB soliciting firms to submit sealed bids for three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III).

This award covers the procurement of Group II: Coach Wheels and Group III: Highliner Wheels. Group I will be awarded under a separate contract. The Materials Department has primary responsibility for this MPA. Award is recommended on a group basis to the lowest responsive and responsible bidder.

On average, Metra mounts 1,300 bi-level coach wheels and 250 Highliner wheels per year. This three-year contract seeks to purchase 4,000 bi-level coach wheels, with an average useful life of five years, and 600 Highliner wheels, also with an average useful life of five years.

The wheels are mounted in pairs on steel axles for installation on the bi-level coaches and Highliner cars. The wheels are either forged or cast iron manufactured to Association of American Railroads (AAR) specifications. These wheels will be used on Highliner cars on Metra's Electric District and on bi-level coaches on all other districts, including the Union Pacific and Burlington Northern Santa Fe Railroads, on an as-needed basis.

This award is a master purchase agreement. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids.

FISCAL IMPACT

Metra will fund this MPA through 100 percent operating funds. As material is needed, the Materials Department will issue purchase orders for the required material to the recommended vendor.

The Master Purchase Agreement is for three years and a total of \$7,700,000.00. Funding is available in the Materials Department budget, accounts 4721-10300400 and 5750-10300400, and is budgeted in 2013. Funding will also be scheduled to be included in 2014, 2015 and 2016 budgets. It is estimated that \$2,566,667.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 53 vendors registered for the commodities “General – Locomotive & Car Wheels and Axles” and “Wheel Blanks” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad wheels, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Group II: Bi-Level Coach</u>	<u>Group III: Highliner Car</u>
* Alstom Transportation, Inc.	\$3,925,000.00	\$723,750.00
* TSS, Inc.	\$4,815,000.00	\$814,500.00
Standard Steel, LLC	\$5,435,280.00	\$856,518.00
Summit Railroad Products	\$5,435,280.00	\$856,518.00
* CAF – c/o JBL International, Inc.	\$6,155,000.00	\$1,071,000.00
* MWL Brasil Rodas & Eixos Ltda	\$6,425,000.00	\$1,052,250.00

* The bids submitted by Alstom Transportation Inc., TSS, Inc., CAF – c/o JLB International, Inc., and MWL Brasil Rodas & Eixos Ltda do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to their bids:

Alstom Transportation, Inc.:

Grp II: \$3,140,000.00 + {\$785,000.00 (penalty)} = \$3,925,000.00
 Grp III: \$579,000.00 + {\$144,750.00 (penalty)} = \$723,750.00

TSS, Inc.:

Grp II \$3,852,000.00 + {\$963,000.00 (penalty)} = \$4,815,000.00
 Grp III: \$651,600.00 + {\$162,900.00 (penalty)} = \$814,500.00

CAF-c/o JLB International, Inc.:

Grp II: \$4,924,000.00 + {\$1,231,000.00 (penalty)} = \$6,155,000.00

Grp III: \$856,800.00 + {\$214,200.00 (penalty)} = \$1,071,000.00

MWL Brasil Rodas & Eixos Ltda:

Grp II: \$5,140,000.00 + {\$1,285,000.00 (penalty)} = \$6,425,000.00

Grp III: \$841,800.00 + {\$210,450.00 (penalty)} = \$1,052,250.00

Even with this penalty, Alstom Transportation, Inc. is still the lowest bidder.

ALTERNATIVES

If this MPA is not awarded, Metra's Materials Department would not be able to replace old and worn bi-level coach and Highliner car wheels when they require replacement. Failing to replace wheels when they no longer meet AAR minimum requirements will result in coaches and cars being withheld from service, thereby impacting commuter operations.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Lori Lee, Sr. Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Alstom Transportation, Inc. located in Naperville, IL		Amount: \$7,700,000.00 (Not-to-Exceed)	
Procurement of: Bi-Level Coach Wheels (Group II) Highliner Car Wheels (Group III)		Contract No.: P0231	
Bid Expiration Date: 5/8/13	Funding Source: Operating 4721-1030-0400 5750-1030-0400	IFB No.: 49449	Lead: B. Darin
			Responsible Dept.: Materials
Bid Opening Date: 2/8/13	Public Notice Date: 1/9/13	Publication: Chicago Sun-Times	
Term: 3 Years	Quantity:	Unit Cost:	Date Prepared: 3/11/13 Prior Expenditures: \$8,727,384.00 was previously expended on MPA No. P0159 with Standard Steel dated 10/21/08. The MPA was issued for three groups of wheels: Locomotive, Coach and Highliner.
	Group II: 4,000 (est.)	\$670.00 each	
	Group III: 600 (est.)	\$830.00 each	

DBE Goal: No certified DBE firms to provide locomotive wheels.

Action: Award a Master Purchase Agreement to Alstom Transportation, Inc. This award was made on a low group basis. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids. This Master Agreement will be for a three-year period and will not exceed \$7,700,000.00.

Background:

On January 9, 2012 Metra published an IFB soliciting firms to submit sealed bids for three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III).

The Materials Department has primary responsibility for this MPA. Award is recommended on a group basis to the lowest responsive and responsible bidder.

This award covers the procurement of Group II: Coach Wheels and Group III: Highliner Wheels. Group I will be awarded under a separate contract.

The wheels are mounted in pairs on steel axles for installation on the Bi-level coaches and Highliner cars. The wheels are either forged or cast iron manufactured to Association of American Railroads (AAR) specifications. These wheels will be used on Highliner cars on Metra's Electric District and on bi-level coaches on all other districts, including the Union Pacific and Burlington Northern Santa Fe Railroads, on an as-needed basis.

This award is a master purchase agreement. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids.

Bid Tabulation: Bid solicitations were emailed to 53 vendors registered for the commodities “General – Locomotive & Car Wheels and Axles and “Wheel Blanks” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad wheels, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Group II: Bi-Level Coach</u>	<u>Group III: Highliner Car</u>
* Alstom Transportation, Inc.	\$3,925,000.00	\$723,750.00
* TSS, Inc.	\$4,815,000.00	\$814,500.00
Standard Steel, LLC	\$5,435,280.00	\$856,518.00
Summit Railroad Products	\$5,435,280.00	\$856,518.00
* CAF – c/o JLB International, Inc.	\$6,155,000.00	\$1,071,000.00
* MWL Brasil Rodas & Eixos Ltda	\$6,425,000.00	\$1,052,250.00

Standard Steel, LLC had the previous contract, and its bid price was \$4,556,799.00 for Group II and \$1,966,896.00 for Group III in 2008.

Bid Analysis: This Invitation for Bid consisted of three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III). This award provides for the procurement of Group II: Bi-Level Coach Wheels and Group III: Highliner Car Wheels. Group I will be awarded under a separate contract.

- * The bids submitted by Alstom Transportation Inc., TSS, Inc., CAF – c/o JLB International, Inc., and MWL Brasil Rodas & Eixos Ltda do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to their bids:

Alstom Transportation, Inc.:

Grp II: \$3,140,000.00 + {\$785,000.00 (penalty)} = \$3,925,000.00
 Grp III: \$579,000.00 + {\$144,750.00 (penalty)} = \$723,750.00

TSS, Inc.:

Grp II \$3,852,000.00 + {\$963,000.00 (penalty)} = \$4,815,000.00
 Grp III: \$651,600.00 + {\$162,900.00 (penalty)} = \$814,500.00

CAF–c/o JLB International, Inc.:

Grp II: \$4,924,000.00 + {\$1,231,000.00 (penalty)} = \$6,155,000.00
 Grp III: \$856,800.00 + {\$214,200.00 (penalty)} = \$1,071,000.00

MWL Brasil Rodas & Eixos Ltda:

Grp II: \$5,140,000.00 + {\$1,285,000.00 (penalty)} = \$6,425,000.00

Grp III: \$841,800.00 + {\$210,450.00 (penalty)} = \$1,052,250.00

Even with this penalty, Alstom Transportation, Inc. is still the lowest bidder.

Alstom Transportation, Inc. is responsive to all terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Alstom Transportation, Inc. (“Alstom”) was founded in 1997 and is based in New York, New York. Alstom develops, manufactures, and markets systems and equipment for the railway market. It offers rail vehicles, such as trams, metros, commuter trains, intercity trains, high speed trains, tilting trains, locomotives, wagons, and subsystems. The company’s infrastructure activities include information solutions, communications systems, station utilities, workshops and depots, electrification of railway lines, track laying, modernization of existing lines, and electromechanical systems for new railway lines. In addition, Alstom offers maintenance and rolling stock services. Alstom operates as a subsidiary of Alstom SA.

B. Procurement Background

On January 9, 2012 Metra published an IFB soliciting firms to submit sealed bids for three groups of railroad wheels; Locomotive (Group I), Bi-Level Coach (Group II) and Highliner Car (Group III).

This award covers the procurement of Group II: Coach Wheels and Group III: Highliner Wheels. Group I will be awarded under a separate contract. The Materials Department has primary responsibility for this MPA. Award is recommended on a group basis to the lowest responsive and responsible bidder.

On average, Metra mounts 1,300 bi-level coach wheels and 250 Highliner wheels per year. This three-year contract seeks to purchase 4,000 bi-level coach wheels, with an average useful life of five years, and 600 Highliner wheels, also with an average useful life of five years.

The wheels are mounted in pairs on steel axles for installation on the Bi-level coaches and Highliner cars. The wheels are either forged or cast iron manufactured to Association of American Railroads (AAR) specifications. These wheels will be used on Highliner cars on Metra’s Electric District and on bi-level coaches on all other districts, including the Union Pacific and Burlington Northern Santa Fe Railroads, on an as-needed basis.

This award is a master purchase agreement. A master purchase agreement is a consolidation of operating and capital requirements, which allows Metra to issue multiple purchase orders over a specified period of time without soliciting new bids.

C. DBE Goal

No certified DBE firms to provide locomotive wheels.

D. Evaluation Criteria

Bid solicitations were emailed to 53 vendors registered for the commodities “General – Locomotive & Car Wheels and Axles and “Wheel Blanks” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad wheels, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Six vendors responded, and four of them have previously transacted business with Metra. The six bids received are summarized below:

<u>Bidder</u>	<u>Group II: Bi-Level Coach</u>	<u>Group III: Highliner Car</u>
* Alstom Transportation, Inc.	\$3,925,000.00	\$723,750.00
* TSS, Inc.	\$4,815,000.00	\$814,500.00
Standard Steel, LLC	\$5,435,280.00	\$856,518.00
Summit Railroad Products	\$5,435,280.00	\$856,518.00
* CAF – c/o JLB International, Inc.	\$6,155,000.00	\$1,071,000.00
* MWL Brasil Rodas & Eixos Ltda	\$6,425,000.00	\$1,052,250.00

* The bids submitted by Alstom Transportation Inc., TSS, Inc., CAF – c/o JLB International, Inc., and MWL Brasil Rodas & Eixos Ltda do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to their bids:

Alstom Transportation, Inc.:

Grp II: $\$3,140,000.00 + \{\$785,000.00 \text{ (penalty)}\} = \$3,925,000.00$
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TSS, Inc.:

Grp II $\$3,852,000.00 + \{\$963,000.00 \text{ (penalty)}\} = \$4,815,000.00$
 Grp III: $\$651,600.00 + \{\$162,900.00 \text{ (penalty)}\} = \$814,500.00$

CAF–c/o JLB International, Inc.:

Grp II: $\$4,924,000.00 + \{\$1,231,000.00 \text{ (penalty)}\} = \$6,155,000.00$
 Grp III: $\$856,800.00 + \{\$214,200.00 \text{ (penalty)}\} = \$1,071,000.00$

MWL Brasil Rodas & Eixos Ltda:

Grp II: $\$5,140,000.00 + \{\$1,285,000.00 \text{ (penalty)}\} = \$6,425,000.00$
 Grp III: $\$841,800.00 + \{\$210,450.00 \text{ (penalty)}\} = \$1,052,250.00$

Even with this penalty, Alstom Transportation, Inc. is still the lowest bidder.

Alstom Transportation, Inc. is the lowest responsive and responsible bidder. Based upon the process outlined above, it is recommended to issue a MPA for bi-level coach and Highliner car wheels, as listed in IFB No. 49449, to Alstom Transportation, Inc., the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Alstom Transportation, Inc.'s pricing is 22.6 percent and 12.5 percent lower than TSS, Inc.'s, the next lowest bidder, for Group II and Group III respectively. Alstom Transportation, Inc.'s prices are also more than 44 percent lower than the independent cost estimate for Group II and Group III. Therefore, based upon these comparisons, Alstom Transportation, Inc.'s bid prices are competitive and appear to be fair and reasonable.



TO: Audit & Finance Committee **DATE:** May 2, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Professional Services Contract for Project Management Consulting Services

ACTION: Approve Recommendation for Metra RFP No. 49219

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Professional Services contract (S31927) with Arcadis US, Inc. to provide Project Management Consulting Services for Metra in response to RFP No. 49219. The contract term is for six months, and the contract amount is not to exceed \$194,489.00.

BACKGROUND

Metra desires to develop an organizational standard for managing Metra projects. Generally, Metra's Engineering, Mechanical and IT Departments have the predominant need for project management due to the size and volume of projects initiated in these respective areas. In addition, there are also project management needs associated with large capital projects, as well as various other non-capital projects throughout the organization.

DISCUSSION

In September 2012, Metra published an RFP seeking qualified consultants capable of: assessing Metra's current methodology for project management; identifying challenges of the current methodology; recommending a comprehensive project management solution that meets Metra's business requirements; and facilitating the implementation of that project management solution.

Additionally, the RFP sought a consultant to research and recommend requirements for staffing Metra's project management tasks, training standards for staff, and specific project management software designed to provide executive management with:

- Streamlined access to pertinent information, including financial data and performance metrics (budget, timeframes, and resources).
- Utilities for monitoring key drivers such as budgets and timelines, (including compliance and sensitive project issues) as well as alignment with corporate strategy.
- "Portfolio Management" analytics allowing management to maximize return on investment, by tracking resource allocations across projects (funds, time, skill sets, equipment) and therefore optimize resource utilization across the enterprise and minimize risk.
- Analytic and reporting capability.

This solicitation requested that pricing be structured into these two phases:

Phase I: Project Management Consulting Services

Phase II: Facilitating Implementation of the defined Project Management Solution

Phase I is now being recommended for award.

The Deputy Executive Director, Administration has primary oversight of this contract.

FISCAL IMPACT

Metra will fund this contract through 100 percent operating funds. These services are budgeted in the Office of the Executive Director/CEO budget under account number 0400-3815-5500.

PROPOSAL EVALUATION PROCESS

The Evaluation Committee ("Committee") consisted of the following members: Glen Peters, Marty Ryan, Doug Doughty and Alex Wiggins. Each Committee member signed the Conflicts Certification stating that he has no real or apparent conflicts of interest in evaluating these proposals.

Proposals were requested from 336 firms, and seven proposals were received from the following firms: Arcadis US, Inc.; Kristine Fallon & Assoc.; The Wonomi Group; SDI, LLC; Pricewaterhouse Coopers; The Northridge Group; and Grant Thornton LLP.

The Committee used a predetermined scoring process to evaluate and score the proposals. The evaluations were based on the following criteria: Proposer's Plan and Detail of Scope of Services (35 pts.), Expertise and Experience (25 pts.), Costs (20 pts.), Qualifications & Experience of Personnel Assigned to the Project (15 pts.), Familiarity with Public Entities (10 pts.), and References (10 pts.).

Based on the aforementioned criteria, the Committee's initial scoring was as follows: Pricewaterhouse Coopers (93 pts.), Arcadis US, Inc. (91 pts.), Kristine Fallon & Assoc. (83 pts.), Grant Thornton LLP (68 pts.), SDI, LLC (62 pts.), The Northridge Group (57 pts.), and The Wonomi Group (52 pts.). The highest score a proposal could receive was 115.

The Committee interviewed the four highest ranked firms. Thereafter, the Committee then requested BAFOs from the four firms. After the interviews were completed, the Committee again ranked the proposals, through a consensus scoring method with the previously developed evaluation criteria and established process. The post BAFO scoring is: Arcadis US, Inc. (105 pts.); Kristine Fallon & Assoc. (103 pts.); Grant Thornton LLP (68 pts.), and Pricewaterhouse Coopers (68 pts.). The highest score a firm could receive on the second scoring was reduced to 105 points, due to the elimination of points for reference checks (see attachment A).

Based on the foregoing, the Committee recommends award of a contract under RFP No. 49219 for Project Management Consulting to Arcadis US, Inc., for a period of six months with a not-to-exceed value of \$194,489.00.

ALTERNATIVES

The alternative to contracting for these services would be to hire staff to develop and maintain the Project Management deliverables for this procurement. Providing in-house staffing for these services is not feasible because the services required are of a specialized nature. Therefore, there is no viable alternative.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Consensus Scoring
- B. Board Report Procurement History
- C. Procurement History

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management
Ed Remus, Professional Services/Contracts

Consensus Scoring

Score sheet for Metra Request for Proposal No. 49219
Project Management Consulting Services

Category	Maximum Score	Arcadis US, Inc.	Kristine Fallon & Assoc.	Grant Thornton LLP	Pricewaterhouse Coopers
Plan & Detail of Scope of Services	35	35	33	23	18
Demonstrated Expertise & Experience	25	25	25	20	15
Costs	20	20	20	5	20
Qualifications and Experience of Personnel Assigned to Project	15	15	15	10	10
Familiarity with Public Entities	10	10	10	10	5
Total Score	105	105	103	68	68

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Arcadis US, Inc., located in Chicago, IL		Amount: \$194,489.00	
Procurement of: Project Management Consulting Services		Purchase Order/Contract No.: S31927	
Bid Expiration Date: 5/12/13	Funding Source: Operating 0400-3815- 5500	RFP No.: 49219	Lead: A. Wiggins
			Responsible Dept.: Executive Office
Proposal Opening Date: 11/13/12	Public Notice Date: 9/25/12	Publication: Chicago Sun Times	
Term: 6 months	Quantity: 1 Service	Unit Cost: \$194,489.00	Date Prepared: 3/18/13
			Prior Expenditures: N/A

DBE Goal: No DBE goal, this procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (g).

Action:

Award a professional services contract to Arcadis US, Inc. for Project Management Consulting Services.

This contract is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (g) because the contract is for the acquisition of professional services.

Background:

This contract provides for an evaluation of Metra's Project Management Initiative and recommendation of a solution for Metra's Project Management needs for large capital projects, and can also support the management of projects of all sizes, capital and non-capital.

Proposal Tabulation:

Proposals were solicited from 336 firms. Proposals were received from seven firms. Proposals were analyzed on the basis of the criteria included in the request for proposal and the four highest ranked firms were interviewed.

Proposers:

Arcadis US, Inc.	SDI, LLC
Kristine Fallon & Assoc.	The Northridge Group
Grant Thornton LLP	The Wonomi Group
Pricewaterhouse Coopers	

Proposal Analysis:

Arcadis US, Inc. was the highest scoring proposer based upon their proposal submittal and subsequent BAFO. They were chosen because their proposal and presentation demonstrated the expertise, experience, and other factors necessary to assure successful completion of the service.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Established in 1888, Arcadis US, Inc. is one of the world's largest program management and consulting firms. They provide services to clients investing in and implementing programs and projects involving infrastructure, buildings, water, and environmental concerns.

They offer clients access to the resources and capabilities of a global organization and serve clients with local staff who have a deep appreciation for the needs of the client and their local community. In the United States, Arcadis US, Inc. has an operating presence from coast to coast, including Chicago, Illinois.

Arcadis US, Inc. is an international company providing consultancy, design, engineering, and management services in infrastructure, water, environment and buildings. Arcadis US, Inc. develops, designs, implements, maintains and operates projects for companies and governments. With 21,000 global employees and more than \$3.1 billion in revenue, the company has an extensive international network supported by strong local market positions. In the United States, they have more than 160 offices and 5,200 employees.

Arcadis US, Inc. is fortunate to enjoy steady growth and continued strong financial performance. This strength and stability puts Arcadis US, Inc. in a unique position to deliver complex projects and maintain high client satisfaction.

Arcadis US, Inc. project management services provide a single point of responsibility for the management of individual projects. The Arcadis US, Inc. team leads and supports all planning, design, construction and operations start-up activities to ensure all resources are comprehensively scoped, procured, managed and controlled to meet project cost, schedule and quality objectives.

B. Procurement Background

The Committee used a predetermined scoring process to evaluate and score the proposals. The evaluations were based on the following criteria: Proposer's Plan and Detail of Scope of Services (35 pts.), Expertise and Experience (25 pts.), Costs (20 pts.), Qualifications & Experience of Personnel Assigned to the Project (15 pts.), and Familiarity with Public Entities (10 pts.).

C. DBE Goal

No DBE goal, this procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (g).

D. Evaluation Criteria

Proposals were solicited from 336 firms, and seven proposals were received from the following firms:

Arcadis US, Inc.
Kristine Fallon & Assoc.
Grant Thornton LLP
Pricewaterhouse Coopers
SDI, LLC
The Northridge Group
The Wonomi Group

Based on the aforementioned criteria, the initial scores of the proposals were as follows: Pricewaterhouse Coopers (93 pts.), Arcadis US, Inc. (91 pts.), Kristine Fallon & Assoc. (83 pts.), Grant Thornton LLP (68 pts.), SDI, LLC (62 pts.), The Northridge Group (57 pts.), and The Wonomi Group (52 pts.). The highest score a proposal could receive was 115.

The Committee interviewed the four highest ranked firms and then requested BAFOs from the four. The post BAFO scoring is: Arcadis US, Inc. (105 pts.); Kristine Fallon & Assoc. (103 pts.); Grant Thornton LLP (68 pts.), and Pricewaterhouse Coopers (68 pts.).

The highest score a firm could receive on the second scoring was reduced to 105 points, due to the elimination of points for reference checks (see attachment A).

E. Cost/Price Analysis

Arcadis US, Inc.'s BAFO was the second lowest in pricing but was still within the range of cost to receive the maximum score in the criterion for costs in the scoring of proposals.

MINUTES OF A PUBLIC MEETING OF THE BOARD OF DIRECTORS OF THE COMMUTER RAIL DIVISION OF THE REGIONAL TRANSPORTATION AUTHORITY

The Board of Directors of the Commuter Rail Division of the Regional Transportation Authority met in a public session for a Meeting of the Audit and Finance Committee on Thursday, May 2, 2013, immediately following the Capital Oversight Committee. The meeting was held in the Metra Board Room at 547 West Jackson Boulevard, Chicago, Illinois, pursuant to notice.

The roll was then taken.

ROLL CALL

Present: Paul C. Darley, Chairman
Don A. De Graff
Mike McCoy
Stan C. Rakestraw
Jack Schaffer

PUBLIC COMMENT

Chairman Darley asked if there were any signed registrants for Public Comment. No public comment was received.

MINUTES

1. Approval of the Minutes from the Audit & Finance Committee Meeting on Friday, April 5, 2013

Director Schaffer moved and Director Rakestraw seconded approval of the minutes. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

Items Greater than \$100,000 (Consent Agenda)

2. Blanket Purchase Order for Ni-Cad Batteries for Commuter Coaches
3. Blanket Purchase Order for Fairmont Tamper Parts
4. Blanket Purchase Order for Welding Supplies
5. Blanket Purchase Order for Sintered Brake Shoes
6. Blanket Purchase Order for Plumbing Supplies
7. Blanket Purchase Order for Tread Brake Unit Repair Kits for Bi-Level Coaches (Group I)
8. Blanket Purchase Order for Vehicle Collision/Body Repairs

**APPROVED BY THE
AUDIT & FINANCE COMMITTEE
ON FRIDAY, JUNE 7, 2013**

-
9. Blanket Purchase Order for Tread Brake Unit Repair Kits for Highliner Cars (Group II)
 10. Blanket Purchase Order for Quartzite Track Ballast
 11. Blanket Purchase Order for Sewer Cleaning Service

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS (continued)

12. Blanket Purchase Order for Verizon Wireless Service
13. Master Purchase Agreement for Group I: Locomotive Wheels
14. Master Purchase Agreement for Group II: Coach Wheels; Group III: Highliner Wheels
15. Professional Services Contract for Project Management Consulting Services

Chairman Darley stated that under the operating procurements greater than \$100,000 are Items 2 through 15. He asked if there are any items the Directors' would like removed from consent agenda for discussion. Director Schaffer asked to have Item 8 removed. Chairman Darley said that he would like to remove Item 14.

