

Legislation Details (With Text)

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Title: CATS Light Rail Vehicle Repairs

Attachments:

Date	Ver.	Action By	Action	Result
5/22/2017	1	City Council Business Meeting	Approve	Pass

CATS Light Rail Vehicle Repairs

Action:

- A. Approve the purchase of repair parts for CATS Light Rail Vehicles, as authorized by the sole source exemption of G.S. 143-129 (e)(6), and**
- B. Authorize the City Manager to authorize and negotiate a contract in an amount up to \$2,000,000 with Siemens for the repair of three light rail vehicles damaged by automobile collisions.**

Staff Resource(s):

John Lewis, CATS
Allen Smith, CATS

Sole Source Exemption

- G.S. 143-129 (e) (6) provides that formal bidding requirements do not apply when:
 - Performance or price competition are not available;
 - A needed product is available from only one source or supply; or
 - Standardization or compatibility is the overriding consideration.
- Sole sourcing is necessary for this contract because there is only one supply source. Additionally, Siemens must perform this work in order to preserve the warranty.
- The City Council must approve purchases made under the sole source exception.

Explanation

- Earlier this year, three CATS Light Rail Vehicles (LRVs) were damaged in two separate collisions with automobiles.
- In one of the collisions two LRVs were coupled together and both were damaged, and the other collision involved a single LRV.
- In both cases, the insurance companies of the drivers of the automobiles accepted liability. The property liability insurance of both drivers was \$25,000, an amount insufficient to cover the full cost of damages.
- Management and Financial Services - Risk Management is assessing the availability of cost recovery beyond the insurance coverage.
- The damaged vehicles cannot be used in revenue service until they are repaired. CATS would like to begin repairs as soon as possible.
- The three vehicles out of service are needed to ensure the availability for CATS to meet service

level demands and provide spare ratio fleet needs (i.e., preventive maintenance, scheduled maintenance and vehicle defects) when other vehicle experience down time.

- Additionally, CATS needs to have sufficient vehicle ratios during all phases of testing and system integration of the Blue Line Expansion Project (BLE) to simulate future operations and shorter headways.
- The repairs needed are more extensive than the everyday maintenance services that CATS self-performs.
- This contract will provide the necessary parts and repair services to be performed by the LRV manufacturer, Siemens Industry, Inc.
- As a result of Siemens proprietary information and applicable vehicle warranties, Siemens is the vendor.
- Repair costs are estimated to be approximately \$1,600,000 and are not anticipated to exceed \$2,000,000.

Charlotte Business Inclusion

This is a sole source contract and is exempt (Part A: Appendix 27 of the Charlotte Business Inclusion Policy).

Fiscal Note

Funding: City of Charlotte Loss Fund and CATS Operating Budget