Chairman Darley asked for a motion to approve all of the items under consent agenda, with the exception of item 8 and 14. Director Rakestraw moved and Director McCoy seconded to send to the full Board for approval. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

Director Schaffer stated that he is intrigued with this one. It is a bid of Charlie's Auto Body Repair for \$133,000. The low bid was \$80,000 but they were disqualified because they did not have a paint booth. Another one was disqualified because it wasn't within ten miles. He asked how many people have a booth that is located within ten miles of this spot are there that could bid. He said that he gets a little nervous when he sees something that looks like we may be taking care of Charlie here. "Let's see, he is eight miles and he has a booth. Put those in the bid." He stated that this is why he gets a little suspicious. He is sure that Charlie is probably a wonderful person, but he is \$53,000 over the low bid. Alex Clifford, CEO, replied that if he can clarify just one thing real quick. On the GDL Auto Body their bid is not \$80,000. It is the combination of the \$80,000 and \$91,000. He continued that as explained in the first paragraph, their bid was \$171,000, so they were actually the highest bid.

Director Schaffer asked if there was a place that had a paint booth and was 12 miles away, would that be a bad thing. Once you put the car on a tow truck, does it really matter if the shop is 10 or 20 miles away? He does not think that this is a big deal. It just looks suspicious. Marty Ryan, Chief Mechanical Officer, responded that as the members of the committee know, Metra has facilities all the way up from Antioch down to University Park. We do try to get shops located so that if a vehicle is damaged or needs repair, whether it is body work or mechanical, they are not wasting half the day trying to drop it off. This is where the locations become important. In this package there is one for Fox Lake, one centrally located in Chicago, and one for the south side. He continued that management is working towards outsourcing fleet so that we will not be spending all the money on those contracts. He said that staff will be bringing a proposal to outsource the Fleet department and

then it will be handled by one central location. In this case, though, the earlier bids were non-responsive for various reasons, and that is why it was awarded to who it was.

Director Schaffer said that ten miles seems kind of arbitrary. We are a six-county area, but he does understand that we do not want our employees to spend the whole day driving around. Mr. Ryan stated that we would definitely explore expanding that mileage on future bids if it needs to be. Director Schaffer asked for staff to take a look at it. His guess is that some of them drive more than ten miles for lunch.

Chairman Darley asked that on item 14, it is being awarded to Alstom Transportation. He sees that there is a Buy American program here that in essence is costing Metra an additional \$900,000. He continued that he is as patriotic as the next guy, but he just wants to understand if this is because we are using federal funds. He asked when and where does the Buy America plan come into play. Paul Kisielius, Senior Division Director of General Administration responded that in this case the certification was part of the bid and we are not paying an additional markup on that. He continued that the initial procurement of this is going through operating funds. Initially when Metra buys wheels they will go into our inventory and it will be charged to an operating account. Chairman Darley asked if the penalty is solely for bid calculation purposes. Mr. Kisielius responded that this is correct. Chairman Darley said that in this case, then, we were lucky enough that with this penalty they were still the low bid. Mr. Kisielius responded that this is correct.

Director McCoy said that Mr. Ryan talked about going to some kind of fleet management program. He asked if staff is considering going forward with a fleet management system. Mr. Ryan responded that this is correct. He explained that they have an RFP going through procurement right now, and there seems to be a lot of advantages to outsourcing fleet. Right now, Metra only has a two man department, and have over 500 vehicles. He continued that their goal would be to outsource it and then use our staff to keep inspections and do what they could do. There are over 30 contracts in fleet, so a lot of the time is spent here in the office actually writing releases and doing billing. Director McCoy asked if this would be a situation where like a fleet management, where we would get all our vehicles from one person and they were leased and were responsible for the maintenance on them. Mr. Ryan responded that what they are looking to do is Metra would own the vehicles, but we would outsource it for them to do the maintenance. It is kind of like an HMO. They are in a network so they have a lot of repair facilities. That way there is a lot of saving because you get a discount through volume. Director McCoy asked of the 500 vehicles, are they of the heavy duty end. Mr. Ryan responded overwhelmingly the majority are engineering trucks, so they are everything from a pickup to a heavy duty signal maintainer truck that goes for \$1 million. There are also sedans, and police vehicles. There are 38 police vehicles for the police department. Director McCoy asked if it has ever been thought about, at least at a minimum, a fleet management where we did not even own the vehicles, where they were leased? Mr. Ryan responded that they have not, but it is something that may be worth exploring.

Chairman Darley asked if there is a motion on Items 8 and 14 to move those items to the full Board for approval. Director Schaffer moved, and Director Rakestraw seconded the motion. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

DISCUSSION WITH POSSIBLE ACTION

16. Municipal Easement Fee Structure

Alex Wiggins, Deputy Executive Director of Administration stated that in the fall of 2012, Metra staff was called to a meeting by the DuPage Mayors and Managers to meet with them to discuss their concerns about Metra's fee structure for easements and essentially they did not necessarily find the initial fee problematic as much as the annual renewal for the fees for easements. He then introduced Tony Ognibene, Senior Manager of Real Estate, to discuss the municipal easement fee policy.

Mr. Ognibene explained that currently what Metra does is grant easements, and we do not differentiate between a gas main, a water main for a municipality, or a Commonwealth Edison wire line. Metra charges by occupational size. He continued that for example, if we were to grant a 24-inch water line to a municipality, we would assess a \$4,000 annual easement fee to that and similarly we would assess a gas main the same occupation. In addition to that, Metra also has a \$1,500 preparation fee that would be assigned to any of the easements that we do and these would be a perpetual, nonexclusive easement that would be granted to the municipality or Commonwealth Edison or any of those other individuals.

He continued that, historically, Metra has also waived any fees for municipal occupations where there is a direct Metra benefit. He pointed out that at the last Board meeting two of these occupations were waived, one for the Village of Manhattan and one for the Village of Itasca. These were storm drains that were going to be installed, but they would have also benefited Metra's right-of-way by eliminating drainage issues that we would have at these locations. Currently, Metra has 57 municipal agreements within the contract system. Those agreements generate \$83,000 annually to Metra. Based on the ten-year historical data, Metra has averaged three new agreements for municipalities added to the system each year and estimated that this adds about another \$7,000 annually.

He stated that if this policy was adopted, Metra would forego this revenue. However, staff feels that the partnership with the communities and the benefits that would be derived out of that are far greater. Currently, there are 200 operation and maintenance agreements with municipalities where they maintain Metra station and parking facilities throughout the system. This allows Metra not to utilize its own individual resources to do the day-to-day routine operations of those stations and parking. The municipalities take that aspect over and really partners with Metra, which helps tremendously. In addition to that, 99% of the partner communities that Metra works in eliminate fees when there are construction projects. They eliminate permit fees and this can add up to thousands of dollars every time that Metra is working within the jurisdictions.

He continued that what is being proposed is that Metra has a policy that will charge municipalities for noncommercial applications such as water main, storm sewer, drainage ditches, and things like that. There can be a one time fee and that would allow Metra to capture any administrative costs that would be needed for engineering, review of the plans, allow for the creation of documents, and the like. Also, staff would like to be able to tie that to the CPI so that they do not have to come back to the Board every time they feel that it needs to be raised or to try to capture that for minimal

increases. Staff would propose that Metra could charge no greater than the CPI and the increase in the one time fee. Also what they are asking is that the existing agreements be converted over to a annual fee and any new agreement to the system would be entered into the new policy at zero fee structure. He concluded that the next steps, if acceptable by the committee, would be to have an ordinance drafted to present to the full Board for approval. In addition, they will be looking at Metra's commercial fee structure to ensure that we are capitalizing and charging the best rate that we can get.

Director McCoy asked if this is just geared toward units of government. Mr. Ognibene responded that this is correct. Director McCoy asked about Com Ed or Nicor or other public utilities. Mr. Ognibene replied that it would not be geared toward those companies because they would commercially profit from their installations. Director McCoy responded that he believes that this would be a smart thing to do.

Director Schaffer asked what about when a municipality charges, say Nicor, for an easement that will go through a bunch of stuff including us. They get a fee. He asked what Metra would get. Mr. Ognibene responded that if the gas company would come across our property, we would charge them independently. Metra would do an easement directly with Nicor.

Chairman Darley stated that he believes that to Director Schaffer's point, and he happened to be involved with the initial meetings with the DuPage Mayors and Managers and sent this draft to them yesterday and they wanted the same clarification, he thinks that Metra's response was if a municipality tries to have an easement that is going to create revenue for them, then they would fall under the commercial description. Mr. Ognibene responded that this is correct. Metra would then negotiate for that easement price.

Director Schaffer stated that earlier this morning, Director McCoy's committee had a project, the Pingree Road station in Crystal Lake, and they have been nickel and diming Metra since the day the spade was put into the ground. He explained that they want to improve a road that is barely visible from the station and Metra is paying 1.27% of the cost 15 years later or whatever it is. He just hopes that the spirit of friendship and goodwill will spread through some of the municipalities who view Metra as a deep pocket. However, it probably will simplify the system dramatically.

Director De Graff stated that he is in favor of the policy. However, Mr. Ognibene made reference to the commercial policy and asked if that was under review and what would be the ETA for that. Mr. Ognibene responded that his department will be analyzing that, and we would like to bring something back to the committee in a couple of months. Director De Graff asked if this was discussed in light of the DuPage meeting as well. Mr. Wiggins responded that it was, and staff decided that what we need is to dedicate some more research to that particular topic. He continued that what Mr. Ognibene and his team have done is to engage one of our appraisers to help establish a value for the commercial applications, fiber optic and things of that nature. They will then bring a recommendation of a fee schedule based on actual research and actual numbers. He hopes to have something for the committee in a couple of months.

Director De Graff said that he has a question that is relative to the past or historically. He asked if this has been negotiated in terms of commercial or has it been some established policy that Metra

staff followed. Mr. Wiggins responded that historically, we have actually been able to determine our own fee structure, but he is not sure what the methodology has been. As they dove into this particular issue, they actually compared Metra's fee structure to that of the commercial freights and what they were charging. They are limited by law, and can only charge X amount of dollars for an easement. However, Metra is not able to tie our fees to an actual reference point and so that is what the process that staff is working on now with the appraiser to actually tie it to something real that we can defend. Director De Graff remarked that he thinks that this will be important going forward, because he believes that there was some significant and worthy questions relative to the commercial aspect of pricing and consistency that we need and the fairness that we need relative to commercial as well.

Chairman Darley requested a motion to submit this Item to the full Board. Director De Graff moved, and Director McCoy seconded approval. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

RECEIVE AND FILE

17. Metra Operating Procurements of \$100,000 and Under for March 19th – April 11th, 2013

Director Schaffer asked why Metra would need \$700 worth of eye wash. He's sure that there is a good reason, but he does not know what it is. Mr. Clifford said that he will have someone explain this particular item, but eye wash, as you may or may not know, does have an expiration date. You do have to periodically take your safety kits and rotate out the eye wash. He continued that then, of course, we want to make sure that our employees, whenever they have any kind of incident with particles or debris in their eyes, take advantage of those eye washes, which under OSHA we must have in our work locations. Mr. Lorenzini added that there are eye wash stations in the shops where we have plumbing, but a lot of our shops do not have water or plumbing in there so we have to have these eye wash bottles. Director Schaffer stated that he figured that there was a reason, and thanked staff for the response.

18. DISCUSSION ON PRICE INDEXES

Tom Farmer, Chief Financial Officer stated that there have been some prior discussions about price indexes and the desirability of using them in terms of possible future discussions on fare increases. The advantages of indexes are that they are externally developed, lends credibility and provides an external yardstick to anything that might be chosen. It is relatively easy to explain and understand. Using indexes is widely accepted for agreeing on cost changes due to inflation. He pointed out that he would like to underline "due to inflation" because you might have other reasons why you have cost changes, but you are trying to make sure that you are accounting for your price changes properly. He continued that there are disadvantages of using indexes, too. For example, if you are using something developed by the government and it is not necessarily developed on the market basket of commodities that you are using, this could be a disadvantage. However, staff has worked hard to find a few that they believe would be applicable, should the Board choose to go that way. Another disadvantage would be no adjustments for things like the cost of meeting new legislation.

It would strictly be something intended to keep Metra on pace with inflation. He added that this is a trailing, not a leading cost indicator, meaning that it is a good indicator of what happened last year. He said that it is not a predictor of what is going to happen next year, but it is kind of a commonly accepted practice that you are trying to get caught up on the increases you experienced last year, so that is not terribly problematic.

He continued that there are only two indexes that are applicable to Metra. The first one is the PPI indexes. There are a whole battery of PPI indexes put out by the U.S. Bureau of Labor Statistics. They do have a specific railroad category and he wants to emphasize that this is a producer price index that the railroads are charging for their services. Then there is what they call a railroad cost index. He explained that the Association of American Railroads creates a cost index, which is an index of the different components that go into running a railroad, be it cost of fuel, cost of labor, etc. It is then actually submitted to the government so that they can use that in conjunction with their determining rates for the railroads.

Mr. Farmer explained how they would use an index in the budget process. What they would do is start with the prior year budget. They would then subtract any efficiencies that management was able to find. They would then add in any regulatory cost changes. For example, PTC comes immediately to mind, but there could be other items. They would also add in any changes in service. They would then add in or subtract any changes in ridership or tax revenue that may be relevant to the equation. He continued that what you would then have is a prior budget adjusted up to the current conditions, and then there would be the index based adjustment. The sole purpose of the index based adjustment would be to bring it up to current prices, whether they are rising or falling. The very last thing that would be discussed is any changes that the Board chose to make to set aside for Metra capital expenditures. He said that this is where that would fall into the equation, again based on this proposal, and is all subject to the Board's discussion and approval.

He stated that he has some questions for the committee's thoughts, and he does not necessarily expect answers to those questions now, but it is something to think about as this moves forward. The first question is should the indexes reflect a cap or should they represent a guide. For example, if they say that the index was 2%, should it be 2%, should it be no more than 2% or should 2% be a guide; then they would adjust based on what is actually seen going on at Metra. The second question is if the Board wants to consider indexes like what was described earlier, or is there a different suggestion in terms of the order of operations. He continued that what point in time does Metra refer to. He said that during a prior budget discussion he showed a slide looking at the Zone E one-way fare versus the CPI. The numbers would indicate that the CPI is going up a lot faster, which would indicate that the Metra fare has been a pretty good deal over time. When examining the index, and he is using freight rail, if you look at the index over time the index has gone up since 2005 by 43%. Then what he did is look at the Zone E fare and noticed that it is going up almost the same percent. He said that what he did was to create a number called normalized. What this means is that he took that number up and multiplied it by 390 over 139 to get them starting at the same base. Basically, he multiplied the index by about two and a half to make it look like that one, and then he said if you start it there and you match it up at the same pace, they are going up almost the same. What this would suggest is that over the last several years, be it by accident or by design, the Board has managed to keep the Zone E fares fairly in line with what is going on with the index.

He stated that if you look at the American Association of Railroad's index, for whatever reason, the index matched up nicely with what the Zone E fares looked like, and it provides almost the same answer. This give some credibility to the idea that you are using the PPI index because the AAR cost index and the PPI index are moving up almost the same. The PPI moved up 43% over a several year period and the AAR moved up 37%. He said that he picked the period of seven years because they say that is a full economic cycle, seven years worth of changes. He would have to say that Metra has done a good job of tracking this. The government information is a good fit. We have nothing to do with it, and it is a good approximation of the price the railroads are charging and what their customers are paying. He continued that the AAR index is a good fit, and we understand the constituent elements, because unlike the government index we actually have access to the nuts and bolts of this one. He explained that we know how much of it is fuel, how much of it is depreciation, or labor.

Mr. Farmer explained that one of the recommendations that were made, in discussion with some Board members and staff, is to blend the two. This way we will have something that is focusing on cost and something that is also focusing on what is happening in the marketplace. He stated that if you blend the two, you come up with about a 40% increase. If you divide the 40 by seven, you get a 5.7% increase going up every year. This is a tentative recommendation as the best choice of an index, a blending of the two. Another recommendation for the committee is to consider looking at a different time period. Looking at the seven-year period, the total changes in the blended index was 40%. The average was 5.73%. However, the regression analysis came up to 5.76%, which is almost the same number. For a five-year period the total changes in the blended index was 27%, and the average was 5.3%. For a three-year period, the total changes in the blended index was 20%, and the average was 6.79%. He thinks that this shows that the seven-year period is probably fair, and he believes the recommendation out of the gate would be to use the seven-year average unless circumstances suggest this isn't appropriate. He concluded that the next steps would be for the committee to either choose to accept this recommendation and move it to the full Board, or make some further adjustments.

Director McCoy asked how Mr. Farmer determined that the government regulation is not figured into that index. He asked how do they separate their costs so that they know it is just inflation and not new regulations. Mr. Farmer responded that in terms of the AAR index, this is an industry average cost. He said that to the extent that some of the railroads had certain government costs that would be there. But to the extent we had certain large things that were specific to Metra that probably would not be in there because most of the freight railroads are not subject to quite the same degree of regulation that Metra is. Again, this is where we would have to decide whether this represents a cap or a guide. He continued that we are going to have to look at those and decide if this is a cost that other railroads would be incurring. Then we would say that it is probably there. If staff thinks that it is something unique to Metra, then they would probably ask for a special adjustment.

Director McCoy said that he would like to dig into this more, because how he kind of envisioned this was not to use it as a guide to our budgeting more. He thought that it would be a resolution that the Board would pass that would say that this would be a cap on what we would ever raise our fares in a year. These indices would be the cap. He did not want to tie it to the complete budget per se. He wanted it to be a cap on fare increases. This is how he envisioned it. He stated that he does not

know if that gives staff input or not. Mr. Farmer responded that they could certainly do that. Obviously that still affects the budget because the amount you would raise fares kind of caps the budget and then the budget has to get built backwards. Director McCoy said this is correct. He said that maybe they can work with the budget, but what he is thinking of is the Metra customers and the credibility. He continued that the Board has established policy, and he knows that they want to have regular fare increases. But, our customers cannot go through the whole budget process and understand that. They probably would if they had the time to do it. However, they do understand that if we say that we will never raise their fares anymore in a year than this index and that will be the cap. He thinks that this is pretty simple and that is his goal in this.

Mr. Farmer responded that he would like to pose a question then. What happens if staff says that there are a lot of repairs that need to be done. State of good repair is a problem and the federal government and everybody else is not coming to the plate. Staff says that we are short on money and we need to generate another \$10 million in Metra capital. He asked if this would be treated as an exception or would the Board just say that staff needs to figure out how to make this work inside of the cap. Director McCoy replied that he really does not completely understand Mr. Farmer's question, but he will restate what he just said. He would like to establish an ordinance that caps fare increases every year based on an index. He added that he believes that somehow the answer to Mr. Farmer's question is in there. Mr. Farmer replied that certainly there are Board members who probably have different opinions. However, whatever the Board says is what staff follows. Director McCoy said that he is absolutely just stating his opinion.

Director Schaffer stated that he understands where Director McCoy is coming from, and he would have to say that in theory he agrees with him. However there are some variables in there that come into play, for instance what happens if the State takes some of the sales tax money away and Metra loses \$50 million. Then we are looking at eliminating service or raising fares. He continued that if Washington does not extend Positive Train Control, and says that they will be in next month to start slow orders on our tracks because Metra does not have PTC. He said that there are some variables that we need to make allowance for. In concept, if we are just going down the road and the sales tax revenue is coming in about where it should be and the federal government and the State government are not throwing more unfunded mandates at Metra, he thinks that it is a good guide for a cap. This is something that you can defend, and he thinks that the public will be just as happy with this as the one that we have been using, which means that they will not be happy at all. He stated that any time you raise a fare, and he does not care what rationale you use, it will still be a no sale to the customers.

Director De Graff said that he agrees with Director McCoy, and agrees with the concept of wanting to establish a cap. He also knows that Director Schaffer is correct. He explained that by going through budgeting processes and knowing that there are unfunded mandates that those in municipalities have experienced over a period of years, he would hate to be in a position where those can't be addressed. He continued that if it is addressed on an exceptional level or if it is addressed in terms of this inflationary cost, this being a guide, he would be on the side of it being a guide, but sticking to the principle of not exceeding that amount. He stated that again, he has been through enough budgeting processes to know that you have got to do what you have to do in order to run an efficient business. He thinks that this organization historically has suffered from not doing what was planned for in the future, which is making adequate increases of fares in a fair way.

He thinks a lot of this depends on the nature and the composition of this Board, have good people to make good decisions and good staff to make good recommendations to the Board relative to the pricing decisions. He does not want to get to a point where the Board's hands are tied so much that Metra can not operate. That said, he has to agree with Director McCoy's principle. The Board really needs to think about not exceeding a certain recommended cap. However, he would hate to put Metra in a bind where Metra can't operate.

Director McCoy responded that he agrees with that. He said that he was the CEO of a unit of local government for eight years as well, and had to deal with the tax cap, like Director De Graff does, and he believes that Director Schaffer probably was part of putting that tax cap in. He thinks that it is one of the best things that Springfield ever did. He believes that it did rein in local government and there was an out. They had an out when they wanted to exceed that price increase; you would go to the voters to ask for a tax increase. He continued that at Metra, we did not have that same out, and we should have something for emergency situations. This is where he is trying to model this on, which he thinks was a successful thing and it has clearly reined in local government. Again, Metra does not have the out to go to the voters, but he thinks that it does force you to make hard decisions. He added that the one thing that he never hears a lot about and he is not trying to be too critical, but at some point there needs to be some thought that perhaps some programs need to be cut or expenses need to be cut to meet this cap. He knows that this is hard to do, especially in government.

Chairman Darley remarked that his thought process is similar to what has been expressed as well. One of his thoughts is to use this cap as a guide, and we can use it twofold. Number one, to rationalize fare increases when needed and number two, to point out operational efficiencies that we are gaining as the other side of that coin. He does not know if this will be called a cap or a guide, he is comfortable with either one, but he thinks that it is important that a guideline be set so that the fare increases never exceed the percentage of operating costs. He thinks that Metra can also use it as a way to compliment and look for efficiencies in the organization, compliment those managers and teams that are operating well underneath those operating ranges that Metra's competitors are seeing from a cost standpoint. Mr. Farmer stated that he thinks that we need to also make sure that we all understand that finding efficiencies is really something that is incumbent upon Mr. Clifford and his team. He continued that the first thing that is a part of every budget is the finding of efficiencies and this needs to be pushed within the organization. He stated that if you know that essentially the index based adjustment is going to be used as a guide for a cap then they would have guidance that they would need to make everything fit inside that box. At that point, the only time staff would come to the Board is if there is something that they believe could not fit in the box, and then the Board would act on those probably individually. For example, if there is a change in service or if trains were added, all bets are off. This would probably be a standing mandate to staff to figure it out or offset it.

Director Schaffer commented that he wants to note that this is a philosophical discussion. It is not a discussion about raising fares. He continued that for the benefit of a couple of the newer members, when Metra enacted the 25% fare increase, which was a painful process, brought about by a number of years not doing a raise, one of the things that he has found so frustrating about the Metra budget is the certain things, which are major portions of the budget that we have no control over. He said such as the labor contracts. This is decided in Washington. Fuel prices, we don't have any say about that. He pointed out that he was one of the people on the Board that said to cut because

we don't want to go that high with fare increase. The problem is the only thing you can cut, and he knows that the management team did a fabulous job of going through and tweaking everything within Metra, and the employees went without raises for years, but when you start cutting trains, you are cutting revenue. He said that it is very frustrating because even a relatively minor cut ends up being very Draconian to the service. He added that earlier he said that the concept of using a guideline, and asked Mr. Clifford what the percentage of the total fare revenue for the ten-ride increase was. Mr. Farmer responded point two and a half. Director Schaffer said that it was two and a half percent. By this index we were only halfway at what the guideline is. He thinks that this is very valuable information and thinks it is a benchmark. He is confident that when and if the Board discusses fare increases, this will be very helpful.

Director De Graff wanted to add that he thinks that the seven year cycle is a fair and reasonable cycle.

Chairman Darley asked if there was a motion to submit the report to the full Board. Director De Graff moved and Director McCoy seconded. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

19. UPDATE ON FARE REVENUE

Tom Farmer, Chief Financial Officer, stated that he would be discussing the fare revenues for the first three months of the year. For the 2013 actual this totaled \$73.5 million. The 2013 budget was \$77.4 million and the resulted shortfall has caused a little bit of consternation. The 2012 actual was \$69.3 million. He pointed out that he has two data points to provide, one of which is we are over last year by \$4.2 million or 6%. He said that we are under budget by \$3.9 million or 5%. In terms of the budget, he feels that the real answer there is that if he had to forecast over again, and if he knows what he knows now about the last quarter of 2012, he would have done it differently. He continued that he would like to stress that management has kept a very close eye on the costs and have managed to live within their means. Over the first three months of the year, he will say that there were a couple of weeks that there was a positive variance to budget. In other words, the cost cuts and lack of spending has more than offset the shortfall in revenues.

He explained that he would like to talk a little bit about the revenue impact of the switch to monthly tickets because there has been a lot of discussion about this. He said that he came up with a few fictitious passengers to explain the impact. For example, passenger A takes 38 trips a month. They would already use a monthly pass and would not change. There really would be no reason for them to use a ten-ride or any other type of ticket to pay 38 trips a month when they could be using a monthly for 28 and a half fares. Passenger B takes 20 trips a month. Most likely, passenger B would not switch to a monthly even with a fare increase on the ten-ride. A monthly pass would cost them 28 and a half fares, and they would only be taking 20. It would be hard to imagine that an individual would switch to a monthly ticket. He pointed out that they are probably using the ten-ride ticket as a convenience ticket and would probably continue to do so.

He continued that passenger C takes 30 trips a month. Passenger C is probably the person who is going to switch using the ten-ride to using the monthly ticket because they used to use the ten-ride and they took their 30 trips for 27 fares because at that time the ten-ride was selling for nine fares for ten rides. His guess is that this individual, assuming that they travel reliably, would switch to the monthly ticket and we would see them move from paying 27 fares to 28 and a half fares so they would only have a 5.6% increase. When staff originally laid out the budget for the Board, there was an assumption that if the ten-ride tickets increased 11.1%, there would be an \$8.3 million in revenue change. He will say that staff had some idea how many people might move to a monthly, but they did not have a really good quantification of that number, so they did not try to quantify it. He said that as an example, let us say that passenger C comprises 5% of the Metra riders. What happens is that you have 95% of your people getting the 11.1% increase, with 5% of them getting the 5.6% increase. The average increase then would be 10.8%, which would be about \$8.1 million, which for all practical purposes is the same number. He wanted to add that if it was decided to re-price the ten-rides back to nine-fares, which is something that was discussed, that would cost Metra about \$4.5 million in 2013 revenue.

Director De Graff said that as he has mentioned before, in terms of the pricing structure as it stands right now, he thinks that this is a work in progress. He does think that Metra needs to re-examine the overall passenger A to passenger A plus, and what would passenger A plus do over a period of three months as opposed to one. He continued that he has mentioned this three or four times, and he will say it again, but he does think that it makes a huge difference in terms of how we run efficiently as an organization and he thinks that it is a work in progress, and we need to get there as soon as we can.

Director McCoy said that he thinks that he got this in an email earlier that this revenue impact is not the assumptions we made in the budget, this is the assumption that Mr. Farmer would make today based on what we have learned in a short period of time. Mr. Farmer responded that the revenue assumption that staff made was an \$8.3 million revenue uplift from the 11.1% fare increase. He said that what he was saying is if we were to make the assumption, and he does not have a way of measuring this accurately, that 5% of the people actually switched to monthlies, then he would have said it was 10.8% in total or \$8.1 million. He pointed out that he only has two month of data. Director McCoy responded that he understands that.

He continued that his other question, and he asked this at the last Board meeting, is one thing that related to him personally, and he was never heading down a path of rescinding the ten-ride ticket increase, although it has kind of turned into that. His main question was that it appeared to him, again, on a short sample period of time that revenues are down a greater percentage than ridership. This is the thing that is confusing to him. He continued that maybe it is not exactly comparable data, but that was the things that he was trying to ask about. It seems like revenue is down more than ridership after a fare increase, and he does not understand that. Mr. Farmer responded that this is absolutely correct in the numbers that the Board has seen, and there are two reasons for that. The first one is when staff did the revenue budget, they actually budgeted a small year over year increase in revenue, whereas, the numbers you see on ridership are compared to 2012. In other words, if you take 2012 and a mark of a hundred, what is being seen in maybe this year we are at 98 and last year we were at a hundred, so two down. Whereas the revenue budget actually showed that we were going to go up to 101, so it looks bigger. He said that the other thing that the Board is

seeing is if we do see a small shift of people into monthly tickets, we need to remember that the monthly ticket is counted as 43 rides because that is the assumption. That would tend to make that number look a little bit bigger or maybe the ridership drop look a little smaller. He stated that those are the two things, particularly the first thing he mentioned, that the revenue budget actually assumed that this was going to go up. That would cause the number to be a percent and a half, or something like that, higher. It is noticeable.

Director McCoy asked if there was perhaps some stockpiling of ten-ride tickets. Mr. Farmer responded that to the extent that they are stockpiling there probably was some last year when Metra had the prior increase, and then again there may have been some this year. However, it is hard to figure out just how much might have happened in either time. He said that there are a lot of things going on. There is the potential stockpiling and two fare increases. Also the free rides policy is gone, so there has been some shifting to reduced fares. There also some changes in fare policy. Again, there is a lot going on, and it would be nice if only one thing changed and he could then say that was it, but there is not.

Chairman Darley remarked that he is trying to get a handle on the re-pricing. He continued that we said that by making this fare change, we would see additional revenue of roughly a half a million. But now if we go back, it is going to cost Metra \$4.5 million. He asked if the delta is exactly a miscalculation of those riders going to monthly passes from ten-ride tickets. He asked if this is the formula. Mr. Farmer responded that no. What he is saying is the \$8.3 million is about \$700,000 a month for eleven months because the fare increase happened. He continued that what he means is based on everything we know, he thinks that the fare increase was successful, so to speak, because he does not think that there is a lot of reason for there to be a lot of switchers. Basically if we put it back to where it was, we would be giving it back.

Mr. Clifford said that he would like to try a different tack on that. He explained that we already knows the revenues are down. Staff has been giving regular reports on that, and what staff is telling the committee today is that the decrease in revenue has nothing whatsoever to do with ten-ride ticket going to ten for ten. In addition to those revenues being down, and they are likely to be down for the rest of the year, if the Board decides to go back to pricing the ten-ride ticket at ten for nine, you can exacerbate that decrease in revenues by an additional half year impact or \$4.5 million. So staff would discourage that move.

He stated that if he may, he would like to make a couple of points. First of all, he wants to make sure that they are crystal clear, more for the media in the audience than the Board, that what they are telling the committee today is this decrease in revenue versus budget has to do exclusively with the projection of revenue for the 2013 year. This is what it absolutely has to do with. He continued that what Mr. Farmer said, is correct. If staff could go back and reforecast 2013 budgeted revenues based on what they knew on December 31st, which is considerably down the path after the budget was adopted, they would have reforecasted it differently based on the knowledge we knew at that time. He will say that as a result of what they have learned, Mr. Farmer has put a lot of work into reworking his model that he uses so that they can continue to do a better job in that forecasting.

He would also like to make the point that the Board should not be surprised at all, because month after month, staff has been telling them since February that ten-ride ticket sales are down. Staff fully expected ten-rides to go down. This is an outcome of going to ten to ten. The question

becomes where did they go. Some customers bought monthly passes. Some customers bought single ride tickets. He said that again, staff models this. They model it trying to guess which way they would go and so in their projections, they probably did not get this right. He explained that maybe more went to one-ways than went to monthly tickets. Again, staff continues to refine the model and to learn from it. He pointed out that again, this is not a ten-ride ticket problem with the decrease in revenue, and as Mr. Farmer pointed out, if the Board decided to go back to nine for ten on July 1st, it would take the decrease in revenues versus budget and exacerbate that by another \$4.5 million.

He concluded that most importantly, for the media and others, the staff is working to decrease expenditures to match that revenue decrease. They have shown the Board month after month that we are coming in at budget or under budget and they will continue to do that. He said that this is not unlike what Metra went through in 2011 when he first came on board and there was the fuel crisis. At that time they had to solve an \$18 million delta by the end of the year. This was resolved and this had to be done in less than six months. He continued that staff has started early. They started in February seeing this early trend and started engaging in watching Metra's expenditures, looking for efficiencies and capturing the variances so that they can't be spent down.

Chairman Darley stated that he would also like echo that the thought of turning back the ten-ride ticket for the price of nine happened very quickly at the last Board meeting. The Board did not have a lot of data yet, and he does believe that there may be some seasonality in this. Whether it is vacations in the summertime, people might revert back to using the ten-ride ticket as opposed to the monthly ticket or other types of tickets.

Mr. Farmer asked if Ms. Ciavarella could provide a quick update on the loss of ridership. Ms. Ciavarella responded that staff has been working a lot with Mr. Farmer on the data, and they did pull the peer data, which is something that the Board has been asking for. She continued that first quarter data from the peer agencies that Metra compares itself to have shown a decrease in ridership. She said that if they compare Metra's ridership to our peers in the region, and staff does not have CTA's numbers for March, all of the peer agencies in the region are seeing a drop in ridership. Chairman Darley asked that this information be added to the report for the full Board. Ms. Ciavarella responded that this will be part of the ridership report.

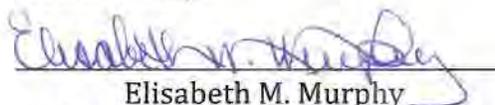
Chairman Darley asked for a motion to move this report to the full Board. Director De Graff moved, and Director McCoy seconded the motion. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley

20. ADJOURN

Director De Graff moved and Director McCoy seconded to adjourn the meeting. The motion carried with five ayes.

AYES: Directors' De Graff, McCoy, Rakestraw, Schaffer and Chairman Darley



Elisabeth M. Murphy

Assistant Secretary to the Board

METRA BOARD OF DIRECTORS
MEETING OF THE AUDIT & FINANCE COMMITTEE
FRIDAY, JUNE 7, 2013
METRA GENERAL OFFICES - BOARD ROOM
547 WEST JACKSON BOULEVARD, CHICAGO, ILLINOIS
IMMEDIATELY FOLLOWING EXECUTIVE COMMITTEE

ROLL CALL

PUBLIC COMMENT

MINUTES

1. Approval of the Minutes from the Audit & Finance Committee Meeting on Thursday, May 2, 2013

DISCUSSION WITH POSSIBLE ACTION - OPERATING PROCUREMENTS

Items Greater than \$100,000 (Consent Agenda)

2. Blanket Purchase Order for Limestone Ballast (Group II)
3. Blanket Purchase Order for Weekend Commuter Rail Tickets
4. Blanket Purchase Order for Sullair Air Compressors and Replacement Parts
5. Blanket Purchase Order for Sullair Air Compressors and Replacement Parts
6. Blanket Purchase Order for Safety Footwear
7. Professional Services Contract for Court Reporting Services
8. Purchase Order for Railroad Crossovers and Turnouts

RECEIVE AND FILE

9. Metra Operating Procurements of \$100,000 and Under for April 12th - May 14th, 2013

10. DISCUSSION ON PRICE INDEXES

11. ADJOURN TO EXECUTIVE SESSION FOR MATTERS RELATING TO EXECUTIVE SESSION MINUTES (Section 2 (c) (21)) AND AUDIT (Section 2 (c) (28))

Metra will provide reasonable auxiliary aids or services necessary to afford an individual with a disability an equal opportunity to participate. Persons requiring assistance are requested to notify Metra of their needs well in advance to provide sufficient time to make these accommodations. Requests for services should be made to (312) 322-6966.



TO: Audit & Finance Committee

DATE: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Metra Operating Procurements Greater than \$100,000
for April 12 through May 14, 2013

ACTION: Recommend for Approval

BACKGROUND

Please find attached a Summary of Metra Operating procurements that are greater than \$100,000.00, for the April 12 through May 14, 2013 period.

Total recommended Operating procurements for this period are as follows:

Procurements Greater than \$100,000	Operating
Blanket Purchase Orders/Blanket Contracts	\$2,360,000.00
Change Orders	\$0.00
New Purchase Orders/Contracts	\$963,595.00
Master Purchase Agreements	\$0.00
Professional Services	\$450,000.00
Operating Total	\$3,773,595.00

Attached please find the Board Procurement Summaries with explanations for DBE participation.

Race conscious DBE participation includes any participation acquired through the use of setting a goal on a contract when there is a valid sub-contracting opportunity.

The *race conscious* commitment for the period of April 12, 2013- May 14, 2013 was \$98,587.00.

* The DBE goal is calculated based on the Lump Sum Bid which is the Grand Total Bid minus the Unforeseen Conditions/Allowances. The Procurement Summary reports the total award amount including unforeseen conditions and allowances.

ATTACHMENTS

Attachment A: OBDCR DBE Summary, Operating Projects over \$100,000

Attachment B: Operating Summary of Procurements Greater than \$100,000 for April 12 through May 14, 2013

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management



Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects over \$100,000

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

Procurements for this period include \$1m for Sullair Air Compressors and Parts, \$963k for Railroad Crossovers and Turnouts, \$500k for Limestone Ballast, \$400k for Safety Footwear and \$450k for Court Reporting Services, all of which offer no DBE opportunities.

Race Conscious Participation

Race conscious participation is achieved by setting contract-specific goals on projects with valid subcontracting opportunities.

DBE utilization from the October 2012 board meeting to date is as follows.

Procurement Period	Total Awarded	Race Conscious DBE Participation
*Current Reporting Period-June Board Meeting (Apr 12-May 14)	\$ 3,773,595.00	\$ -
Board Meetings - Oct 2012 through May 2013	\$ 34,233,019.00	\$ 140,000.00
Total Dollars to Date	\$ 38,006,614.00	\$ 140,000.00
Total Percentage to Date	100.00%	0.37%

Race Neutral Participation

Federal regulations state that DBE programs must meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation (49 CRF Part 26.51). Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

DBE utilization from the October 2012 board meeting to date is as follows.

Procurement Period	Total Awarded	Race Neutral DBE Participation
*Current Reporting Period-June Board Meeting (Apr 12-May 14)	\$ 3,773,595.00	\$ -
Board Meetings - Oct 2012 through May 2013	\$ 34,233,019.00	\$ 605,000.00
Total Dollars to Date	\$ 38,006,614.00	\$ 605,000.00
Total Percentage to Date	100.00%	1.59%

This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.

OPERATING

April 12 through May 14, 2013

Procurements Greater than \$100,000		
B32148	Blanket Purchase Order for Limestone Ballast (Group II)	\$500,000.00
B32347	Blanket Purchase Order for Weekend Commuter Rail Tickets	\$460,000.00
B32386	Blanket Purchase Order for Sullair Air Compressors and Replacement Parts	\$700,000.00
B32387	Blanket Purchase Order for Sullair Air Compressors and Replacement Parts	\$300,000.00
B32401	Blanket Purchase Order for Safety Footwear	\$400,000.00
S32429	Professional Services Contract for Court Reporting Services	\$450,000.00
S32453	Purchase Order for Railroad Crossovers and Turnouts	\$963,595.00
	Operating Total	\$3,773,595.00



TO: Audit & Finance Committee

Date: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Limestone Ballast (Group II)

ACTION: Approve Recommendation for Metra IFB No. 39068

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B32148) with Hanson Material Service Corporation for Limestone Ballast (Group II) in response to IFB No. 39068. The contract term is for two years, and the contract amount is not to exceed \$500,000.00.

BACKGROUND

The previous Blanket Purchase Order expires on May 31, 2013, and \$399,457.51 has been expended from the value of \$2,000,000.00. IFB No. 39068 has been solicited to continue providing limestone ballast used in the maintenance of Metra's railroad track.

DISCUSSION

On February 14, 2013, Metra published an IFB soliciting firms to submit sealed bids for limestone ballast. The Engineering Department has primary responsibility for this Blanket Purchase Order. Award is recommended on a group basis to the lowest responsive and responsible bidder. There are two groups, which are distinguished by delivery method (i.e., by railway car or motorized truck):

Group I – Ballast Car Delivery

Group II – Truck Delivery

This contract is for Group II. This award covers the procurement of limestone track ballast to be utilized by the Engineering Department along various Metra rail lines on an as-needed basis. It includes 24 line items (four categories of ballast that vary between 200 and 5,000 tons, via nine locations).

Ballast is crushed stone that forms the track bed upon which railroad ties are laid. It is packed between, below, and around the ties and is used to facilitate drainage of water, to bear the load from the railroad ties, and also to keep down vegetation that might interfere with the track structure. Ballast also serves to hold the track in place as the trains pass. Typically Metra uses two types of ballast, Limestone and Quartzite. Historically, the Rock Island, Southwest and Metra Electric districts have used limestone ballast because those districts were closer to Joliet quarries.

Group I is being rebid as Metra did not receive any bids.

FISCAL IMPACT

Metra will fund the Blanket Purchase Order through 100% operating funds. As material is needed, the Engineering Department will issue release notices for the required material to the recommended vendor.

The purchase order is for two years and a total of \$500,000.00. Funding is available in the Engineering Department's budget, accounts 4921-10300400, 5921-10300400 and 7921-10300400 and is budgeted in 2013. Funding will also be scheduled to be included in the 2014 and 2015 budgets. It is estimated that \$250,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Metra's Limestone Ballast procurements have historically been bid by only two suppliers, Hanson Material and Vulcan Materials. The providers for Quartzite Ballast (Michels Materials and Mathy Construction) were also contacted; both stated they could not be competitive for Limestone Ballast.

Bid solicitations were emailed to 54 vendors registered under the commodities "Ballast-Limestone" and "Platform Material" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide limestone ballast, solicitations were also mailed to 22 of the vendors known or considered more likely to supply limestone ballast. Solicitations were also mailed to an additional four vendors identified via internet research. One vendor responded for Group II and has previously transacted business with Metra. The single bid received is summarized below:

<u>Bidder</u>	<u>Amount</u>
* Hanson Material Service Corp.	\$378,980.00

* Hanson Material Service Corp. was the previous contract holder in 2011.

Because only one bid was received, a canvass of non-bidders was conducted to determine why they did not bid. (See Attachment B – Canvass of Non-bidders.)

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra will not be able to efficiently replace and install limestone track ballast. Track ballast is necessary to ensure that rail surfaces are properly maintained.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Canvass of Non-bidders
- C. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn Capranica, Department Head, Procurement
Jennifer Zellers, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Hanson Material Service Corp., located in Thornton, IL		Amount: \$500,000.00	
Procurement of: Limestone Ballast – Group II		Purchase Order/Contract No.: B32148	
Bid Expiration Date: 6/13/13	Funding Source: 4921-1030-0400 5921-1030-0400 7921-1030-0400	Operating	IFB No.: 39068
			Lead: J. Lorenzini Responsible Dept.: Engineering
Bid Opening Date: 3/13/13	Public Notice Date: 2/14/13	Publication: Chicago Sun-Times	
Term: Two Years	Quantity: 24 Line Items	Unit Cost: From: \$15.10 to \$25.00	Date Prepared: 04/02/13
			Prior Expenditures: \$399,457.51 was previously expended on contract no. B14309 with Hanson Material Service Corp. awarded on 6/6/11.

DBE Goal: Currently no certified DBE firms to provide limestone track ballast.

Action: Award a Blanket Purchase Order to Hanson Material Service Corp., the single responsive and responsible bidder. Award was made on a group basis. The Blanket Purchase Order will be for a two-year period and is not to exceed \$500,000.00.

Background: This contract is for Group II. This award covers the procurement of limestone track ballast to be utilized by the Engineering Department along various Metra rail lines on an as-needed basis. It includes 24 line items (four categories of ballast that vary between 200 and 5,000 tons, via nine locations).

Ballast is crushed stone and forms the track bed upon which railroad ties are laid. It is packed between, below, and around the ties and is used to facilitate drainage of water, to bear the load from the railroad ties, and also to keep down vegetation that might interfere with the track structure. Ballast also serves to hold the track in place as the trains pass. Typically Metra uses two types of ballast, Limestone and Quartzite. Historically, the Rock Island, Southwest and Metra Electric districts have used limestone ballast because those districts were closer to Joliet quarries.

Bid Tabulation: Bid solicitations were emailed to 54 vendors registered under the commodities “Ballast-Limestone” and “Platform Material” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide limestone ballast, solicitations were also mailed to 22 of the vendors known or considered more likely to supply limestone ballast. Solicitations were also mailed to an additional four vendors identified via internet research. One vendor responded for Group II and has previously

transacted business with Metra. The single bid received is summarized below:

<u>Bidder</u>	<u>Amount</u>
* Hanson Material Service Corp.	\$378,980.00

Bid Analysis:

- * Hanson Material Service Corp. was the previous contract holder in 2011.

Because only one bid was received, a canvass was conducted of non-bidders to determine why they did not bid. See attached Canvass of Non-bidders.

Hanson Material Service Corp. is the single responsive and responsible bidder.



Canvass of Non-bidders

Date: 3/14/13
 IFB/RFP No.: 39068
 IFB/RFP Title: Limestone Ballast
 P.O. # (when assigned): B32148

Metra is required under state and Federal Procurement Regulations to provide an open and competitive environment for soliciting bids. Metra is also required, by State Law, to advertise upcoming bids over \$10,000.00 in a major local newspaper with circulation within Metra's six-county area. Metra is required to send bids to those firms that request such, and Metra cannot preclude a firm from bidding.

Below is a sample canvass of the non-bidders on the IFB identified above.

Vendor	Date	Phone/Other	Person	Response
Vulcan Materials Co.	3/14/13	NO OFFER BID SHEET	Al Hernandez	Could not comply with Metra's specifications.
Michels Materials	3/14/13	NO OFFER BID SHEET	M.O. Bohrer	Cannot competitively supply Limestone Ballast at this time.
Mathy Construction	3/14/13	608-783-6411	Anthony Tomasher	Cannot competitively supply Limestone Ballast at this time.
Marco Supply	3/14/13	NO OFFER BID SHEET	Lora Melia	Requested the package and determined they cannot perform this service.
Rossi Contractors	3/14/13	NO OFFER BID SHEET	Jonathon Gross	Cannot supply the material.
Valley Quarry	3/14/13	717-264-4178	Bill Saunders	Cannot comply with the specifications and cannot competitively supply Limestone Ballast at this time.
Quality Aggregates	3/14/13	815-332-5001	Dan Fischer	Cannot competitively supply Limestone Ballast in quantities needed.
Railworks Track Services, Inc.	3/14/13	815-521-3340	William Dorris	Do not perform this service.

Metra's Limestone Ballast procurements have historically been bid by only two suppliers, Hanson Material and Vulcan Materials. This procurement was mailed to 28 aggregate suppliers known to most likely provide this material. In addition, 54 emails were sent to vendors under aggregate commodity codes. The providers for Quartzite Ballast (Michels Materials and Mathy Construction) were also contacted; both providers stated they could not be competitive for Limestone Ballast.

Adequate opportunity to compete has been provided. Procurement recommends award of Group II to Hanson Materials.

OPERATING

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Hanson Trust was formed by James Hanson and Gordon White in 1964 and grew by acquisition to become a multi-national concern with interests across the world ranging from chemicals and construction in the US, to electricity supply, aggregates and tobacco in the UK and gold mines in Australia. In January 1996, the company demerged into four separate entities - Imperial Tobacco, The Energy Group, SCM Chemicals and Hanson.

In the following years, Hanson sold its remaining non-core businesses to focus exclusively on heavy building materials. By 2006, Hanson had become the largest producer of aggregates in the world.

B. Procurement Background

The solicitation was advertised on February 14, 2013 requesting sealed bids for limestone ballast. The award was on a group basis.

This contract is for Group II. This award covers the procurement of limestone track ballast to be utilized by the Engineering Department along various Metra rail lines on an as-needed basis. It includes 24 line items (four categories of ballast that vary between 200 and 5,000 tons, via nine locations).

C. DBE Goal

Currently no certified DBE firms to provide limestone track ballast.

D. Evaluation Criteria

Bid solicitations were emailed to 54 vendors registered under the commodities "Ballast-Limestone" and "Platform Material" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide limestone ballast, solicitations were also mailed to 22 of the vendors known or considered more likely to supply limestone ballast. Solicitations were also mailed to an additional four vendors identified via internet research. One vendor responded for Group II and has previously transacted business with Metra. The single bid received is summarized below:

<u>Bidder</u>	<u>Amount</u>
* Hanson Material Service Corp.	\$378,980.00

* Hanson Material Service Corp. was the previous contract holder in 2011.

E. Cost/Price Analysis

A comparison of lot totals from the previous blanket order B14309, dated 6/6/11 shows a 6.7 percent increase in price of Truck Delivered Limestone Ballast.

Hanson Material Service Corp. provided an invoice to another vendor showing the prices quoted are within the same range charged to Metra.

In addition, on the February 1, 2013 Indices, the Crude Materials Index (C.M.I.) allows for an 8 percent increase from 2011 to 2013. The C.M.I. is used for all raw material purchases (steel, copper, aluminum, timber, and concrete; excluding all energy products).

Given the foregoing, the Procurement Department has found the prices quoted to be fair and reasonable.



TO: Audit & Finance Committee

DATE: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Weekend Commuter Rail Tickets

ACTION: Approve Recommendation for Metra IFB No. 48838

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B32347) with American Solutions for Business to provide weekend commuter rail tickets in response to IFB No. 48838. The contract term is for three years, and the contract amount is not to exceed \$460,000.00.

BACKGROUND

The previous Blanket Purchase Order expires on July 31, 2013, and \$357,159.91 has been expended from the \$440,000.00 Blanket Purchase Order total. IFB No. 48838 has been solicited to continue procuring weekend tickets purchased and used by Metra riders.

DISCUSSION

On March 1, 2013, Metra published an IFB soliciting firms to submit sealed bids for weekend tickets. The Ticket Services Department has primary responsibility for this Blanket Purchase Order. Award is recommended to the lowest responsive and responsible bidder.

This award covers the procurement of weekend commuter rail tickets to be controlled by the Ticket Services Department. The Ticket Services Department will distribute these tickets to all on-board train personnel and ticket agents at all downtown and outlying stations. The tickets will be sold to passengers on all Metra commuter rail lines for weekend travel, as well as scheduled and unscheduled promotional and special events on weekdays and weekends such as Ravinia, Lollapalooza and the Chicago Marathon. This blanket purchase order amount is based on projected weekend, promotional and special event travel in Metra's six-county service area. The 2012 annual weekend ticket stock included 4,710,000 tickets. The 2013 annual weekend ticket stock includes 5,575,000 tickets.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As material is needed, the Ticket Services Department will issue release notices for the required material to the recommended vendor.

The Purchase Order is for three years and a total of \$460,000.00. Funding is available in the Communications & Marketing, Ticket Services Department's Print Tickets budget, account 37304000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$153,333.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 193 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply commuter rail tickets, solicitations were also mailed to 23 of the vendors known or considered more likely to supply commuter rail tickets. Two vendors responded, and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
American Solutions for Business	\$406,600.00
Paper Solutions, Inc.	\$448,600.00

A canvass of non-bidders was conducted in an effort to determine why they did not bid. The canvass sheet is attached (Attachment C).

American Solutions for Business is the lowest and responsible bidder.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra would not be able to sustain adequate levels of weekend tickets for purchase by passengers on all Metra commuter rail lines.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History
- C. Canvass of Non-bidders

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn Capranica, Department Head, Procurement
Urbano Damian, Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: American Solutions for Business, located in Naperville, IL		Amount: \$460,000.00	
Procurement of: Weekend Tickets		Purchase Order No.: B32347	
Bid Expiration Date: 7/2/13	Funding Source: 1680-3730-4000 Operating	IFB No.: 48838	Lead: R. Carlton
			Responsible Dept.: Ticket Services
Bid Opening Date: 4/2/13	Public Notice Date: 3/1/13	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 1 Line Item	Unit Cost Per Thousand: \$17.33	Date Prepared: 4/16/13
			Prior Expenditures: \$357,159.91 was previously expended on contract no. B03907 with American Solutions for Business, awarded on 8/19/10.

DBE Goal: Currently no certified DBE firms to supply commuter rail tickets.

Action:

Award a Blanket Purchase Order to American Solutions for Business, the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a three-year period and will not exceed \$460,000.00.

Background:

This award covers the procurement of weekend commuter rail tickets to be controlled by the Ticket Services Department. These Ticket Services Department will distribute these tickets to all on-board train personnel and ticket agents at all downtown and outlying stations. The tickets will be sold to passengers on all Metra commuter rail lines for weekend travel, as well as scheduled and unscheduled promotional and special events on weekdays and weekends, such as Ravinia, Lollapalooza and the Chicago Marathon. This blanket purchase order amount is based on projected weekend, promotional and special event travel in Metra's six-county service area. The 2012 annual weekend ticket stock included 4,710,000 tickets. The 2013 annual weekend ticket stock includes 5,575,000 tickets.

The previous Blanket Purchase Order expires on July 31, 2013, and \$357,159.91 has been expended from the \$440,000.00 Blanket Purchase Order total.

This material (Operating) will be purchased and, when received, will be expensed to the requesting department.

Bid Tabulation:

Bid solicitations were emailed to 193 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply commuter rail tickets, solicitations were also mailed to 23 of the vendors known or considered more likely to supply commuter rail tickets. Two vendors responded, and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
American Solutions for Business	\$406,600.00
Paper Solutions, Inc.	\$448,600.00

Because only two bids were received, a canvass was conducted of non-bidders to determine why they did not bid. See attached Canvass Sheet.

American Solutions for Business had the previous contract, and its bid price was \$314,950.00. The increase in the company's current bid price is directly associated to anticipated volume and increases in printing costs and other overhead.

Bid Analysis:

American Solutions for Business is the lowest responsive and responsible bidder.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

American Solutions for Business was established in 1981 in Glennwood, Minnesota with annual sales of approximately \$200 million. American Solutions for Business conducts business throughout the United States, Canada, and Puerto Rico.

American Solutions for Business is able to serve any and all markets with concentration in the following markets: Automotive, Education, Financial, Government, HealthCare, Hospitality, Insurance, Manufacturing, Nonprofit, Real Estate, Retail, Transportation and Special Events.

Its product line offering consists of: Apparel, Commercial Printing, Posters, Handbooks, Labels, Documents and Forms, Brochures, Calendars, Folders, Secure Documents (checks, certificates, tickets, coupons, licenses, and official documents), Office Supplies, Packaging, Digital Print, E-Commerce Solutions, Stationery/Envelopes, and Promotional Products.

B. Procurement Background

The solicitation was advertised on March 1, 2013 requesting sealed bids for weekend commuter rail tickets for a three-year period. Award was to be based upon a lot basis to the lowest responsive and responsible bidder.

C. DBE Goal

Currently no certified DBE firms to supply commuter rail tickets.

D. Evaluation Criteria

Bid solicitations were emailed to 193 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors supply commuter rail tickets, solicitations were also mailed to 23 of the vendors known or considered more likely to supply commuter rail tickets. Two vendors responded, and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
American Solutions for Business	\$406,600.00
Paper Solutions, Inc.	\$448,600.00

American Solutions for Business is the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Based upon the bids received, American Solutions for Business' pricing is 10.32% lower than Paper Solutions, Inc.'s (the next lowest responsive and responsible bidder) pricing. Therefore, based upon this comparison, American Solutions for Business' offered pricing is deemed competitive and appears to be fair and reasonable.



ATTACHMENT C

Canvass of Non-bidders

Date: May 13, 2013
 IFB/RFP No.: 48838
 IFB/RFP Title: Weekend Tickets
 P.O. # (when assigned): B32347

Metra is required under State and Federal Procurement Regulations to provide an open and competitive environment for soliciting bids. Metra is also required, by State Law, to advertise upcoming bids over \$10,000.00 in a major local newspaper with circulation within Metra's six-county area. Metra is required to send bids to those firms that request such, and Metra cannot preclude a firm from bidding.

Below is a sample canvass of the non-bidders on the IFB/RFP identified above.

Vendor	Date	Phone/Other	Person	Response
NASHUA	5/13/13	402-891-0610	Ed Mazer	Firm does not have the manufacturing capabilities to participate in this bid.
American Bank Note	5/13/13	615-794-1575	Jack Barnett	Firm does not have capabilities to perform design work.
Print CBF	5/13/13	973-682-9000	Mike Gordan	Firm would not be competitive on this bid, only a distributor.
Magnadata USA Inc.	5/13/13	732-505-0401	Joe Bananno	Not cost effective; firm cannot be competitive.
Madmaxmar Group, Inc.	5/13/13	630-320-3700	Mike Messina	Firm does not manufacture this type of ticket.
Consolidated Printing	5/13/13	847-729-6743	Walter Prewett	Firm could not bid at time of solicitation, but could consider in the future.
EDM, Inc.	5/13/13	800-336-8115	Brian Hallman	Firm does not do business in this market.



TO: Audit & Finance Committee

DATE: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Sullair Air Compressors and Replacement Parts

ACTION: Approve Recommendation for Metra IFB No. 44938

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B32386) with Brabazon Pump Co. Ltd. to provide Sullair Air Compressors and Replacement Parts in response to IFB No. 44938. The contract term is for three years, and the contract amount is not to exceed \$700,000.00.

BACKGROUND

The previous requirement for these items was fulfilled through two blanket purchase order (BPO) contracts, B99954 and B99955. Both contracts expired on May 31, 2012. The sum of \$1,465,354.00 was expended from the \$1,500,000.00 BPO total on B99954, and \$99,960.00 was expended from the \$100,000.00 BPO total on B99955. IFB No. 44938 has been solicited to continue procuring Sullair Air Compressors and Replacement Parts.

DISCUSSION

On February 8, 2013, Metra published an IFB soliciting firms to submit sealed bids for Sullair Air Compressors and Replacement Parts. The Sullair brand was specified as it has a proven record for reliability, which is essential for proper brake performance and safety; further, Sullair braking systems are used in all Metra highliners and locomotives.

The Materials Department has primary responsibility for this BPO. Award is recommended on a line item basis to the lowest responsive and responsible bidder.

A total of 27 Items were solicited. This award covers the procurement of 35 complete air compressor units, intercoolers, and categories of valves and valve repair kits specified as the following 10 Items: 1, 2, 5, 6, 9, 12 through 15, and 20. The remaining 17 Items (categories of filters, separators, mufflers, and lubricants specified as Items: 3, 4, 7, 8, 10, 11, 16 through 19 and 21 through 27) will be awarded to another vendor under a separate contract.

Sullair Air Compressors and Replacement Parts will be used by the Mechanical Department to provide the compressed air needed for the braking systems on Metra Highliners as well as EMD

and MPI locomotives. Additionally, the Engineering Department uses parts from inventory for maintenance of air compressors that provide compressed air for power tools in Metra shops. These items are used in all districts.

FISCAL IMPACT

Metra will fund this BPO through 100% operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The purchase order is for three years and a total of \$700,000.00.

The material is budgeted in operating accounts and purchased into inventory until being issued and charged to the Mechanical or Engineering Departments when used. Funding is available in the Materials Department budget, accounts 2700-3141-3000, 3700-3174-3000 and 4721-1050-3000 for air compressors and 4721-3146-3000, 6722-3141-3000, 3700-3174-3000, 2700-3195-3000, 5722-3751-3000 and 4911-3400-3000 for replacement parts, and is budgeted in 2013. Funding will also be scheduled to be included in 2014, 2015 and 2016 budgets. It is estimated that \$233,333.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide Sullair Air Compressors and Replacement Parts, solicitations were also mailed to 34 of the vendors known or considered more likely to provide this material. Four vendors responded, and three of them have previously transacted business with Metra. The aggregate total of the items contained in the four bids received are summarized below:

<u>Bidder</u>	<u>Total of Lines</u>
* Harris Equipment	\$106,145.97
Brabazon Pump Co. Ltd.	\$327,554.64
** WHE Ltd.	\$365,666.25
*** A-1 Air Compressor	\$500,032.49

- * Harris Equipment submitted a “No Bid” on Item 1, the complete air compressor, because Harris does not normally carry this item and would not have been competitive.
- ** WHE Ltd. submitted a “No Bid” on items 1, 3, 4, 9, 13 and 14. The bids submitted on the other items do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$292,533.00 \times 1.25 = \$365,666.25$.
- *** The bid submitted by A-1 Air Compressor does not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$400,025.99 \times 1.25 = \$500,032.49$.

ALTERNATIVES

If this BPO is not awarded, Metra will not be able to replace or maintain the air compressors required for Highliner or locomotive braking systems. Failing to maintain braking systems as necessary will result in locomotives being withheld from service, thereby impacting rail operations.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Master Purchase Agreement Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Joseph Onesto, Sr. Buyer

SUMMARY OF METRA IFB PROCUREMENT			
Award To: Brabazon Pump Co. Ltd. located in Green Bay, WI		Amount: \$700,000.00 (Not-to-Exceed)	
Procurement of: Sullair Air Compressors and Replacement Parts		Contract No.: B32386	
Bid Expiration Date: 6/4/13, Extended to 6/22/13	Funding Source: 2700-3141-3000 3700-3174-3000 4721-1050-3000 4721-3146-3000 6722-3141-3000 3700-3174-3000 2700-5195-3000 5722-3751-3000 4911-3400-3000	Operating	IFB No.: 44938
			Lead: B. Darin Responsible Dept.: Materials
Bid Opening Date: 3/4/13	Public Notice Date: 2/8/13	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: Ten Line Items	Unit Cost: From: \$3.95 To: \$6,055.00	Date Prepared: 4/19/13
			Prior Expenditures: \$1,465,353.93 was previously expended on BPO B99954 dated 6/4/09 with Brabazon Pump Co. Ltd., and \$99,960.00 was previously expended on BPO B99955 dated 6/3/09 with Harris Equipment.
DBE Goal: Currently no certified DBE firms to supply Sullair Air Compressors and Replacement Parts.			
Action: Award a Blanket Purchase Order to Brabazon Pump Co. Ltd. This award was made on a low line item basis. This Blanket Purchase Order will be for a three-year period and is not to exceed \$700,000.00.			
Background: On February 8, 2013, Metra published an IFB soliciting firms to submit sealed bids for Sullair Air Compressors and Replacement Parts.			
The Materials Department has primary responsibility for this BPO. Award is recommended on a line item basis to the lowest responsive and responsible bidder.			
A total of 27 Items were solicited. This award covers the procurement of 35 complete air compressor units, intercoolers, and categories of valves and valve repair kits specified as the following 10 Items: 1, 2, 5, 6, 9, 12 through 15, and 20. The remaining 17 Items (categories of filters, separators, mufflers, and lubricants specified as Items: 3, 4, 7, 8, 10, 11, 16 through 19 and 21 through 27) will be awarded to another vendor under a separate			

contract.

Sullair Air Compressors and Replacement Parts will be used by the Mechanical Department to provide the compressed air needed for the braking systems on Metra Highliners as well as EMD and MPI locomotives. Additionally, the Engineering Department uses parts from inventory for maintenance of air compressors that provide compressed air for power tools in Metra shops. These items are used in all districts.

Bid Tabulation: Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide Sullair Air Compressors and Replacement Parts, solicitations were also mailed to 34 of the vendors known or considered more likely to provide this material. Four vendors responded, and three of them have previously transacted business with Metra. The aggregate total of the items contained in the four bids received are summarized below:

<u>Bidder</u>	<u>Total of Lines</u>
* Harris Equipment	\$106,145.97
Brabazon Pump Co. Ltd.	\$327,554.64
** WHE Ltd.	\$365,666.25
*** A-1 Air Compressor	\$500,032.49

Bid Analysis: This Invitation for Bid consisted of 27 Line Items for Sullair Air Compressors and Replacement Parts. This award provides for the procurement of Items 1, 2, 5, 6, 9, 12 through 15, and 20. The remaining items will be awarded to another vendor under a separate contract.

- * Harris Equipment submitted a "No Bid" on Item 1, the complete air compressor unit because Harris does not normally carry these air compressors and would not have been competitive.
- ** WHE Ltd. submitted a "No Bid" on items 1, 3, 4, 9, 13 and 14. The bids submitted on the other items do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$292,533.00 \times 1.25 = \$365,666.25$.
- *** The bid submitted by A-1 Air Compressor does not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$400,025.99 \times 1.25 = \$500,032.49$.

Brabazon Pump Co. Ltd. is responsive to all terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Brabazon Pump Co. Ltd. is a large, independent distributor of pumps, air compressors and vacuum equipment in the Midwest. They have facilities in Illinois, Wisconsin and Minnesota and provide equipment and services for municipal, commercial and industrial applications. Their customers include the City of Chicago, Hinckley Spring, and public utility companies.

Brabazon Pump Co. Ltd. was awarded contract B99954 issued 6/4/09 for Sullair Compressors.

B. Procurement Background

On February 8, 2013, Metra published an IFB soliciting firms to submit sealed bids for Sullair Air Compressors and Replacement Parts.

The Materials Department has primary responsibility for this BPO. Award is recommended on a line item basis to the lowest responsive and responsible bidder.

A total of 27 Items were solicited. This award covers the procurement of 35 complete air compressor units, intercoolers, and categories of valves and valve repair kits specified as the following 10 Items: 1, 2, 5, 6, 9, 12 through 15, and 20. The remaining 17 Items (categories of filters, separators, mufflers, and lubricants specified as Items: 3, 4, 7, 8, 10, 11, 16 through 19 and 21 through 27) will be awarded to another vendor under a separate contract.

Sullair Air Compressors and Replacement Parts will be used by the Mechanical Department to provide the compressed air needed for the braking systems on Metra Highliners as well as EMD and MPI locomotives. Additionally, the Engineering Department uses parts from inventory for maintenance of air compressors that provide compressed air for power tools in Metra shops. These items are used in all districts.

C. DBE Goal

Currently no certified DBE firms to supply Sullair Air Compressors and Replacement Parts.

D. Evaluation Criteria

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide Sullair Air Compressors and

Replacement Parts, solicitations were also mailed to 34 of the vendors known or considered more likely to provide this material. Four vendors responded, and three of them have previously transacted business with Metra. The aggregate total of the items contained in the four bids received are summarized below:

<u>Bidder</u>	<u>Total of Lines</u>
* Harris Equipment	\$106,145.97
Brabazon Pump Co. Ltd.	\$327,554.64
** WHE Ltd.	\$365,666.25
*** A-1 Air Compressor	\$500,032.49
* Harris Equipment submitted a "No Bid" on Item 1 because Harris does not normally carry these air compressors and would not have been competitive.	
** WHE Ltd. submitted a "No Bid" on items 1, 3, 4, 9, 13 and 14. The bids submitted on the other items do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$292,533.00 \times 1.25 = \$365,666.25$.	
*** The bid submitted by A-1 Air Compressor does not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$400,025.99 \times 1.25 = \$500,032.49$.	

Brabazon Pump Co. Ltd. is the lowest responsive and responsible bidder for Items 1, 2, 5, 6, 9, 12 through 15, and 20, as listed in IFB No. 44938.

E. Cost/Price Analysis

Brabazon Pump Co. Ltd.'s price for Item 1 is 17.36% lower than the next lowest bidder. Brabazon Pump Co. Ltd.'s pricing for Items 2, 5, 6, 9, 12 through 15 and 20 ranges from 1.75% to 50.17% less than the next lowest bidder. Therefore, based upon these comparisons, Brabazon Pump Co. Ltd.'s bid pricing is competitive and appears to be fair and reasonable.



TO: Audit & Finance Committee

DATE: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Sullair Air Compressors and Replacement Parts

ACTION: Approve Recommendation for Metra IFB No. 44938

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (BPO) (B32387) with Harris Equipment Corp to provide Sullair Air Compressors and Replacement Parts in response to IFB No. 44938. The contract term is for three years, and the contract amount is not to exceed \$300,000.00.

BACKGROUND

The previous requirement for these items was fulfilled through two blanket purchase order (BPO) contracts, B99954 and B99955. Both contracts expired on May 31, 2012. The sum of \$1,465,354.00 was expended from the \$1,500,000.00 BPO total on B99954, and \$99,960.00 was expended from the \$100,000.00 BPO total on B99955. IFB No. 44938 has been solicited to continue procuring Sullair Air Compressors and Replacement Parts.

DISCUSSION

On February 8, 2013 Metra published an IFB soliciting firms to submit sealed bids for Sullair Air Compressors and Replacement Part items. The Sullair brand was specified as it has a proven record for reliability, which is essential for proper brake performance and safety; further, Sullair braking systems are used in all Metra highliners and locomotives.

The Materials Department has primary responsibility for this BPO. Award is recommended on a line item basis to the lowest responsive and responsible bidder.

A total of 27 Items were solicited. This award covers the procurement of categories of filters, separators, mufflers, and lubricants, specified as the following 17 Items: 3, 4, 7, 8, 10, 11, 16 through 19, and 21 through 27. The remaining 10 Items (air compressor units, intercoolers, and categories of valves and valve repair kits specified as Items: 1, 2, 5, 6, 9, 12 through 15, and 20) will be awarded to another vendor under a separate contract.

Sullair Air Compressors and Replacement Parts will be used by the Mechanical Department to provide the compressed air needed for the braking systems on Metra Highliners as well as EMD and MPI locomotives. Additionally, the Engineering Department uses parts from inventory for

maintenance of air compressors that provide compressed air for power tools in Metra shops. These items are used in all districts.

FISCAL IMPACT

Metra will fund this BPO through 100% operating funds. As material is needed, the Materials Department will issue release notices for the required material to the recommended vendor.

The purchase order is for three years and a total of \$300,000.00.

The material is budgeted in operating accounts and purchased into inventory until being issued and charged to the Mechanical or Engineering Departments when used. Funding is available in the Materials Department budget, accounts 2700-3141-3000, 3700-3174-3000 and 4721-1050-3000 for air compressors and 4721-3146-3000, 6722-3141-3000, 3700-3174-3000, 2700-3195-3000, 5722-3751-3000 and 4911-3400-3000 for replacement parts, and is budgeted in 2013. Funding will also be scheduled to be included in 2014, 2015 and 2016 budgets. It is estimated that \$100,000.00 will be used on an annual basis.

BID EVALUATION PROCESS

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide Sullair Air Compressors and Replacement Parts, solicitations were also mailed to 34 of the vendors known or considered more likely to provide this material. Four vendors responded, and three of them have previously transacted business with Metra. The aggregate total of the items contained in the four bids received are summarized below:

<u>Bidder</u>	<u>Total of Lines</u>
* Harris Equipment	\$106,145.97
Brabazon Pump Co. Ltd.	\$327,554.64
** WHE Ltd.	\$365,666.25
*** A-1 Air Compressor	\$500,032.49

- * Harris Equipment submitted a "No Bid" on Item 1, the complete air compressor, because Harris does not normally carry this item and would not have been competitive.
- ** WHE Ltd. submitted a "No Bid" on items 1, 3, 4, 9, 13 and 14. The bids submitted on the other items do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$292,533.00 \times 1.25 = \$365,666.25$.
- *** The bid submitted by A-1 Air Compressor does not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$400,025.99 \times 1.25 = \$500,032.49$.

ALTERNATIVES

If this BPO is not awarded, Metra will not be able to replace or maintain the air compressors required for Highliner or locomotive braking systems. Failing to maintain braking systems as necessary will result in locomotives being withheld from service, thereby impacting rail operations.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Master Purchase Agreement Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Joseph Onesto, Sr. Buyer

SUMMARY OF METRA IFB PROCUREMENT

Award To: Harris Equipment Corp. located in Melrose Park, IL		Amount: \$300,000.00 (Not-to-Exceed)		
Procurement of: Sullair Air Compressors and Replacement Parts		Contract No.: B32387		
Bid Expiration Date: 6/4/13, Extended to 6/22/13	Funding Source: 2700-3141-3000 3700-3174-3000 4721-1050-3000 4721-3146-3000 6722-3141-3000 3700-3174-3000 2700-5195-3000 5722-3751-3000 4911-3400-3000	Operating	IFB No.: 44938	Lead: B. Darin
				Responsible Dept.: Materials
Bid Opening Date: 3/4/13	Public Notice Date:	2/8/13	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 17 Line Items	Unit Cost: From: \$1.20 To: \$774.73	Date Prepared: 4/19/13	
			Prior Expenditures: \$1,465,354.00 was previously expended on BPO B99954 dated 6/4/09 with Brabazon Pump Co. Ltd., and \$99,960.00 was previously expended on BPO B99955 dated 6/3/09 with Harris Equipment.	

DBE Goal: Currently no certified DBE firms to supply Sullair Air Compressors and Replacement Parts.

Action: Award a Blanket Purchase Order to Harris Equipment Corp. This award was made on a low line item basis. This Blanket Purchase Order will be for a three-year period and is not to exceed \$300,000.00.

Background: On February 8, 2013 Metra published an IFB soliciting firms to submit sealed bids for Sullair Air Compressors and Replacement Part items.

The Materials Department has primary responsibility for this BPO. Award is recommended on a line item basis to the lowest responsive and responsible bidder.

A total of 27 Items were solicited. This award covers the procurement of categories of filters, separators, mufflers, and lubricants, specified as the following 17 Items: 3, 4, 7, 8, 10, 11, 16 through 19, and 21 through 27. The remaining 10 Items (air compressor units, intercoolers, and categories of valves and valve repair kits

specified as Items: 1, 2, 5, 6, 9, 12 through 15, and 20) will be awarded to another vendor under a separate contract.

Sullair Air Compressors and Replacement Parts will be used by the Mechanical Department to provide the compressed air needed for the braking systems on Metra Highliners as well as EMD and MPI locomotives. Additionally, the Engineering Department uses parts from inventory for maintenance of air compressors that provide compressed air for power tools in Metra shops. These items are used in all districts.

Bid Tabulation: Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide Sullair Air Compressors and Replacement Parts, solicitations were also mailed to 34 of the vendors known or considered more likely to provide this material. Four vendors responded, and three of them have previously transacted business with Metra. The aggregate total of the items contained in the four bids received are summarized below:

<u>Bidder</u>	<u>Total of Lines</u>
* Harris Equipment	\$106,145.97
Brabazon Pump Co. Ltd.	\$327,554.64
** WHE Ltd.	\$365,666.25
*** A-1 Air Compressor	\$500,032.49

Bid Analysis: This Invitation for Bid consisted of 27 Line Items for Sullair Air Compressors and Replacement Parts. This award provides for the procurement of Item No's 3, 4, 7, 8, 10, 11, 16 through 19 and 21 through 27. The remaining items will be awarded to another vendor under a separate contract.

- * Harris Equipment submitted a "No Bid" on Item 1 because Harris does not normally carry these air compressors and would not have been competitive.
- ** WHE Ltd. submitted a "No Bid" on items 1, 3, 4, 9, 13 and 14. The bids submitted on the other items do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$292,533.00 \times 1.25 = \$365,666.25$.
- *** The bid submitted by A-1 Air Compressor does not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$400,025.99 \times 1.25 = \$500,032.49$.

Harris Equipment Corp. is responsive to all terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Harris Equipment Corp. was founded in 1936, and its main facility is in Melrose Park, Illinois. They are a distributor and service center for several makes of air compressors, air pumps and heat exchangers. They also have a subsidiary company, Fox Valley Forklift, which sells and services TCM (Hitachi) fork trucks. Their customers include Pactiv, The City of Chicago Water Reclamation District and the Village of Melrose Park.

Harris Equipment Corp. was awarded contract B99955 dated 5/20/09 for Sullair Compressor Parts.

B. Procurement Background

On February 8, 2013 Metra published an IFB soliciting firms to submit sealed bids for Sullair Air Compressors and Replacement Part items.

The Materials Department has primary responsibility for this BPO. Award is recommended on a line item basis to the lowest responsive and responsible bidder.

A total of 27 Items were solicited. This award covers the procurement of categories of filters, separators, mufflers, and lubricants, specified as the following 17 Items: 3, 4, 7, 8, 10, 11, 16 through 19, and 21 through 27. The remaining 10 Items (air compressor units, intercoolers, and categories of valves and valve repair kits specified as Items: 1, 2, 5, 6, 9, 12 through 15, and 20) will be awarded to another vendor under a separate contract.

Sullair Air Compressors and Replacement Parts will be used by the Mechanical Department to provide the compressed air needed for the braking systems on Metra Highliners as well as EMD and MPI locomotives. Additionally, the Engineering Department uses parts from inventory for maintenance of air compressors that provide compressed air for power tools in Metra shops. These items are used in all districts.

C. DBE Goal

Currently no certified DBE firms to supply Sullair Air Compressors and Replacement Parts.

D. Evaluation Criteria

Bid solicitations were emailed to 136 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide Sullair Air Compressors and Replacement Parts, solicitations were also mailed to 34 of the vendors known or

considered more likely to provide this material. Four vendors responded, and three of them have previously transacted business with Metra. The aggregate total of the items contained in the four bids received are summarized below:

<u>Bidder</u>	<u>Total of Lines</u>
* Harris Equipment	\$106,145.97
Brabazon Pump Co. Ltd.	\$327,554.64
** WHE Ltd.	\$365,666.25
*** A-1 Air Compressor	\$500,032.49

- * Harris Equipment submitted a "No Bid" on Item 1 because Harris does not normally carry these air compressors and would not have been competitive.
- ** WHE Ltd. submitted a "No Bid" on items 1, 3, 4, 9, 13 and 14. The bids submitted on the other items do not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$292,533.00 \times 1.25 = \$365,666.25$.
- *** The bid submitted by A-1 Air Compressor does not comply with the requirements of Section 165a of the Surface Transportation Act of 1982 (Buy America). Therefore, a 25 percent penalty was added to the bid: $\$400,025.99 \times 1.25 = \$500,032.49$.

Harris Equipment Corp. is the lowest responsive and responsible bidder for Items 3, 4, 7, 8, 10, 11, 16 through 19, and 21 through 27 as listed in IFB No. 44938.

E. Cost/Price Analysis

Harris Equipment Corp.'s aggregate bid price for Item No's 3, 4, 7, 8, 10, 11, 16 through 19 and 21 through 27 ranges from 19.46% to 38.46% lower than price of the next lowest bidder. Therefore, based upon these comparisons, Harris Equipment Corp.'s bid pricing is competitive and appears to be fair and reasonable.



DATE: June 7, 2013

TO: Audit & Finance Committee

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Blanket Purchase Order for Safety Footwear

ACTION: Approve Recommendation for Metra Requisition No. 22830

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Blanket Purchase Order (B32401) with Red Wing Shoe Co. to provide safety footwear under GSA Contract No. GS-07F-0027N, in response to Metra Requisition No. 22830. The contract term is for two years, and the contract amount is not to exceed \$400,000.00.

BACKGROUND

The previous Blanket Purchase Order expired on April 30, 2013, and \$331,010.99 was expended from the \$400,000.00 Blanket Purchase Order total. This award to Red Wing Shoe Co. is made under GSA Contract No. GS-07F-0027N, which is effective September 4, 2012 through September 30, 2017.

DISCUSSION

This procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03 paragraph (e), which provides for goods or services procured from another governmental agency including, without limitation, procurements pursuant to joint government purchasing. This award was made in accordance with Federal/General Services Supply Schedules and utilizes prices determined by the United States Federal Supply Service and the General Services Administration.

This procurement was previously solicited on February 28, 2013. A single bid was received from Red Wing Shoe Co. Other vendors that were solicited could not meet the specifications or did not provide the service required. The specifications required multiple store locations and a mobile truck for safety footwear dispensing. Red Wing Shoe Co. is one of the two known companies in the market that provide safety footwear with mobile trucks and store locations. Hy-Test Safety Shoes and Red Wing Shoe Co. have both previously transacted business with Metra for these materials and services. The specifications have changed over the past four years to include 15 retail locations within the six-county service area to ensure accessibility to Metra personnel. Hy-Test Safety Shoes has only five store locations. Red Wing Shoe Co. is nationally known and meets the 15-store requirement.

This award covers the procurement of Safety Footwear to be utilized and monitored by the Safety and Rules Department. Under the Metra Safety Shoe/Eyewear Program, Metra provides

eligible employees with \$130.00 vouchers to cover some or all of the cost of safety footwear or safety eyewear. To be eligible for the vouchers, employees must have responsibilities that require them to wear Personal Protective Equipment (PPE) while performing their work duties. They must also have worked for Metra for a minimum of one year, unless otherwise approved by their department heads and the Safety Director. Expenditures in excess of \$130.00, if any, must be paid by the employee. Employees may receive one \$130.00 voucher each year.

In 2012, Metra's expenditures for safety footwear was \$174,439.94.

FISCAL IMPACT

Metra will fund this Blanket Purchase Order through 100% operating funds. As safety footwear is needed, the Safety and Rules Department will issue subsidy vouchers to eligible employees.

Funding is available in the Safety and Rules Department's Safety Awards budget, account 1100-3645-5000, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014 and 2015 budgets. It is estimated that \$200,000.00 will be used on an annual basis.

ALTERNATIVES

If this Blanket Purchase Order is not awarded, Metra will not have a Safety Shoe/Eyewear Program in place for its employees.

NEXT STEPS

After Board approval, the Blanket Purchase Order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Lori Lee, Sr. Buyer

SUMMARY OF METRA PROCUREMENT

Award To: Red Wing Shoe Co., located in Red Wing, MN		Amount: \$400,000.00 (Not-to-Exceed)	
Procurement of: Safety Footwear		Purchase Order No.: B32401	
Bid Expiration Date: N/A	Funding Source: Operating 1100-3645-5000	IFB No.: 22830	Lead: Hilary Konzal
			Responsible Dept.: Safety and Rules Department
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: 2 Years	Quantity: 36 Line Items	Unit Cost: Ranging from \$75.00 to \$225.00 per pair	Date Prepared: 4/22/13
			Prior Expenditures: \$331,010.99 was previously expended on contract no. B14062 with Red Wing Shoe Co. which was awarded on May 11, 2011.

DBE Goal:

No DBE goal; this procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e).

Action:

Award a blanket purchase order to Red Wing Shoe Co. This award was made in accordance with Federal/General Services Supply Schedules and utilizes prices determined by the United States Federal Supply Service and the General Services Administration. This blanket purchase order will be for a two-year period and will not exceed \$400,000.00.

This procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e), which provides for goods or services procured from another governmental agency including, without limitation, procurements pursuant to joint government purchasing.

Background:

This procurement was previously solicited on February 28, 2013. A single bid was received from Red Wing Shoe Co. Other vendors that were solicited could not meet the specifications or did not provide the service required. The specifications required multiple store locations and a mobile truck for safety footwear dispensing. Red Wing Shoe Co. is one of the two known companies in the market that provide safety footwear with mobile trucks and store locations. Hy-Test Safety Shoes and Red Wing Shoe Co. have both previously transacted business with Metra for this material and services. The specifications have changed over the past four years to include 15 retail locations within the six-county service area to ensure accessibility to Metra personnel. Hy-Test

Safety Shoes has only five store locations. Red Wing Shoe Co. is nationally known and meets the 15-store location requirement.

This award covers the procurement of Safety Footwear to be utilized and monitored by the Safety and Rules Department. Under the Metra Safety Shoe/Eyewear Program, Metra provides eligible employees with \$130.00 vouchers to cover some or all of the cost of safety footwear or safety eyewear. To be eligible for the vouchers, employees must have responsibilities that require them to wear Personal Protective Equipment (PPE) while performing their work duties. They must also have worked for Metra for a minimum of one year, unless otherwise approved by their department heads and the Safety Director. Expenditures in excess of \$130.00, if any, must be paid by the employee. Employees may receive one \$130.00 voucher each year.

In 2012, Metra's expenditures for safety footwear was \$174,439.94.

As footwear is needed, subsidy (Operating) vouchers will be issued to eligible employees and expensed to the Safety and Rules Department.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Around the turn of the 19th century, Charles Beckman, a shoe merchant, opened a shoe company that was designed specifically for the demanding work of industries such as mining, logging and farming. The rigors of those jobs required footwear that was not only comfortable, but was also tough enough to protect the hardworking people who wore them. In 1905, Charles Beckman and 14 investors opened Red Wing Shoes. For over one hundred years, Red Wing Shoes has produced the highest grade footwear performing in environments spanning from the Mideast oil fields to the Midwest corn fields.

Today, Red Wing boots protect workers in more than one hundred countries across the world, an accomplishment built by years of hard work, endurance and the promise to never compromise quality. Red Wing products are proven to perform and outlast. Behind each pair of shoes and boots exists over a century of experience.

B. Procurement Background

This award covers the procurement of Safety Footwear. This contract will be utilized by the Safety and Rules Department for Metra's Safety Shoe/Eyewear Program which provides safety footwear to eligible employees whose duties require them to wear Personal Protective Equipment (PPE) while performing their work duties.

C. DBE Goal

No DBE goal; this procurement is exempt from public bidding pursuant to Metra Ordinance NIRC 12-01, effective May 1, 2012, Section 2.03, paragraph (e).

D. Evaluation Criteria

This contract was made in accordance with Federal/General Services Supply Schedules utilizing prices determined by the United States Federal Supply Service and the General Services Administration.

E. Cost/Price Analysis

The current prices quoted by Red Wing Shoe Co. are 10.4% higher than the previous contract's prices, but are 0.4% lower than the combined rise in the Consumer Price Index (CPI) and Producer Price Index (PPI) for the 2011-2013 years. The combined CPI and PPI for 2011-2013 is 10.8%. The CPI represents all professional services or labor intensive services and the PPI reflects all finished materials and equipment purchases. These percentages are furnished by the U.S. Department of Labor, Bureau of Labor Statistics. All percentages are based on the U.S. National Average.

Red Wing Shoe Co. was awarded the GSA contract for this material and service in September 2012. The Red Wing Shoe Co. prices are within range of the combined CPI and PPI for 2011-2013 years, and Red Wing Shoe Co. has proven with the previous contract, that it provides good quality products and services. Red Wing Shoe Co. has also quoted Metra prices that are 10.5% lower than the GSA prices. This contract ensures that Metra receives guaranteed government prices or lower, which therefore is adjudged to be fair and reasonable.



TO: Audit & Finance Committee

DATE: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Professional Services Contract for Court Reporting Services

ACTION: Approve Recommendation for Metra RFP No. 32496A

RECOMMENDATION

Authorize the Executive Director/CEO to execute a Professional Services contract (S32429) with Accurate Reporting Co., Inc. to provide Court Reporting Services for Metra in response to RFP No. 32496A. The contract term is for three years, and the contract amount is \$450,000.00.

BACKGROUND

Metra is seeking to contract for legal court reporting services for Metra's Law Department and other departments as required. Areas where court reporting services are used by Metra include, but are not limited to, the following:

- a) Corporate law firms or in-house legal departments;
- b) State and Federal court proceedings, including hearings and trials;
- c) Industrial or workers compensation claims proceedings;
- d) Physicians' depositions, including medical terminology for a wide variety of medical specialties;
- e) In-house disciplinary hearings and investigations;
- f) Public budget hearings; and
- g) Open meetings of the Metra Board of Directors.

Court reporters may be needed on an emergency basis to cover court hearings and depositions in downtown Chicago. Court reporting services may also be needed in the six-county metropolitan area where "daily copy" may be needed for trials.

Court reporting services are currently being rendered by Accurate Reporting Co., Inc., under Contract No. S02081, which covered the three-year period from 2/1/2010 to 1/31/2013. Change Order No. 1 extended the contract to 5/30/2013, and Change Order No. 2 extended the contract to 6/30/2013. The contract was \$450,000.00, and \$388,580.47 has been expended.

DISCUSSION

In December 2012, Metra publicized an RFP seeking qualified firms to provide Court Reporting Services for Metra's Law Department and other departments as required.

Court reporting services may include the recording and transcription of depositions, court hearings and trials for Metra's Law Department. Other Metra departments may require recording a transcription of in-house hearings, investigations, and public budget hearings in the six-county metropolitan area.

The Law Department, which has primary oversight for this contract, formed the Evaluation Committee ("Committee") to evaluate the proposals. The Committee consisted of Sue-Ann Rosen, Mary Brady, and Lisa Murphy. Each member of the Committee signed the Conflicts Certification stating that she has no real or apparent conflicts of interest in evaluating these proposals.

FISCAL IMPACT

Metra will fund this contract through 100% operating funds. As services are needed, they will be requested from the recommended vendor.

The contract is for three years and a total of \$450,000.00. Funding is available in multiple budgets and accounts, primarily in the Litigation/Risk Management budget accounts 12700450 and 12700460, and is budgeted in 2013. Funding will also be scheduled to be included in the 2014, 2015 and 2016 budgets. It is estimated that \$150,000.00 will be used on an annual basis.

PROPOSAL EVALUATION PROCESS

Proposal solicitations were emailed to 43 firms registered for the commodity "Court Reporting" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit proposals. Because not all of the solicited vendors can provide Court Reporting services, Request for Proposal documents were also mailed to 37 of the vendors known or considered more likely to provide these services. Firms may have received both an emailed proposal solicitation and a mailed Request for Proposal document.

Eleven vendors responded, and three of them have previously transacted business with Metra. The 11 proposals were received from the following firms: Accurate Reporting Co., Inc., BARealtime, Capital Reporting Co., LA Court Reporters, Victoria Court Reporting Service, Inc., Bridges Court Reporting, Sullivan Reporting Co., Amicus Court Reporters, Inc., Barkley Court Reporters, Real-Time Reporters, and US Legal Support.

The Committee used a predetermined scoring process to evaluate and score the proposals. The evaluations were based on the following criteria in order of relative importance: 1) Technical Experience of the Firm, Including Prior Experience in Supporting Legal Departments in the Private or in the Governmental Sector, and Professional Qualifications and Experience of Staff; 2) Cost of Service (Including Payment Terms); 3) Staffing Plan and Approach; and 4) Responsiveness of the Proposal in Clearly Stating an Understanding of Metra's Requirements for Court Reporting Services.

Based on the aforementioned criteria, the scores of the proposals were as follows: Accurate Reporting Co., Inc. (55 points); LA Court Reporters (55 points), US Legal Support (55 points), Capital Reporting Co. (52 points), Victoria Court Reporting Service, Inc. (52 points), Barkley Court Reporters (43 points), Sullivan Reporting Co. (43 points), Amicus Court Reporters, Inc.

OPERATING

(39 points), Bridges Court Reporting (27 points), Real-Time Reporters (25 points), and BARealtime (23 points). The highest score a proposal could receive was 55 points.

The three high-scoring proposers were interviewed. Thereafter, using the same method described above, the Committee met to re-score the proposals and determined the scores of each proposal as follows: Accurate Reporting Co., Inc. (55 points), LA Court Reporters (51 points), and US Legal Support (51 points). The highest score a proposal could receive was 55 points.

Based upon the process outlined above, the Committee recommends the award of a contract, under RFP No. 32496A, for Court Reporting Services to Accurate Reporting Co., Inc. for a period of three years, in an amount of \$450,000.00.

ALTERNATIVES

Metra does not have in-house staff that can provide Court Reporting Services. If an outside firm does not provide Court Reporting Services, Metra could not properly fulfill its legal and related administrative functions provided through the outside court reporters.

NEXT STEPS

After Board approval, the contract will be submitted to the Executive Director/CEO for his execution. After execution, required Insurance Certificates will be requested.

ATTACHMENTS

- A. Summary of Metra Request for Proposal Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
James Barker, Department Head, Professional Services/Contracts
Robert Rich, Contracting Agent

SUMMARY OF METRA REQUEST FOR PROPOSAL PROCUREMENT											
Award To: Accurate Reporting Co., Inc., located in Chicago, IL		Amount: \$450,000.00 (Not-to-Exceed)									
Procurement of: Court Reporting Services		Purchase Order/Contract No.: S32429									
Proposal Expiration Date: 7/23/13	Funding Source: Various - Primarily 12700450 and 12700460	Operating	RFP No.: 32496A								
			Lead: T. Barnett Responsible Dept.: Law								
Proposal Due Date: 1/24/13	Public Notice Date:	12/22/12	Publication: Chicago Sun-Times								
Term: Three Years	Quantity: Hourly Transcribing Rate (M-F Bus. Hrs.)	Unit Cost: \$45.00	Date Prepared: 4/30/13								
			Prior Expenditures: Approximately \$380,000.00 has previously been spent under contract no. S02081 with Accurate Reporting Co., Inc., for the period 2/1/10 to 6/30/13.								
<p>Typing of Transcript Per Page for delivery basis listed below:</p> <table border="0"> <tr> <td>Overnight</td> <td>\$5.05</td> </tr> <tr> <td>2-3 business days</td> <td>\$4.45</td> </tr> <tr> <td>4-7 business days</td> <td>\$4.10</td> </tr> <tr> <td>8-14 business days</td> <td>\$3.60</td> </tr> </table>				Overnight	\$5.05	2-3 business days	\$4.45	4-7 business days	\$4.10	8-14 business days	\$3.60
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2-3 business days	\$4.45										
4-7 business days	\$4.10										
8-14 business days	\$3.60										
<p>DBE Goal: No DBE goal; this procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (g).</p>											
<p>Action:</p> <p>Award a professional services contract to Accurate Reporting Co., Inc. to provide Court Reporting Services for Metra.</p> <p>This contract is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (g) because the contract is for the acquisition of professional services or utility services. "Professional Services" are services the quality and reliability of which depend in substantial part upon the individual skills, training, experience, or ability of the person rendering such service.</p>											
<p>Background:</p> <p>This contract covers an award to provide Court Reporting Services for Metra for a three-year period. Services to be rendered include, but are not limited to, the following: The court reporting service covers open meetings of the Metra Board of Directors. Metra's Law Department requires court reporting services for the recording and transcription of depositions, court hearings and trials. Other Metra Departments may require recording a</p>											

transcription of in-house hearings, investigations, and public budget hearings in the six-county metropolitan area.

Proposal Tabulation:

Proposal solicitations were emailed to 43 firms registered for the commodity "Court Reporting" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit proposals. Because not all of the solicited vendors can provide Court Reporting Services, Request for Proposal documents were also mailed to 37 of the vendors known or considered more likely to provide these services. Firms may have received both an emailed proposal solicitation and a mailed Request for Proposal document. 11 vendors responded, and three of them have previously transacted business with Metra. The following three firms ranked highest, and therefore, were selected to be interviewed for this contract:

Proposers

Accurate Reporting Co., Inc.

LA Court Reporters

US Legal Support

Proposal Analysis:

Accurate Reporting Co., Inc., the highest ranking proposer for this contract covering the services listed herein, was chosen because its proposal and presentation demonstrated the expertise, experience, and other factors necessary to assure successful completion of the service.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Accurate Reporting Co., Inc. (“Accurate”) was established in approximately 1950 and has provided quality court reporting services to the Chicago legal community since that time. Accurate is currently servicing Metra’s contract for court reporting needs.

Accurate has a reputation in the Chicago legal community as a competent, reliable reporting service. Accurate has a large staff of qualified, experienced reporters and an equally dedicated and experienced office support staff. Because of the large staff, Accurate is able to handle emergency situations where a reporter is needed quickly much more efficiently than a smaller service. Finally, Accurate has an excellent headquarters facility that is convenient to Metra’s 547 W. Jackson headquarters and its many other downtown locations of operations.

B. Procurement Background

Metra is seeking to contract for legal court reporting services for Metra’s Law Department and other departments as required. Areas where court reporting services are used by Metra include, but are not limited to, the following:

- a) Corporate law firms or in-house legal departments;
- b) State and Federal court proceedings, including hearings and trials;
- c) Industrial or workers compensation claims proceedings;
- d) Physicians’ depositions, including medical terminology for a wide variety of medical specialties;
- e) In-house disciplinary hearings and investigations;
- f) Public budget hearings; and
- g) Open meetings of the Metra Board of Directors.

Court reporters may be needed on an emergency basis to cover court hearings and depositions in downtown Chicago. Court reporting services may also be needed in the six-county metropolitan area where “daily copy” may be needed for trials.

Court reporting services may include the recording and transcription of depositions, court hearings and trials for Metra’s Law Department. Other Metra departments may require recording a transcription of in-house hearings, investigations, and public budget hearings in the six-county metropolitan area.

C. DBE Goal

No DBE goal; this procurement is exempt from public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (g).

D. Evaluation Criteria

Proposal solicitations were emailed to 43 firms registered for the commodity "Court Reporting" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit proposals. Because not all of the solicited vendors can provide Court Reporting Services, Request for Proposal documents were also mailed to 37 of the vendors known or considered more likely to provide these services. Firms may have received both an emailed proposal solicitation and a mailed Request for Proposal document.

Eleven vendors responded, and three of them have previously transacted business with Metra. The 11 proposals were received from the following firms: Accurate Reporting Co., Inc., BARealtime, Capital Reporting Co., LA Court Reporters, Victoria Court Reporting Service, Inc., Bridges Court Reporting, Sullivan Reporting Co., Amicus Court Reporters, Inc., Barkley Court Reporters, Real-Time Reporters, and US Legal Support.

The Committee used a predetermined scoring process to evaluate and score the proposals. The evaluations were based on the following criteria in order of relative importance: 1) Technical Experience of the Firm, Including Prior Experience in Supporting Legal Departments in the Private or in the Governmental Sector, and Professional Qualifications and Experience of Staff; 2) Cost of Service (Including Payment Terms); 3) Staffing Plan and Approach; and 4) Responsiveness of the Proposal in Clearly Stating an Understanding of Metra's Requirements for Court Reporting Services.

Based on the aforementioned criteria, the scores of the proposals were as follows: Accurate Reporting Co., Inc. (55 points), LA Court Reporters (55 points), US Legal Support (55 points), Capital Reporting Co. (52 points), Victoria Court Reporting Service, Inc. (52 points), Barkley Court Reporters (43 points), Sullivan Reporting Co. (43 points), Amicus Court Reporters, Inc. (39 points), Bridges Court Reporting (27 points), Real-Time Reporters (25 points) and BARealtime (23 points). The highest score a proposal could receive was 55 points.

The three high-scoring proposers were interviewed. Thereafter, through the same method as described above, the Committee then met to re-score the proposals and determined the scores of each proposal as follows: Accurate Reporting Co., Inc. (55 points), LA Court Reporters (51 points), and US Legal Support (51 points). The highest score a proposal could receive was 55 points.

Based upon the process outlined above, the Committee recommends the award of a contract, under RFP No. 32496A, for Court Reporting Services to Accurate Reporting Co., Inc. for a period of three years, in an amount of \$450,000.00.

E. Cost/Price Analysis

Accurate Reporting Co., Inc.'s proposed price to provide Court Reporting Services for Metra is 7.2% less than the Independent Cost Estimate. Therefore, the price to perform these services appears to be fair and reasonable.



TO: Audit & Finance Committee

DATE: June 7, 2013

FROM: Alex Clifford
Chief Executive Officer

SUBJECT: Purchase Order for Railroad Crossovers and Turnouts

ACTION: Approve Recommendation for Metra IFB No. 09305

RECOMMENDATION

Authorize the Executive Director/CEO to execute a purchase order (S32453) with Progress Rail Services Corp. to provide Railroad Crossovers and Turnouts in response to IFB No. 09305. The contract term is 196 calendar days. The amount of the contract is \$963,595.00.

BACKGROUND

A previous purchase order (K21108) with Progress Rail Services Corp., issued September 17, 2012, had an expenditure of \$639,823.00 for two crossovers and three turnouts. IFB No. 09305 has been solicited to procure three crossovers and four turnouts.

DISCUSSION

On March 18, 2013, Metra published an IFB soliciting firms to submit sealed bids for railroad crossovers and turnouts. The Engineering Department has primary responsibility for this purchase order.

This award covers the procurement of railroad track material consisting of crossovers and turnouts to be installed on the Milwaukee District's B-17 Interlocking. Crossovers are pairs of switches that connect two parallel rail tracks, allowing a train on one track to cross over the other. Turnouts are an arrangement of switches, frogs, and closure rails, which divert rolling stock from one track to another. The crossovers and turnouts at the B-17 Interlocker are worn and need replacing before wear and fatigue cause switch failures and delays.

FISCAL IMPACT

Metra will fund this purchase order through 100% operating funds. Funding is available within the Engineering Department's Track Division budget, account 6921-10503100, and is budgeted in 2013.

BID EVALUATION PROCESS

Bid solicitations were emailed to 50 vendors registered for the three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not

all of the solicited vendors provide railroad crossovers and turnouts, solicitations were also mailed to 24 of the vendors known or considered more likely to provide this material. Three vendors responded, and all of them have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Progress Rail Services Corp.	\$963,595.00
Voestalpine Nortrak Co.	\$997,134.00
Cleveland Track Material	\$1,106,866.00

Progress Rail Services Corp. is the lowest responsive and responsible bidder.

ALTERNATIVES

If this purchase order is not awarded, Metra would not be able to complete the necessary rehabilitation of the B-17 Interlocker on the Milwaukee District. Failure to replace old, worn crossovers and turnouts at this interlocking will ultimately impact efficient rail operations.

NEXT STEPS

After Board Approval, the purchase order will be submitted to the Executive Director/CEO for his execution.

ATTACHMENTS

- A. Summary of Metra Invitation for Bid Procurement
- B. Board Report Procurement History

Prepared by: Geoffrey Urban, Senior Director, Materials Management
Carolyn J. Capranica, Department Head, Procurement
Lori Lee, Sr. Buyer

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Progress Rail Services Corp., located in Woodridge, IL		Amount: \$963,595.00	
Procurement of: Railroad Crossovers and Turnouts		Purchase Order No.: S32453	
Bid Expiration Date: 7/17/13	Funding Source: Operating 6921-1050-3100	IFB No.: 09305	Lead: J. Lorenzini
			Responsible Dept.: Engineering Department
Bid Opening Date: 4/17/13	Public Notice Date: 3/18/13	Publication: Chicago Sun-Times	
Term: 196 Days After Receipt of Order	Quantity: 3 Crossovers	Unit Cost: Ranging from \$183,984.00 to \$216,559.00	Date Prepared: 5/1/13 Prior Expenditures: \$639,823.00 was previously expended on K21108 with Progress Rail Services Corp. which was awarded on September 17, 2012.
	4 Turnouts	\$94,767.00 each	

DBE Goal: Currently no certified DBE firms to supply railroad crossovers and turnouts.

Action: Award a purchase order to Progress Rail Services Corp., the lowest responsive and responsible bidder. This award was made on a low lot basis. This material will be used on the Milwaukee District at the B-17 Interlocker.

Background:

This award covers the procurement of railroad crossovers and turnouts to be utilized by the Engineering Department's Track Division. This material is required for the replacement and installation of track material on the Milwaukee District at the B-17 Interlocker. Crossovers are pairs of switches that connect two parallel rail tracks, allowing a train on one track to cross over the other. Turnouts are an arrangement of switches, frogs, and closure rails, which divert rolling stock from one track to another. The replacement of this material is necessary to prevent switch failure and delays.

Bid Tabulation:

Bid solicitations were emailed to 50 vendors registered for the three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad crossovers and turnouts, solicitations were also mailed to 24 of the vendors known or considered more likely to provide this material. Three vendors responded, and all of them have previously transacted business with Metra.

The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Progress Rail Services Corp.	\$963,595.00
Voestalpine Nortrak Co.	\$997,134.00
Cleveland Track Material	\$1,106,866.00

Progress Rail Services Corp. had the previous contract, and its bid price was \$639,823.00 for two crossovers and three turnouts.

The U.S. railroad equipment (“rolling stock”) manufacturing industry is highly concentrated. Although it includes approximately 175 companies with about \$11 billion in combined annual revenue, the 20 largest companies account for about 95 percent of the industry’s revenue. (Source: Hoover’s Inc., a Dun & Bradstreet Company)

Bid Analysis:

Progress Rail Services Corp. is responsive to all the terms and conditions of the invitation for bid.

**BOARD REPORT
PROCUREMENT HISTORY**

A. Background on Contractor

Progress Rail Services Corporation is one of the largest integrated and diversified suppliers of railroad and transit system products and services in North America. Their broad range of facilities includes locomotive upgrade and repair, rail car remanufacturing, rail welding, rail repair and replacement, signal design and installation, maintenance of way equipment, parts reclamation and recycling. Currently, the company operates over 110 facilities in the United States, 28 in Mexico, four in Canada, and one in South America.

Progress Rail Services Corporation was acquired by Caterpillar, Inc. in 2006. The CAT International name and reputation has given Progress Rail Services Corp. worldwide notice and approval rating across the globe. They are an international leader in rail production.

B. Procurement Background

The solicitation was advertised on March 18, 2013, requesting sealed bids for railroad crossover and turnouts. The award was on a low lot basis. Three bids were received.

C. DBE Goal

Currently no certified DBE firms to supply railroad crossovers and turnouts.

D. Evaluation Criteria

Bid solicitations were emailed to 50 vendors registered for the three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide railroad crossovers and turnouts, solicitations were also mailed to 24 of the vendors known or considered more likely to provide this material. Three vendors responded, and all of them have previously transacted business with Metra. The three bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Progress Rail Services Corp.	\$963,595.00
Voestalpine Nortrak Co.	\$997,134.00
Cleveland Track Material	\$1,106,866.00

Progress Rail Services Corp. is the lowest responsive and responsible bidder.

E. Cost/Price Analysis

Progress Rail Services Corp.'s pricing is 3.4% lower than the next lowest bidder's pricing. Based upon the bids received, Progress Rail Services Corp.'s bid pricing is competitive and appears to be fair and reasonable.



TO: Audit & Finance Committee **DATE:** June 7, 2013
FROM: Alex Clifford
Chief Executive Officer
SUBJECT: Metra Operating Procurements of \$100,000 and Under
for April 12 through May 14, 2013
ACTION: Receive and File

BACKGROUND

Please find attached a Summary of Metra Operating Procurements that are \$100,000 and under, for the period of April 12 through May 14, 2013.

Total Metra Operating procurements in the amount of \$10,000.01 - \$100,000 for this period are as follows:

Procurements \$10,000.01 - \$100,000	Operating
Budgeted	\$586,310.53
Unbudgeted	\$0.00
Operating Total	\$586,310.53

The attached Board Procurement Summaries contain explanations for the DBE participation. Race neutral DBE participation is defined as identifying opportunities for DBE's to participate as primes through providing technical assistance, unbundling contracts and assisting with bonding, if applicable. Race neutral DBE participation for the procurements \$100,000 and under for the period of April 12 through May 14, 2013 was \$95,583.78. The Office of Business Diversity and Civil Rights' race neutral outreach efforts for this period included:

- One certification consultation (explaining the certification application to potential DBE firms)
- One outreach event
 - 46th Annual Chicago Business Opportunity Fair hosted by the Chicago Minority Supplier Development Council
- Emailed 180 DBE firms of upcoming bid opportunities; 6 DBEs submitted bids; 3 were successful low bidders

ATTACHMENTS

Attachment A: OBDCR DBE Summary, Operating Projects \$100,000 and Under

Attachment B: Operating Procurements for April 12 through May 14, 2013
B-1: Operating Summary of Procurements \$10,000.01 - \$100,000
B-2: Operating Listing of Procurements Under \$10,000

Prepared by: Paul A. Kisielius, Senior Division Director, General Administration
Geoffrey Urban, Senior Director, Materials Management



Office of Business Diversity and Civil Rights

Disadvantaged Business Enterprise (DBE) Summary

Operating Projects \$100,000 and Under

Federal regulations 49 CFR Part 26 require Metra to set an overall goal for DBE participation based on the capacity of ready, willing and able DBEs available to perform work on contracts. Metra's DBE goal, based on an availability study completed in 2000, is 21%. This is broken out by 12% race conscious and 9% race neutral participation.

**Current report period is from April 12, 2013 through May 14, 2013.*

Previous reporting periods cover Board Meetings from October 2012 through May 2013.

DBE Participation

Federal regulations state that DBE programs must meet the maximum feasible portion of the overall goal using race neutral means of facilitating DBE participation (49 CRF Part 26.51). For procurements under \$100,000, Metra has a dedicated Race Neutral DBE Program that includes directly reaching out to DBE firms to notify them of opportunities, and offering assistance in developing small businesses so they can compete on a level playing field.

Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award.

DBE utilization from the October board meeting to date is as follows.

Procurement Period	Total Awarded	Race Neutral DBE Participation
*Current Reporting Period-June Board Meeting (Apr 12-May 14)	\$ 842,749.75	\$ 95,583.78
Board Meetings - Oct 2012 through May 2013	\$ 2,599,553.43	\$ 320,674.26
<i>Total Dollars to Date</i>	\$ 3,442,303.18	\$ 416,258.04
<i>Total Percentage to Date</i>	100%	12.09%

This report reflects all funding sources for contracts. FTA DBE reports only include the federal share of contracts, which is calculated on a semi-annual basis.

DBE Participation

Federal Fiscal Year
October 2012 to Date

Consent Agenda - Over 100k

	Total Awarded	DBE Participation		
		Race Conscious	Race Neutral	Total
Capital \$	\$19,074,289.98	\$1,928,514.60	\$642,843.40	\$2,472,771.00
Capital %	33.42%	10.11%	3.37%	12.96%
Operating \$	\$ 38,006,614.00	\$140,000.00	\$605,000.00	\$745,000.00
Operating %	66.58%	0.37%	1.59%	1.96%
Total \$	\$57,080,903.98	\$2,068,514.60	\$1,247,843.40	\$3,217,771.00
Total %	100.00%	3.62%	2.19%	5.64%

Receive and File – 100K and Under

	Total Awarded	Race Neutral DBE Participation
Capital \$	\$2,069,910.36	\$100,096.06
Capital %	37.55%	4.84%
Operating \$	\$3,442,303.18	\$416,258.04
Operating %	62.45%	12.09%
Total \$	\$5,512,213.54	\$516,354.10
Total %	100.00%	9.37%

Total - All Contracts

	Total Awarded	DBE Participation		
		Race Conscious	Race Neutral	Total
Capital \$	\$21,144,200.34	\$1,928,514.60	\$742,939.46	\$2,671,454.06
Capital %	33.78%	9.12%	3.51%	12.63%
Operating \$	\$ 41,448,917.18	\$140,000.00	\$1,021,258.04	\$1,161,258.04
Operating %	66.22%	0.34%	2.46%	2.80%
Total \$	\$62,593,117.52	\$2,068,514.60	\$1,764,197.50	\$3,832,712.10
Total %	100.00%	3.30%	2.82%	6.12%

OPERATING

**Summary of Procurements
\$10,000.01 - \$100,000**

April 12 through May 14, 2013

OPERATING

April 12 – May 14, 2013

Procurements \$10,000.01 - \$100,000			
B-1	B32275	Blanket Purchase Order to Marco Supply Company, located in East Chicago, IN, for Plumbing Supplies Group III: PVC Pipe	\$50,000.00
B-2	B32276	Blanket Purchase Order to Prompt Electric Inc., located in Chicago, IL, for Floor Scrubbers - Repair, Service & Parts	\$15,000.00
B-3	B32316	Blanket Purchase Order to Werner Printing & Engraving Co., located in Chicago, IL, for General Offset Printing Services	\$99,000.00
B-4	B32377	Blanket Purchase Order to Atlas First Access, located in Bedford Park, IL, for Repairs of Aerial Equipment	\$50,000.00
B-5	B32394	Blanket Purchase Order to Illinois Public Service Agency Network (IPSAN), located in Chicago, IL, for Service for the BULLET System	\$26,000.00
B-6	B32440	Blanket Purchase Order to Amalgamated Services, Inc., located in Frankfort, IL, for Plumbing Repairs and Maintenance	\$95,000.00
B-7	B32446	Blanket Purchase Order to Tiles In Style, LLC, located in Naperville, IL, for Floor and Carpet Repairs	\$95,000.00
B-8	B32480	Blanket Purchase Order to Law Bulletin Publishing Company, located in Chicago, IL, for Law Bulletin Publishing Information Network	\$100,000.00
B-9	S32163	Purchase Order to Zones, Inc., located in Auburn, WA, for Computer Equipment	\$10,995.53
B-10	S32260	Sales Contract to Donna's Building Maint., located in Homer Glen, IL, for 32 Highway Vehicles (\$23,781.60)	\$0.00
B-11	S32264	Purchase Order to Netrix, LLC, located in Bannockburn, IL, for Websense Security Annual Software Maintenance Renewal for 900 Users	\$45,315.00
Operating Total			\$568,310.53

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Marco Supply Company, located in East Chicago, IN		Amount: \$50,000.00 (Not-to-Exceed)	
Procurement of: Plumbing Supplies Group III: PVC Pipe		Purchase Order No.: B32275	
Bid Expiration Date: 4/17/13 Extended to 6/17/13	Funding Source:	Inventory	IFB No.: 49391
		5735-1050-3000	
		4931-3408-3000	Responsible Dept.: Materials
		4907-1050-3000	
		6983-1050-3000	
Bid Opening Date: 1/17/13	Public Notice Date:	12/13/12	Publication: Chicago Sun-Times
Term: 3 Years	Quantity:	Unit Cost:	Date Prepared: 4/3/13
	4 Lines Items	Ranging from \$3.09 to \$10.02	
DBE Goal:			
No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process. One DBE (Central States Mfg. & Sales) bid on the project, but was not the low bidder.			
Action:			
Award a blanket purchase order to Marco Supply Company, the lowest responsive and responsible bidder. This award was made on a low group basis. This blanket purchase order will be for a three-year period, and will not exceed \$50,000.00.			
Background:			
The Invitation for Bid had three groups of material. Groups I and II are to be awarded under different contracts.			
This Group III: PVC Pipe award covers the procurement of Plumbing Supplies, including PVC Pipe, to be utilized by the Materials Department for all districts. This group includes four-inch PVC pipe, four-inch PVC coupling, primer, and cement. This material will be used on board trains for use in washrooms and in depots.			
This material (Inventory) will be purchased, placed in inventory, and stored in one of Metra's storehouses until it is used. At the time of use the material will be expensed.			

Bid Tabulation:

Bid solicitations were emailed to 57 vendors registered for seven relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide PVC pipe material, solicitations were also mailed to 18 of the vendors known or considered more likely to provide this material. Two vendors responded, and both have previously transacted business with Metra. The two bids received are summarized below:

<u>Bidder</u>	<u>Group III: PVC Pipe</u>
Marco Supply Company	\$12,487.82
Central States Mfg. & Sales Corp.	\$33,818.15

Central States Mfg. & Sales Corp had the previous contract, and its bid was \$7,064.22 in 2009.

Bid Analysis: Marco Supply Company is responsive to all the terms and conditions of the invitation for bid.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT			
Award To: Prompt Electric, Inc., located in Chicago, IL		Amount: \$15,000.00	
Procurement of: Floor Scrubbers – Repair, Service & Parts		Purchase Order/Contract No.: B32276	
Bid Expiration Date: 6/4/13	Funding Source: 4913-3870-4000 5911-3870-4000 6911-3870-4000	Operating	IFB No.: 38994
			Lead: J. Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: 3/4/13	Public Notice Date: 2/8/13	Publication: Chicago Sun-Times	
Term: Two Years	Quantity: 24 Line Items	Unit Cost: From: \$2.94 to \$1,142.08	Date Prepared: 4/04/13
			Prior Expenditures: \$12,100.32 was previously expended on contract no. B13675 with Advantage Sales & Service, Inc. dated 2/16/11.
DBE Goal:			
No DBE goal - Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.			
Action:			
Award a Blanket Purchase Order to Prompt Electric, Inc., the lowest responsive and responsible bidder. Award was made to the lowest responsive and responsible bidder. The Blanket Purchase Order will be for a two-year period and is not to exceed \$15,000.00.			
Background:			
This contract covers the procurement of and service related to rubber grommets, traction motors, spring guides, dump valves, Hoover motors, and ring assemblies. This material and service will be used by the Engineering Department for maintenance and repairs to floor scrubbers at Blue Island, KYD and Western Avenue.			
This is the third solicitation of this procurement. The initial bid opening occurred on December 5, 2012, but a determination was made to rebid because the two lowest bidders failed to bid on all items. The third bidder bid all items, but the prices quoted were not deemed fair and reasonable.			
The second bid opening occurred on January 28, 2013, but, again, a determination was made to rebid. Three bids were received, and one vendor was able to provide all items requested. However, that bid was deemed non-responsible because the IFB specification states that <i>No Work May Be Subcontracted Out</i> . Because the remaining two bidders could not provide all items and it was felt that additional competitive pricing could be			

obtained, this IFB was rebid.

Bid Tabulation:

Bid solicitations were emailed to 68 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide floor scrubbers – repairs, service & parts, solicitations were also mailed to 14 of the vendors known or considered more likely to supply floor scrubbers – repair, service & parts. Four vendors responded and one has previously transacted business with Metra. The bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
* Alpine Cleaning Equipment	\$3,364.17
** Nilfisk Advanced	\$5,528.77
* Atlas/First Access	\$6,684.59
Prompt Electric, Inc.	\$8,808.82

- * Award is recommended to Prompt Electric, Inc. because they are able to quote all items requested. Neither Alpine Cleaning Equipment nor Atlas/First Access were recommended for award because they failed to bid all items, bidding only 8 and 11 of 24 items respectively, and therefore could not fulfill the requirement.

A price comparison revealed that Prompt Electric, Inc. provided the lowest price on the items quoted by the competing vendors. Prompt Electric, Inc.'s prices quoted are deemed fair and reasonable.

Bid Analysis:

- ** Nilfisk Advanced's bid was deemed non-responsive because it did not comply with the instructions on the Blue & White Computer Generated Form:

BASIS OF AWARD: AWARD SHALL BE MADE TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER. BIDS WILL BE EVALUATED BY THE TOTAL OF EXTENDED PRICES, WHICH ARE THE UNIT PRICES QUOTED ON EXHIBIT 1-N PRICE LIST, MULTIPLIED BY THE ESTIMATED USAGE SHOWN.

The bidder failed to indicate unit prices for a number of line items as instructed in the BASIS OF AWARD section. By only inserting amounts in the extended total column, without providing the unit price, it is not possible to determine the actual cost of individual items. Failing to list unit prices is deemed a material deviation from the terms and conditions of the Invitation for Bid. As information, the bidder also failed to bid all items.

Prompt Electric, Inc. has been determined to be a responsive and responsible bidder.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Werner Printing & Engraving Co., located in Chicago, IL		Amount: \$99,000.00 (Not-to-Exceed)	
Procurement of: General Offset Printing Services		Purchase Order/Contract No.: B32316	
Bid Expiration Date: 6/6/13	Funding Source: Operating 1825-3731-4000	IFB No.: 48851	Lead: Robert Carlton
			Responsible Dept.: Media Relations
Bid Opening Date: 3/6/13	Public Notice Date: 2/7/13	Publication: Chicago Sun-Times	
Term: 1 Year	Quantity: 13 Line Items	Unit Cost: Ranging from \$0.16 per set to \$93.31 per thousand copies (services vary)	Date Prepared: 4/17/13
			Prior Expenditures: \$261,296.64 was previously expended on contract no. B05076 with Werner Printing & Engraving Co. which was awarded on January 7, 2011.

DBE Goal:

No DBE goal – Procurement indentified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive process.

Action:

Award a blanket purchase order to Werner Printing & Engraving Co., the lowest responsive and responsible bidder. This award was made on a low lot basis. This blanket purchase order will be for a one-year period and will not exceed \$99,000.00.

Background:

This award covers the procurement of general offset printing services to be utilized by the Media Relations Department throughout the entire organization. This service will include all forms, purchase orders, release notices, and business cards on an as-needed basis.

This material (Operating) will be purchased and, when received, will be expensed to the requesting department.

Bid Tabulation:

Bid solicitations were emailed to 188 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all the solicited vendors provide offset printing services, solicitations were also mailed to 46 of the vendors known or considered more likely to provide this service. Thirteen vendors responded, and five of them have previously transacted business with Metra. The 13

bids are summarized below:

<u>Bidder</u>	<u>Amount</u>
Werner Printing & Engraving Co.	\$74,634.52
Cardinal Color Group	\$81,526.00
Business Graphics, Inc.	\$208,742.07
Minuteman Press	\$242,887.00
DG Printing, Inc.	\$246,822.00
Caldwell Letter Service, Inc.	\$266,483.00
Lowitz & Sons, Inc.	\$275,735.00
Vision Integrated Graphics Group	\$275,822.91
Foster Printing Services, Inc.	\$288,425.00
Grasso Graphics, Inc.	\$399,073.95
Palmer Printing	\$406,049.00
DDI Printing	\$408,282.10
eDOC Communications	\$409,096.18

Werner Printing & Engraving Co. had the previous contract, and its bid price was \$79,528.43 in 2010.

Bid Analysis:

Werner Printing & Engraving Co. is the lowest responsive and responsible bidder.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Atlas First Access, located in Bedford Park, IL		Amount: \$50,000.00 (Not-to-Exceed)		
Procurement of: Repairs of Aerial Equipment		Purchase Order/Contract No.: B32377		
Bid Expiration Date: 6/27/13	Funding Source: 4721-3420-3100 4722-3420-3100 6722-3420-3100 6736-2420-3100 5722-3420-3100 5734-3420-3100	Operating	IFB No.: 54099	Lead: M. Ryan
				Responsible Dept.: Mechanical
Bid Opening Date: 3/27/13	Public Notice Date: 3/5/13	Publication: Chicago Sun-Times		
Term: Two Years	Quantity: Six Line Items	Unit Cost: From \$43.50 to \$279.00	Date Prepared: 4/19/13	
			Prior Expenditures: \$66,552.54 has been expended on contract no. B13790 with Atlas First Access, awarded on 4/12/11.	

DBE Goal: No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action:

Award a Blanket Purchase Order to Atlas First Access, the lowest responsive and responsible bidder. Award was made on a low lot basis. This Blanket Purchase Order will be for a two-year period and will not exceed \$50,000.00.

Background:

The award covers the repair of and preventive maintenance services for aerial equipment delivered by the Mechanical Department at Metra facilities that include Blue Island yard, Western Ave. yard, 47th Street yard, KYD yard, and 18th Street yard. This blanket purchase order will be used on an as-needed basis to perform preventive maintenance work and necessary repairs of failed aerial equipment including a Borderson Crane, Genie Lifts, Mobilifts, Blue Giant Lifts, a JLG Lift, and a Simen Aerial Lift.

Repairs will consist of the repair and/or replacement of defective components as well as the replacement of components that have reached the end of their useful lives. Atlas First Access will perform such services as cooling systems service and repairs, disc and brake drum service, exhaust replacement, transmission and clutch repairs, windshield and glass replacement, and fuel system repairs.

Preventative maintenance will also be performed by Atlas First Access and will include the changing of oil and oil filters, fuel filters, spark plugs, transmission oil and filters, and lubrication of all fittings, linkages and chains.

This service (operating) will be purchased and when received, will be expensed to the requesting operating

department.

Bid Tabulation:

Bid solicitations were emailed to 99 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitations, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors perform repair services for aerial equipment, solicitations were also mailed to 19 of the vendors known or considered more likely to perform this service. Five vendors responded, and four of them have previously transacted business with Metra. The five bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Atlas First Access	\$126,095.00
Midwest Industrial Equipment	\$132,950.00
Illinois Lift Truck Corp.	\$147,760.00
Crane & Machinery Inc.	\$202,100.00
Walter Payton Power Equipment LLC	\$215,469.50

Atlas First Access had the previous contract, and its bid price was \$147,515.00 for similar services.

Bid Analysis:

Atlas First Access is the lowest responsive and responsible bidder.

UD

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Illinois Public Service Agency Network (IPSAN), located in Chicago, IL		Amount: \$26,000.00	
Procurement of: Service Agreement for the BULLET System		Purchase Order/Contract No.: B32394	
Bid Expiration Date: N/A	Funding Source: 1201-3984-5000	Operating	IFB No.: 48877
			Lead: J. Sanford
		Responsible Dept.: Police & Security	
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A	
Term: Three-Year Period	Quantity: 7 Ea.	Unit Cost: \$26.00	Date Prepared: 04/23/13
	5 Ea.	\$37.00	
		5 Ea.	Prior Expenditures: \$18,210.00 was previously expended on P.O. No. B03239 with IPSAN dated 07/27/10.

DBE Goal: No DBE Goal – Sole Source Procurement – Item only available from a single source, IPSAN.

Action: Award a Blanket Purchase Order to IPSAN. Award was issued on a sole-source basis. This Blanket Purchase Order will be for a three-year period and is not to exceed \$26,000.00.

This award is not subject to public bidding pursuant to Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (c) which is for goods and services that are economically procurable from only one source.

Background: The subject purchase order covers the procurement of a sole source service provided by IPSAN to Metra’s Police Department. IPSAN is the only organization that can provide services for: Area-Wide Law Enforcement Radio Terminal System (ALERTS), Basic Unified Local Law Enforcement Transmission (BULLET), mini BULLET, Automated Law Enforcement Communications System (ALECS), Police Information Management System (PIMS), or Correctional Institution Management Information System (CIMIS). These software applications are owned and operated by IPSAN. The BULLET is a system of computer terminals in Metra’s squad cars and dispatch center. This system provides instant access to information in situations where each second counts. During traffic stops, officers can obtain information about a car and its owner in a matter of seconds on their ALERTS/BULLET terminals. In addition to promoting officer safety, ALERTS/ BULLET has proven effective at helping police recover stolen vehicles and arrest suspects wanted for crimes in both Illinois and nationwide.

There is no other known source of compatible software service. The BULLET system is only available through IPSAN. IPSAN is the sole source provider of this software. IPSAN sells directly to end users and does not use distributors.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT			
Award To: Amalgamated Services, Inc., located in Frankfort, IL		Amount: \$95,000.00 (Not to Exceed)	
Procurement of: Plumbing Repairs and Maintenance		Purchase Order/Contract No.: B32440	
Bid Expiration Date: 7/10/13	Funding Source: 00-1402-34004000	Operating	IFB No.: 08789
			Lead: J. Shaw
		Responsible Dept.: Facilities Management	
Bid Opening Date: 4/11/13	Public Notice Date: 3/21/13	Publication: Chicago Sun-Times	
Term: 2 years	Quantity: Labor and Equipment	Unit Cost: From \$99.36 to \$160.27 \$200.00	Date Prepared: May 1, 2013
			Prior Expenditures: \$67,974.10 was previously expended on Blanket Purchase Order B15625 with T & J Plumbing, Inc., dated 11/16/11.
DBE Goal:			
No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process. Two DBEs (JSR Enterprises and Amalgamated Services) bid on this procurement, and one (Amalgamated Services) was the successful low bidder. This procurement will count towards Metra’s race neutral DBE participation.			
Action:			
Award a blanket purchase order to Amalgamated Services, Inc., the lowest responsive and responsible bidder. This blanket purchase order will be for a two-year period and is not to exceed \$95,000.00.			
Background:			
This award covers plumbing repairs and maintenance, which will be utilized by the Facilities Management Department. This blanket purchase order is for all plumbing repairs, installations, piping, and parts at Metra’s corporate headquarters on an as-needed basis.			
Bid Tabulation:			
Bid solicitations were emailed to 83 vendors registered for the commodity “Plumbing” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide plumbing repairs and maintenance, solicitations were also mailed to five of the vendors known or considered more likely to provide this service. Four vendors responded, and all of them have previously transacted business with Metra. The bids received are summarized below:			

<u>Bidder</u>	<u>Amount</u>
Amalgamated Services, Inc.	\$89,037.67
Core Mechanical, Inc.	\$94,168.00
T & J Plumbing, Inc.	\$94,845.00
JSR Enterprises	\$101,024.50

Bid Analysis:

Amalgamated Services, Inc. is responsive to all terms and conditions of the invitation for bid.

AD

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Tiles In Style, LLC, located in Naperville, IL		Amount: \$95,000.00 (Not to Exceed)	
Procurement of: Floor and Carpet Repairs		Purchase Order/Contract No.: B32446	
Bid Expiration Date: 6/18/13	Funding Source: Operating 00-1402- 34004000	IFB No.: 49442	Lead: J. Shaw
			Responsible Dept.: Facilities Management
Bid Opening Date: 3/20/13	Public Notice Date: 2/27/13	Publication: Chicago Sun-Times	
Term: 2 years	Quantity: Labor and Material	Unit Cost: From \$78.00/hr to \$156.00/hr; From \$0.75 to \$50.00	Date Prepared: May 1, 2013
			Prior Expenditures: \$71,800.00 was previously expended on Blanket Purchase Order B13638 with Ori Brothers Flooring, Inc. dated 2/10/11.
DBE Goal: No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.			
Action: Award a blanket purchase order to Tiles In Style, LLC, the lowest responsive and responsible bidder. This blanket purchase order will be for a two-year period and is not to exceed \$95,000.00.			
Background: This award covers floor and carpet repairs, which will be utilized by the Facilities Management Department. This blanket purchase order is for all flooring types (cement, carpet, hard floors, etc.) at Metra’s corporate headquarters on an as-needed basis.			
Bid Tabulation: Bid solicitations were emailed to 41 vendors registered under the commodity “Flooring (Wood, Carpet, Resilient)” in Metra’s email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide floor and carpet repairs, solicitations were also mailed to three of the vendors known or considered more likely to provide this service. Two vendors responded, and both have previously transacted business with Metra. The bids received are summarized below:			
	<u>Bidder</u>		<u>Amount</u>
	Tiles In Style, LLC		\$64,925.00
	Ori Brothers Flooring, Inc.		\$66,446.25
Bid Analysis: Tiles In Style, LLC is responsive to all terms and conditions of the invitation for bid.			

SUMMARY OF METRA SOLE SOURCE PROCUREMENT

Award To: Law Bulletin Publishing Company, located in Chicago, IL		Amount: \$100,000.00		
Procurement of: Law Bulletin Publishing Information Network		Purchase Order/Contract No.: B32480		
Bid Expiration Date: N/A	Funding Source: 00-0615-38935000	Operating	IFB No.: 55524	Lead: T. Barnett
				Responsible Dept.: Law
Bid Opening Date: N/A	Public Notice Date: N/A	Publication: N/A		
Term: Two Years	Quantity: 15 Line Items	Unit Cost: \$1 - \$2,955	Date Prepared: 5/06/13	
			Prior Expenditures: \$115,149.51 has been expended on Contract No. B03247 With Law Bulletin Publishing Co. dated 6/11/10.	

DBE Goal: No DBE goal – Sole Source Procurement – Service only available from a single source (Law Bulletin Publishing Co.).

Action:
Award a blanket purchase order to Law Bulletin Publishing Company. This award was made on a sole source basis in accordance with Metra Ordinance No. NIRC 12-01, effective May 1, 2012, Section 2.03, Paragraph (c), which covers goods or services economically procurable from only one source.

Background:
This service is needed to provide on-going support to Metra’s Law Department. The Law Bulletin Publishing Company is the only source that is capable of receiving the on-line DM200 and Access Plus for public records information which includes the “Missing Links” service; making the Law Bulletin Publishing Company crucial in meeting the specific needs of the Law Department’s daily function, accessing public records.

The Law Bulletin Publishing Company is the only provider of this specific service. Law Bulletin Publishing Co. does not use distributors and provides the service directly to its customers.

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Zones, Inc., located in Auburn, WA		Amount: \$10,995.53	
Procurement of: Computer Equipment		Purchase Order/Contract No.: S32163	
Bid Expiration Date: 6/6/13	Funding Source: Operating 00-5941-3710-3100	IFB No.: 46112	Lead: J. Lorenzini
			Responsible Dept.: Engineering
Bid Opening Date: 3/6/13	Public Notice Date: 02/11/13	Publication: Chicago Sun-Times	
Term: 30 Days After Receipt of Order	Quantity: Eight Line Items	Unit Cost: From \$19.99 To \$1,511.50	Date Prepared: 3/25/13
			Prior Expenditures: No previous expenditures for this material.

DBE Goal: No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action: Award a purchase order to Zones, Inc., the lowest responsive and responsible bidder. Award was made on a low lot basis.

Background: The subject purchase order covers the procurement of computer equipment for the Signal/Engineering Department. This purchase will replace failed equipment at CCF as well as replace additional equipment necessary for a workstation at Tower A5.

Bid Tabulation: Bid solicitations were emailed to 168 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide the requested computer equipment, solicitations were also mailed to 27 of the vendors known or considered more likely to provide computer equipment. Eleven vendors responded, and three of them have previously transacted business with Metra. The bids received are summarized below:

<u>Bidder</u>	<u>Amount</u>
Zones, Inc.	\$10,995.53
SDF Professional Computers	\$11,753.73
Shi International	\$11,870.00
Netrix, LLC	\$11,978.00
ASI Systems	\$12,282.51
Tolgrass Systems	\$12,282.67
Aprisa Technology	\$12,636.00
McPC, Inc.	\$12,854.29
Howard Technology	\$13,045.00
Integrity Supply	\$13,100.00
Mako Business	\$13,686.00

Bid Analysis:

Zones, Inc. is responsive to all the terms and conditions of the invitation for bid.

JZ

SUMMARY OF METRA INVITATION FOR BID SALES TRANSACTION			
Award To: Donna's Building Maint., located in Homer Glen, IL		Selling Price: \$23,781.60	
Sale of: 32 Highway Vehicles		Sales Contract No.: S32260	
Bid Expiration Date: 5/31/13	Receiving Account: Operating	IFB No.: 54159	Lead: M. Ryan
			Responsible Dept.: Mechanical
Bid Opening Date: 10/23/12	Public Notice Date: 9/6/12	Publication: Chicago Sun-Times	
Term: N/A	Quantity: 32 Vehicles	Unit Price: Ranges from \$301.55 to \$1,455.55	Date Prepared: 4/18/13
DBE Goal: No DBE Goal – Procurement is for the <i>SALE</i> of out-of-service vehicles.			
Action: Award a sales order to Donna's Building Maintenance, the highest responsive and responsible bidder. Award was made on a line-item basis.			
Background: This award covers the sale of 32 out-of-service highway vehicles (14 SUVs, 12 work trucks, 4 Sedans, and 2 minivans) as required by the Mechanical Department. This transaction is part of an invitation for bid that listed 119 highway vehicles and 16 work equipment vehicles for sale. The vehicles being sold are no longer being used by Metra in its operations. The vehicles being sold meet the requirements for replacement under Metra's Repair and Maintenance of Metra Vehicles procedure (OP-03-RC). New vehicles have been purchased to replace these vehicles.			
Bid Tabulation: Bid solicitations were emailed to 59 vendors for the Disposal and Sale of Scrap, Inactive or Retired Equipment and Material class commodities of "Highway Vehicles", "Maintenance-of-Way Equipment" and "Off-Road Equipment" in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors purchase out-of-service vehicles, solicitations were mailed out to ten vendors known or considered more likely to purchase out-of-service vehicles. For these 32 out-of-service vehicles, seven vendors responded, and all seven have previously transacted business			

with Metra. The seven bids received for these vehicles are summarized below:

<u>Bidder</u>	<u>Amount</u>
Donna's Building Maint.	\$23,781.60
McCoy Auto Parts	\$14,016.00
Akat Scrap Metal, Inc.	\$10,365.00
E&R Towing and Garage, Inc.	\$ 9,510.00
American Waste	\$ 6,809.00
Chicago Motors, Inc.	\$ 4,841.00
Beverly Cobb	\$ 928.66

Bid Analysis:

The invitation for bid listed 135 out-of-service vehicles for sale. This award covers 32 of these out-of-service vehicles. The other out-of-service vehicles are being awarded under separate sales orders.

Donna's Building Maintenance is responsive to all terms and conditions of the Invitation for Bid and is the highest responsive and responsible bidder.

RR

SUMMARY OF METRA INVITATION FOR BID PROCUREMENT

Award To: Netrix, LLC, located in Bannockburn, IL		Amount: \$45,315.00	
Procurement of: Websense Security Annual Software Maintenance Renewal for 900 Users		Purchase Order No.: S32264	
Bid Expiration Date: 6/19/13	Funding Source: Operating 1801-3722-5500	IFB No.: 93841	Lead: Douglas Doughty
			Responsible Dept.: Information Technology
Bid Opening Date: 3/19/13	Public Notice Date: 2/27/13	Publication: Chicago Sun-Times	
Term: Three Years	Quantity: 900 users	Unit Cost: \$50.35 per user	Date Prepared: 4/2/13
	Prior Expenditures: \$22,680.00 was previously expended on contract no. S20914 with Netrix, LLC, which was awarded on July 23, 2012.		

DBE Goal: No DBE goal – Procurement identified for race neutral participation, which provides an opportunity for DBE firms to directly participate in the competitive procurement process.

Action: Award a purchase order to Netrix, LLC, the lowest responsive and responsible bidder. This award was made on a low lot basis. This purchase order will be for a three-year period effective June 1, 2013 through May 31, 2016.

Background: This award covers the procurement of Websense Web Security software maintenance for 900 computer users throughout Metra's entire organization. This service will be monitored by the Information Technology Department. Websense Security is the market's leading web security filtering solution. This filtering system enables organizations to manage acceptable use policy and blocks access to sites associated with spyware, phishing, key logging and other web based threats.

Bid Tabulation: Bid solicitations were emailed to 219 vendors registered for three relevant commodities in Metra's email vendor database. Vendors can request to be entered into this database; however, for any specific solicitation, not all registered vendors will qualify to submit bids. Because not all of the solicited vendors provide this maintenance software, solicitations were also mailed to 12 of the vendors known or considered more likely to provide this maintenance software. Three vendors responded, and two of them have previously transacted business with Metra. The three bids are summarized below:

<u>Bidder</u>	<u>Amount</u>
* SHI International	\$45,180.00
Netrix, LLC	\$45,315.00
CDW Government Sales	\$45,900.00

Netrix, LLC had the previous contract, and its bid was \$22,680.00 for 900 users for a one year renewal.

Bid Analysis:

- * The bid submitted by SHI International (\$45,180.00) is non-responsive because it contained supplemental terms and conditions related to numerous items such as warranty, indemnity, audit and damages. This is a material deviation from the terms and conditions of the Invitation for Bid. The Invitation for Bid, Bid Submittal Checklist, Section F, states:

BIDDERS ARE CAUTIONED NOT TO QUALIFY THEIR BIDS BY MODIFYING THE CONTRACT DOCUMENTS, EITHER BY ALTERATION OR BY SUPPLEMENTAL STATEMENTS. ALL BIDS ARE TO BE IN ACCORDANCE WITH THESE SPECIFICATIONS. BIDS WHICH ARE NOT SO MADE, MAY BE REJECTED AS NON-RESPONSIVE.

Netrix, LLC is the lowest responsive and responsible bidder.

LL

OPERATING

**Listing of Procurements
\$10,000 and Under**

April 12 through May 14, 2013

OPERATING

Listing of Procurements Under \$10,000

April 12 through May 14, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
B32256	4/12/2013	ALTERNATE POWER, INC.	BPO FOR GENERATOR REPAIRS	\$9,800.00	LORENZINI
B32345	4/17/2013	BEBON OFFICE MACHINES CO.	BPO FOR MISC. EQUIPMENT REPAIR	\$9,500.00	KISIELIUS
B32396	4/23/2013	KAPPA SEARCH, INC	STAFF AGY FOR TEMPORARY SUPPORT SERVICES	\$9,900.00	SMITH
B32407	4/25/2013	RAR ENTERPRISES	BPO FOR TOILET TISSUE DISPENSER	\$10,000.00	DARIN
B32487	5/9/2013	AJILON PROFESSIONAL STAFFING	STAFFING AGENCY FOR TEMP SUPPORT	\$9,900.00	SMITH
B32509	5/13/2013	KUSTOM SEATING UNLIMITED, INC.	BPO (1)YR.FOR EXPANDED VINYL FABRIC	\$10,000.00	DARIN
B32516	5/13/2013	DATA DISPLAY PRODUCTS	1 YR BPO FOR LED INDICATOR LAMPS	\$10,000.00	DARIN
B32521	5/14/2013	KNIGHT ENTERPRISES	BPO FOR EXTERIOR CAR CLEANER	\$10,000.00	DARIN
S21248	4/19/2013	CORPORATE EXECUTIVE BOARD CO.	ASSESSMENT TOOLS OVERSIGHT IN SELECTING TREAS. DEPT. POSITIONS	\$9,900.00	SMITH
S31489	4/12/2013	TRANSPORTATION TECHNOLOGY CENTER	PAY INVOICES FOR RADIO LICENSE MODS	\$1,260.00	LORENZINI
S32158	4/12/2013	UPLOGIX, INC.	2013 MAINTENANCE RENEWAL FOR SECURITY APPLIANCES IF FIREWALL ACCESS FAILS	\$1,537.29	DOUGHTY
S32255	5/9/2013	BEVERLY COBB	SCRAP SALE OF VEHICLES	\$327.31	RYAN
S32279	4/29/2013	WABTEC RAILWAY ELECTRONICS	PORTION, BRAKE PIPE CONTROL FOR INV	\$2,795.00	DARIN
S32297	4/22/2013	FINDITPARTS	TUBING, VACUUM PUMP	\$105.36	DARIN
S32306	4/29/2013	WABTEC GLOBAL SERVICES	SINGLE CAR TEST BOOKLETS	\$682.00	FITTS
S32307	4/12/2013	MOTIVEPOWER, INC.	HINGE, DOOR REAR ENGINE ROOM	\$432.00	DARIN

OPERATING

Listing of Procurements Under \$10,000

April 12 through May 14, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S32311	4/12/2013	FASTENAL CO.	WELDING SCREENS/FOR TRUCK SHOP	\$913.47	RYAN
S32312	4/12/2013	GRAVOGRAPH-NEW HERMES, INC.	GRAVOPLY FOR SIGNS AND PERSONNEL TAGS	\$448.76	RYAN
S32318	4/12/2013	ILLINOIS PROCESS EQUIPMENT	LOCO COOLING PUMP MOTOR FOR INV.	\$930.00	DARIN
S32319	4/12/2013	MCMASTER CARR SUPPLY CORP.	SWIVELS, SNAPS AND RINGS FOR PERSONNEL TAGS	\$335.04	RYAN
S32320	4/15/2013	WEST SIDE INDUSTRIAL SUPPLY	ELECTRONIC TORQUE TESTER & ADAPTERS	\$998.80	RYAN
S32322	4/15/2013	GRAINGER	STORAGE CABINET TO SECURE ELECTRONIC DEVICES	\$1,414.14	RYAN
S32327	4/12/2013	GRAINGER	WESTWARD WELDER GENERATOR FOR KYD	\$2,250.00	RYAN
S32328	4/15/2013	WABTEC RAILWAY ELECTRONICS	SENSOR, GRID EPIC AIR BRAKE (INV)	\$300.00	DARIN
S32330	4/18/2013	NATIONAL SAFETY COMPLIANCE, INC.	DVD LICENSES FOR SAFETY DEPT. SAFETY DVDS	\$6,029.95	ORSENO
S32331	4/15/2013	MCMASTER CARR SUPPLY CORP.	NUT DRIVER FOR MOUNTING CAR RACK COMPONENTS	\$83.95	RYAN
S32334	5/6/2013	G & E SALES CORP.	BELT V FOR INVENTORY REPLENISHMENT	\$175.56	DARIN
S32335	4/30/2013	G & E SALES CORP.	SOLENOID ENGINE FOR INVENTORY REPLENISHMENT	\$364.20	DARIN
S32336	4/15/2013	G & E SALES CORP.	ENGINE SPARK PLUG FOR INVENTORY	\$26.64	DARIN
S32337	4/25/2013	QUALITY SWITCHGEAR INC.	CIRCT BREAKER FOR PARKED LOCO POWER	\$7,750.00	LORENZINI
S32339	5/14/2013	PEOPLES GAS LIGHT & COKE CO.	INSTALL GAS LINE - 1975 N. PULASKI	\$6,022.00	LORENZINI
S32340	5/14/2013	PEOPLES GAS LIGHT & COKE CO.	INSTALL GAS LINE - 3736 W. NORTH AV	\$4,623.00	LORENZINI
S32341	4/15/2013	POWER PARTS SIGN DIVISION OF	SIGNAGE, QUIET CAR RUSH HOUR ONLY FOR INVENTORY	\$6,375.00	DARIN

OPERATING

Listing of Procurements Under \$10,000

April 12 through May 14, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S32342	5/14/2013	PEOPLES GAS LIGHT & COKE CO.	INSTALL GAS LINE-3900 W. ARMITAGE	\$4,873.00	LORENZINI
S32343	5/14/2013	PEOPLES GAS LIGHT & COKE CO.	INSTALL GAS LINE 1790 N.SPRINGFIELD	\$6,022.00	LORENZINI
S32348	4/17/2013	GRAINGER	TAPE, PHOTO LUMINESCENT TO MARK EXITS AND WALKWAYS	\$3,714.00	DARIN
S32353	4/16/2013	GE TRANSP. PARTS (PPC/G&G)	SPRING COTTER KEY	\$489.50	DARIN
S32354	4/17/2013	STANDARD COMPANIES	VIPER FANG 28-T FLOOR SCRUBBER	\$5,984.91	LORENZINI
S32359	4/23/2013	ESCO INSTITUTE, LTD.	EPA CERTIFICATION FEE FOR EIGHT MECH. DEPT. PERSONNEL	\$280.00	FITTS
S32364	4/23/2013	JMA RAILROAD SUPPLY CO.	SWITCH, MAIN FOR MPI LOCOMOTIVE HEADLIGHTS	\$1,538.32	RYAN
S32370	4/17/2013	GRAINGER	STEEL LOCK FOR SAFETY CABINET	\$118.84	RYAN
S32371	4/18/2013	ADAMS & WESTLAKE, LTD.	ROLLER ASSEMBLY	\$1,890.00	DARIN
S32373	4/25/2013	INTER-CITY SUPPLY CO., INC.	CATERING SUPPLIES FOR EEO SPONSORED CULTURAL EVENT	\$232.78	CAREY
S32374	4/19/2013	GRAINGER	SAFETY ITEMS - "DANGER" TAGS, TAG HOLDERS & LOCKS	\$117.48	RYAN
S32375	4/23/2013	J P SIMONS & CO.	SWITCH, SIGNAL LIGHT	\$351.00	DARIN
S32378	4/23/2013	GRAINGER	ONE STEP WIRE; CRIMPER RATCHET	\$233.61	RYAN
S32380	4/19/2013	POWERRAIL DISTRIBUTION INC	KIT, MAINTENANCE MAIN RESEVOIRS	\$5,265.00	DARIN
S32382	4/22/2013	INDEPENDENT MACHINE CO.	LOCOMOTIVE PILOT ASSEMBLY	\$4,996.66	RYAN
S32383	4/22/2013	GRAINGER	ELEC.LOCKOUT CENTER (SAFETY ITEM)	\$147.90	RYAN
S32388	4/22/2013	MCMASTER CARR SUPPLY CORP.	LOCKOUT SETS & SCISSOR LOCKOUTS	\$215.34	RYAN

OPERATING

Listing of Procurements Under \$10,000

April 12 through May 14, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S32389	4/22/2013	HARRIS EQUIPMENT CORP.	LUBRICANT, AIR COMPRESSOR (INV)	\$9,894.00	DARIN
S32390	4/22/2013	WABTEC GLOBAL SERVICES	CORE, RADIATOR FOR INVENTORY	\$7,808.00	DARIN
S32395	4/24/2013	DICK'S INDUSTRIAL SUPPLY	PAINT, POLYURETHANE ENAMEL TO REPLENISH INVENTORY	\$1,858.80	DARIN
S32400	4/24/2013	COLUMBUS STEEL CASTINGS CO.	COUPLER, TYPE E	\$1,533.00	DARIN
S32405	4/25/2013	HELENDORA SAMUELS PICTURE FRAMING	FRAMING PLAQUES & PICTURES OF BELMONT RD. GRADE SEPARATION PROJECT	\$400.00	CARLTON
S32409	5/13/2013	MACKINNEY SYSTEMS	SOFTWARE MAINTENANCE RENEWAL 3YRS FOR MAINFRAME JOB BATCH PROCESSING	\$2,250.00	DOUGHTY
S32414	4/29/2013	POWER PARTS SIGN DIVISION OF	SIGNAGE, QUIET CAR RUSH HOUR ONLY FOR INVENTORY	\$2,125.00	DARIN
S32420	4/29/2013	MCMASTER CARR SUPPLY CORP.	AIR HOSE/REPLACE YARD HOSE TO TRAIN	\$567.00	RYAN
S32421	5/8/2013	PIERINI IRON WORKS	DOOR REPAIR OF EQUIP. BLDG. IN JOLIET	\$2,280.00	LORENZINI
S32422	4/29/2013	HARRIS EQUIPMENT CORP.	COMPRESSOR FILTER KITS (INV)	\$9,730.00	DARIN
S32423	4/29/2013	SETRA SYSTEMS, INC.	TRANSDUCER, PRESSURE MODEL 209	\$362.64	DARIN
S32432	4/30/2013	HOTSTART, INC.	PUMP, LAYOVER WATER	\$2,512.92	DARIN
S32433	4/30/2013	GRAINGER	ROUTER TO REPLACE WORN ONE USED ON AMERAIL CAR REHAB	\$361.58	RYAN
S32435	4/30/2013	GRAINGER	INDICATOR, LED HIGHLINER BATTERIES	\$280.00	DARIN
S32436	4/30/2013	OLIE M ERICKSEN, INC.	PLUG, ACETYLENE	\$270.00	DARIN
S32438	4/30/2013	BRABAZON PUMPE CO., LTD.	KIT AND VALVE FOR SULLAIR AIR COMPRESSORS	\$3,241.15	DARIN
S32439	4/30/2013	ASAS/TYSOL, INC.	CLEANER, LIQUID ACID TO REPLENISH INVENTORY	\$3,380.00	DARIN

OPERATING

Listing of Procurements Under \$10,000

April 12 through May 14, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S32441	5/2/2013	PRESTIGE METAL PRODUCTS, INC.	CONTAINER, WASTE FOR BI-LEVEL COACHES AND HIGHLINERS	\$357.15	DARIN
S32450	5/6/2013	ROLAND MACHINERY CO.	LAMP, HALOGEN TO REPLENISH INVENTORY	\$90.74	DARIN
S32451	5/2/2013	MCMASTER CARR SUPPLY CORP.	SUCTION CUP LIFTER FOR LOCO GLAZING	\$229.08	RYAN
S32454	5/14/2013	GRAINGER	HYDRAULIC CYLINDERS FOR SHOP REPAIR	\$690.20	RYAN
S32457	5/13/2013	G & E SALES CORP.	BELT, SERPENTINE (INVENTORY)	\$151.80	DARIN
S32458	5/6/2013	MCMASTER CARR SUPPLY CORP.	STONES, COMMUTATOR RESURFACERS	\$124.80	DARIN
S32466	5/6/2013	BMC SOFTWARE INC.	MAINTENANCE FOR STOPX37/II TO RUN FINANCE DEPT. PRODUCTION JOBS	\$6,540.00	DOUGHTY
S32469	5/6/2013	BRABAZON PUMPE CO., LTD.	COOLER, FLUID AND AFTERCOOLER	\$1,978.74	DARIN
S32472	5/7/2013	CROWN LIFT TRUCKS	CLUTCH CABLE; WIPER MOTOR	\$817.46	RYAN
S32473	5/6/2013	C P SALES CO., INC.	CLEANERS FOR PASSENGER CAR INTERIORS	\$2,741.20	DARIN
S32475	5/6/2013	TORYON TECHNOLOGIES	CLEANER - ELECTRICAL DEGREASER	\$4,422.00	DARIN
S32476	5/6/2013	DYNAMIC METALS, LLC	BREATHER, FOR COACH WINDOW (INV)	\$368.80	DARIN
S32477	5/6/2013	GE TRANSP. PARTS (PPC/G&G)	SPRING, COTTER KEY	\$489.50	DARIN
S32485	5/8/2013	RAILS CO.	FROG HEATER (INVENTORY)	\$3,420.00	DARIN
S32486	5/8/2013	CERTIFIED LABORATORIES	LUBRICANT, CABLE & INK - INVENTORY	\$321.12	DARIN
S32496	5/10/2013	RAILS CO.	CLIP, HEATER BASE MOUNT	\$232.00	DARIN
S32498	5/9/2013	MCMASTER CARR SUPPLY CORP.	SANDING DISCS TO POLISH RAILCAR EXTERIOR STAINLESS STEEL	\$131.64	RYAN

OPERATING

Listing of Procurements Under \$10,000

April 12 through May 14, 2013

PO Number	PO Approval	Vendor	Description	Amount	Lead
S32500	5/9/2013	GREAT LAKES HOTEL SUPPLY CO.	ICE MACHINE FOR KYD WORKERS	\$1,526.00	RYAN
S32501	5/9/2013	MCMASTER CARR SUPPLY CORP.	CHEST; HOOKS	\$109.65	RYAN
S32502	5/10/2013	K & L ELECTRONIC SALES & SERVICE	CONTACTOR, A.C. COOLING FAN	\$2,124.01	DARIN
S32504	5/10/2013	B & B KAWASAKI	BATTERY FOR RAILCAR MULE VEHICLE	\$69.45	RYAN
S32508	5/13/2013	G & E SALES CORP.	BELTS, SERPENTINE	\$287.91	DARIN
S32515	5/13/2013	ANALYTIC SYSTEMS WARE (1993), LTD.	INVERTER FOR PASSENGER CAR EMERGENCY LIGHTING	\$8,152.00	DARIN
S32518	5/14/2013	DICK'S INDUSTRIAL SUPPLY	BELTS, AIR COMPRESSOR FOR INV.	\$391.93	DARIN
S32519	5/14/2013	MCMASTER CARR SUPPLY CORP.	WIRE ROPE, HOOKS & SQUEEGEE	\$62.14	RYAN
S32520	5/14/2013	DICK'S INDUSTRIAL SUPPLY	GRAPHITE, LUBE AEROSAL SPRAY	\$106.00	DARIN

ORIGINAL

METRA BOARD OF DIRECTORS

MEETING OF THE AUDIT & FINANCE COMMITTEE

FRIDAY, JUNE 7TH, 2013

METRA GENERAL OFFICES - BOARD ROOM

547 WEST JACKSON BOULEVARD, CHICAGO, ILLINOIS

IMMEDIATELY FOLLOWING THE EXECUTIVE COMMITTEE

11:40 A.M.

STENOGRAPHIC REPORT OF PROCEEDINGS

had in the above-entitled matter held at 547 West Jackson Boulevard, Chicago, Illinois, 13th Floor, at 11:40 o'clock a.m., MR. PAUL DARLEY, presiding.

Reported by: Catherine S. Bradley, CSR

License No.: 084-004664

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PRESENT:

- Mr. Paul Darley, DuPage County
- Mr. Don DeGraff, Suburban Cook County
- Mr. Michael McCoy, Kane County
- Mr. Stan Rakestraw, Suburban Cook County
- Mr. Jack Schaffer, McHenry County

1 (Whereupon, the following
2 proceedings commenced at
3 11:40 a.m.)

4 CHAIRMAN DARLEY: I'm going to call this meeting
5 to order, the Audit and Finance Committee meeting.
6 Lisa, call the roll, please.

7 ASSISTANT SECRETARY LISA MURPHY: Director
8 DeGraff.

9 DIRECTOR DeGRAFF: Here.

10 ASSISTANT SECRETARY LISA MURPHY: Director McCoy.

11 DIRECTOR McCOY: Here.

12 ASSISTANT SECRETARY LISA MURPHY: Director
13 Rakestraw.

14 DIRECTOR RAKESTRAW: Here.

15 ASSISTANT SECRETARY LISA MURPHY: Director
16 Schaffer.

17 DIRECTOR SCHAFFER: Here.

18 ASSISTANT SECRETARY LISA MURPHY: Chairman Darley.

19 CHAIRMAN DARLEY: Here.

20 ASSISTANT SECRETARY LISA MURPHY: Chairman Darley,
21 we have a quorum.

22 CHAIRMAN DARLEY: Thank you. There's no public
23 comment as I understand it.

24 Is there a motion to approve the minutes of the

3

1 May 2nd meeting?

2 DIRECTOR McCOY: So moved.

3 DIRECTOR DeGRAFF: Support.

4 CHAIRMAN DARLEY: All in favor signify by saying
5 aye.

6 THE COMMITTEE: Aye.

7 CHAIRMAN DARLEY: Next item is operating
8 procurements greater than \$100,000. Would anyone like
9 to make a motion to accept those and remove any
10 particular items from the agenda, those being items one
11 through eight -- two through eight. Excuse me.

12 DIRECTOR RAKESTRAW: Just have a question on four
13 and five.

14 CHAIRMAN DARLEY: We'll remove four and five for
15 discussion. Any others?

16 So is there a motion to accept all -- I guess we
17 don't need a motion, do we?

18 DIRECTOR DeGRAFF: Four, five and six.

19 CHAIRMAN DARLEY: Four, five and six.

20 DIRECTOR DeGRAFF: If we do need a motion I make a
21 motion that we do accept those, accept four, five and
22 six.

23 CHAIRMAN DARLEY: All in favor?

24 THE COMMITTEE: Aye.

1 CHAIRMAN DARLEY: So go ahead, Director Rakestraw,
2 on items four, five and six.

3 DIRECTOR RAKESTRAW: I'm curious to find out the
4 difference between four and five.

5 MR. KISELIUS: Good morning again. I'm going to
6 have Bruce Darin, our department head of materials be
7 able to speak specifically about those items.

8 MR. DARIN: Good morning. Sullair makes
9 compressors for highliner cars and also we use them on
10 our locomotives for compressing air and there's 27 line
11 items on the group of items that we have.

12 The largest item is the complete compressor itself
13 and we made it a business decision to award on a line
14 item basis on that and between the two companies, those
15 were the low bidders for each of those items. So it
16 amounted to awarding two contracts for the full
17 requirement and it ends up saving the company
18 considerable amount of money because of that.

19 DIRECTOR RAKESTRAW: How do you distinguish who's
20 going to get what purchase orders and what? How is
21 that done?

22 Mr. DARIN: It's done based on the lowest response
23 of the responsible bidder for each one of the items.
24 It gives the people, all the bidders the ability to

1 substitute items.

2 So in other words we'll put out Sullair as the OEM
3 product. However, there are other manufacturers who
4 will manufacture things such as filters and some of the
5 valves that are consumable on them and those items are
6 acceptable through technical review of our Mechanical
7 Department and we are able to save money that way and
8 yet other items are manufactured by the OEM and other
9 companies do not make them, that this gives us the
10 greatest flexibility to take advantage of those items.

11 DIRECTOR RAKESTRAW: So you have Harris and you
12 have --

13 MR. DARIN: Raveson (phonetic).

14 DIRECTOR RAKESTRAW: Raveson. And they're both
15 providing the same parts based on their bid price on
16 these specific contract, these proposals here?

17 MR. DARIN: That's correct. If Raveson was the
18 low bid for the item and it was an acceptable product,
19 they got it. If Harris was low bid they got it and if
20 there were any other companies out there that were able
21 to bid these items we would have evaluated their bid
22 but there were none.

23 DIRECTOR RAKESTRAW: Since you have a specific
24 item or product, is it made in America? Is that --

6

1 MR. DARIN: I believe so.

2 CHAIRMAN DARLEY: Sullair is located in Michigan.

3 DIRECTOR RAKESTRAW: So if it was made in America
4 why did we disqualify one of the bidders which was low
5 bid because they didn't qualify with the made in
6 America cost?

7 MR. DARIN: I don't know that the low bidder
8 was --

9 MR. KISELIUS: Neither one were -- both of the low
10 bidders do comply with Buy America. It was the number
11 three and I believe number four bidder that did not
12 comply and so there was the 25 percent was added.

13 MR. KISELIUS: In the Harris bid they did not
14 submit a bid on the first line item.

15 DIRECTOR RAKESTRAW: Okay.

16 MR. KISELIUS: And that's why they were not
17 awarded. Okay.

18 CHAIRMAN DARLEY: That answer all your questions
19 on four through six?

20 DIRECTOR RAKESTRAW: Yes.

21 CHAIRMAN DARLEY: Is there a motion to recommend
22 items four through six as well to the full Board for
23 acceptance?

24 DIRECTOR DeGRAFF: Stan will make that motion.

7

1 DIRECTOR RAKESTRAW: I will make that motion.

2 DIRECTOR DeGRAFF: I'll support that.

3 CHAIRMAN DARLEY: Any other discussion? All in
4 favor signify by saying aye.

5 THE COMMITTEE: Aye.

6 CHAIRMAN DARLEY: All right. Item number nine is
7 receive and file on the items, operating procurements
8 100,000 or less. Any discussion on those? Okay.

9 Item number ten, Tom Farmer is going to talk to
10 us, continued discussions on price indexes.

11 MR. ACKERMAN: Mr. Chairman, I think item six was
12 removed from the consent agenda.

13 CHAIRMAN DARLEY: I thought I said four through
14 six.

15 DIRECTOR RAKESTRAW: You know what, I didn't ask
16 my question on number six. I overlooked it.

17 CHAIRMAN DARLEY: Thank you.

18 DIRECTOR RAKESTRAW: Confused. Was the 15 stores
19 a qualifier for this bid, the one they
20 (unintelligible)?

21 MR. KISELIUS: Yes. That is one of the
22 requirements that the safety department had put on the
23 specifications. Specifically addressing that is
24 because, one, Red Wing does have the mobile trucks and

8

1 so when they go through their renewal of shoes for the
2 employees they'll bring the mobile truck to multiple
3 sites. They'll go through a set period of time of
4 doing that.

5 Later on when new employees come onboard or shoes
6 need to be replaced they have multiple locations
7 throughout the six county region, where Hytest only has
8 the five and that's been an issue. I don't have
9 specific locations but I think predominantly that
10 Hytest locations are just on the southern area.

11 DIRECTOR RAKESTRAW: So that requirement -- it
12 just seemed like to me the set requirement, you need to
13 have 15 stores to comply, is sort of like directing
14 that contract to a specific vendor, if that's one of
15 the qualifiers.

16 If there is documentation that only five stores is
17 a problem, then I'd like to have seen some of the data
18 backing that up. It just seems like five stores
19 throughout the Chicagoland for our employees would be
20 adequate I would have thought and especially if they
21 have a mobile unit as well.

22 And then one last question on that. Is the
23 voucher, so we pay them direct with the vouchers. When
24 employees go back on their own do they have a voucher

9

1 or do they pay themselves when they go to the stores?

2 MR. KISELIUS: If they do not go to the mobile
3 trucks then they will have the voucher to go to the
4 respective store to pay for it.

5 DIRECTOR RAKESTRAW: So mobile trucks is direct to
6 Metra?

7 MR. KISELIUS: Correct.

8 DIRECTOR RAKESTRAW: Going to the store they have
9 a voucher. Does the voucher cover repairs and
10 replacement?

11 MR. KISELIUS: I believe it's only repairs. I'm
12 sorry, replacement.

13 MR. ORSENO: Actually, what the voucher does, this
14 is the safety shoe and the eyeglass program. So you're
15 allowed \$130 and it can be a combination of such. You
16 can get a pair of shoes for \$150. Your voucher is good
17 for the 130. You pay the difference. Or you can get a
18 pair of shoes for \$100, let's say, and then use the \$30
19 for the eyeglasses.

20 And the reason the 15 stores is when you have
21 people up in Kenosha and, you know, all over the place,
22 our labor forces have requested that we have multiple
23 locations so they don't have to drive extended periods
24 on their day off to try to get shoes and if they're not

10

1 there order them, things like that. We've tried to
2 accommodate the needs of everybody and fulfill that
3 requirement.

4 DIRECTOR RAKESTRAW: I understand.

5 CHAIRMAN DARLEY: In the age of the Internet we
6 might want to review that at some point. Shoes and
7 eyeglasses can easily be ordered over the Internet.

8 DIRECTOR SCHAFFER: I don't order shoes over the
9 Internet.

10 DIRECTOR DeGRAFF: Many do.

11 DIRECTOR RAKESTRAW: My wife does.

12 DIRECTOR SCHAFFER: I'm a dinosaur. I admit it.

13 DIRECTOR DeGRAFF: Do we cover six now or do we
14 got to make a motion to cover six?

15 CHAIRMAN DARLEY: Are we okay?

16 DIRECTOR RAKESTRAW: I'm fine.

17 CHAIRMAN DARLEY: You're satisfied. So based on
18 that there is no motion to reverse that. How's that
19 sound?

20 DIRECTOR DeGRAFF: What he's saying is the motion
21 we took before covered four, five and six.

22 CHAIRMAN DARLEY: Right.

23 DIRECTOR SCHAFFER: We'll discuss six.

24 CHAIRMAN DARLEY: Tom, I guess you're up now.

1 MR. FARMER: Good morning. Here to discuss price
2 indexes one more time. I hope I have adequately
3 encapsulated the discussions we've had before. If not
4 give me a little bit of guidance there.

5 So in our prior discussions we have said that
6 using index as a guide to future rate increases and
7 that over time that should be a credible process, that
8 the agency wants to convey its thoughts on this topic
9 to the public in a transparent fashion, that any
10 proposed fare changes would still need to be justified.
11 They're not automatic just because we have an index
12 that says some number, and it is understood that
13 indexes are trailing. They're not leading. So we do
14 still need to forecast future developments.

15 So some of the other discussion on the use of the
16 indexes. There is a suggestion that the Board adopt a
17 policy as follows. That we as an organization would
18 use the indexes as a guide to appropriate overall cost
19 and fare increases over time to fund our operating
20 costs. We would be guided by specific information such
21 as multiyear contract settlements already made, meaning
22 that in particular what I'm looking for is our labor
23 contracts because the federal government often mediates
24 railroad labor contracts and when there's a settlement,

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1 that's kind of a settlement and we're going to end up
2 following the pattern one way or the other.

3 To encourage management to find efficiencies to
4 offset the various cost increases and keep the overall
5 cost and fare increases at or below the index increases
6 over time.

7 And finally that the Board might, given the state
8 of good repair discussions which we seem to have every
9 month, consider additional revenues to fund capital
10 purchases as necessary. In other words, we're talking
11 about the index to fund operating but if the Board
12 said, hey, we need another 10 million dollars we would
13 separate that and say this is for a specific purpose
14 and it's separate from that. And that would just be an
15 option that the Board would give itself, not anything
16 that had to be (unintelligible.)

17 We talked briefly about the indexes available.
18 There was the PPI. There was the AAR index and the
19 Board decided it was best to use a blend of the two
20 indexes. I won't dwell on this, but we have the
21 numbers behind the indexes, what they've been over the
22 last several years and why it was a good fit.

23 So at this point I guess I would come to you and
24 ask where do you want to go with this. Does the

1 committee choose to accept this recommendation? Would
2 you like me to make further adjustment?

3 CHAIRMAN DARLEY: Any discussion?

4 DIRECTOR McCOY: I would like -- how I envisioned
5 this was not as a guide, as a maximum allowable, and I
6 thought we should adopt it as a resolution as Board
7 policy. That's how I always envisioned it.

8 CHAIRMAN DARLEY: Any discussion?

9 DIRECTOR SCHAFFER: In general I know where Mike
10 is coming from and I agree with him. The tail end of
11 our last meeting we talked about the fact that we've
12 had a couple of train wrecks and we're a little bit
13 nervous about whether we're going to get our extension
14 on positive train control.

15 If we, heaven forbid, we should have another wreck
16 somewhere and Congress should say nope, we are not
17 changing our mind. You will have this done by 2015 or
18 we will do A, B, C, D and E to you including making you
19 run your trains at 30 miles an hour and that sort of
20 thing.

21 You know, I think you got to have a trap door
22 where you at least have to consider saying, well, we
23 may have to do something we don't want to do which may
24 include a fare increase to pay for positive train

1 control.

2 I mean I'm drawing what I hope, sincerely hope is
3 a worse care scenario but you can't -- you can't trap
4 yourself without having some mechanism, and I suppose
5 if it's a Board resolution it can be undone by a Board
6 resolution. We perfected that technique in
7 Springfield.

8 But I like the idea for normal operations and
9 things are kind of the way we thought they were going
10 to be and what have you, but if you get a curve out of
11 left field like that, that one, you know I think all
12 bets are off.

13 MR. FARMER: I'd like to interject here. Now,
14 legal counsel is going to have to help me out a little
15 bit but I believe the Board can certainly adopt a
16 policy it wants to follow, to say that this is what we
17 want to do and we intend to go this direction but I
18 believe there's a point at which you can't -- legal
19 counsel is going to have to help me out -- can't bind
20 the hands of future boards; is that correct? That you
21 can't prohibit a future Board from taking an action?

22 MR. ACKERMAN: Well, as Director Schaffer said,
23 what the Board does it can undo, so.

24 CHAIRMAN DARLEY: Any other discussion?

15

1 DIRECTOR DeGRAFF: We've talked about this before
2 and I understand the philosophy behind all of what
3 we're talking about and I do think the recommendations
4 coming forward is the best application for us at this
5 particular time.

6 CHAIRMAN DARLEY: Would anyone like to make a
7 motion that we recommend this to the full Board as a
8 policy or as an ordinance?

9 DIRECTOR DeGRAFF: I'll make the recommendation.

10 CHAIRMAN DARLEY: Policy or ordinance?

11 DIRECTOR DeGRAFF: Policy.

12 CHAIRMAN DARLEY: As policy. Is there a second?

13 DIRECTOR SCHAFFER: I'm kind of waiting for Mike
14 to do it.

15 DIRECTOR McCOY: I'll second it.

16 CHAIRMAN DARLEY: Any other discussion?

17 DIRECTOR McCOY: It's going to come forward as an
18 ordinance or a resolution?

19 MR. FARMER: As a policy how the Board --

20 DIRECTOR DeGRAFF: A policy is what we're
21 recommending.

22 DIRECTOR McCOY: So like we'll just say I make a
23 motion this is our policy. I second, we vote on it and
24 it's our policy and it will show up in the minutes.

16

1 MR. FARMER: Essentially, yes, and then in future
2 meetings we would consistently refer to this. You
3 would hold us accountable to doing that. That is a
4 statement of the Board's intent and we would make all
5 best efforts to follow that.

6 CHAIRMAN DARLEY: I just want to add one more
7 thing before we vote on it. My concern has always
8 been, look, if we're looking at a five percent cap or
9 whatever that we don't get into unnecessary hiring,
10 unnecessary spending, every year we've gotten an
11 operating budget that could increase by five percent,
12 whatever the number is, 5.25, whatever.

13 So that's just my -- that's my biggest concern on
14 this whole thing but do I like the accountability
15 factor of it and I like the fact that as we're
16 operating more efficiently we can say, look, market has
17 gone up five percent but we're operating within a two
18 percent increase and we managed to cut costs.

19 It gives us an ability to compliment our staff and
20 if there's areas that need improvement we can highlight
21 those as well.

22 So any other comments? So all right. Why don't
23 we take a roll call vote just in case? Or all in favor
24 signify by saying aye.

1 THE COMMITTEE: Aye.

2 CHAIRMAN DARLEY: Okay. Ayes have it.

3 MR. FARMER: Thank you.

4 CHAIRMAN DARLEY: Thank you. Well done.

5 All right. So we're going to adjourn to executive
6 session for matters related to the executive session
7 minutes.

8 DIRECTOR DeGRAFF: So moved.

9 DIRECTOR SCHAFFER: Second.

10 MR. ACKERMAN: Mr. Chairman, just so the record
11 reflects I think it's also to discuss audit.

12 CHAIRMAN DARLEY: I wasn't sure if I was supposed
13 to say that or not.

14 MR. ACKERMAN: Fine.

15 (Off the record at 11:50 a.m.)

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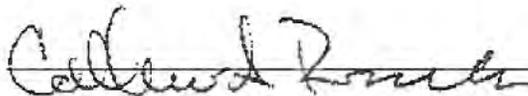
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1 STATE OF ILLINOIS)
2) SS:
3 COUNTY OF C O O K)
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5 CATHERINE S. BRADLEY, as an Officer of the
6 Court, says that she is a shorthand reporter doing
7 business in the State of Illinois; that she reported in
8 shorthand the proceedings of said meeting, and that the
9 foregoing is a true and correct transcript of her
10 shorthand notes so taken as aforesaid, and contains the
11 proceedings given at said meeting.

12 IN TESTIMONY WHEREOF: I have hereunto set my
13 verified digital signature this 10th day of June, 2013.
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17 Illinois Certified Shorthand Reporter



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