

Date: June 23, 2021

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION 21-06-37 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH SIMMONS MACHINE TOOL CORPORATION (SIMMONS) FOR THE PURCHASE AND INSTALLATION OF WHEEL LATHE AND AXLE PRESS MACHINES

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the Interim General Manager to execute a contract with Simmons Machine Tool Corporation (Simmons) for the Purchase and Installation of Wheel Lathe and Axle Press Machines.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other

3. Reason for Board Action

Board authorization is required for all goods or services contracts obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other

5. Background

Over the past several years, TriMet has been upgrading and improving its Ruby Junction maintenance facility. Previous work has included replacement of three bridge cranes and the replacement of the Light Rail Vehicle (LRV) hoist. The existing wheel lathe and axle press machines are at the end of their useful lives and are in need of immediate replacement. Both machines are over 30 years old and the Original Equipment Manufacturer (OEM) can no longer fully support the repair or replacement of critical components. Replacement of these machines is necessary for the continued maintenance and state of good repair of TriMet's LRV fleet.

6. Procurement Process

TriMet staff has worked extensively with an equipment design team to develop the best plan to replace the two critically important machines. After extensive review of available alternatives,

a sole source contract with Simmons is the preferred option, in particular because Simmons currently is the only company that manufactures both of the machines in use by TriMet. The existing wheel lathe is a Hegenscheidt machine, which Simmons manufactures. Replacing the current wheel lathe with a product made by the same manufacturer will allow TriMet to make use of the existing pit where the machine is located with limited modifications, and will reduce costs. Additionally, continued use of Hegenscheidt products will reduce training time and costs for Rail Equipment Maintenance staff.

TriMet's axle press also is a Hegenscheidt product, and Simmons is the only company that currently manufactures the Hegenscheidt axle press. Replacing TriMet's axle press with a Hegenscheidt product will result in savings to the agency of approximately \$200,000.

Finally, by contracting with Simmons to manufacture and install both the machines, risk to the agency is greatly reduced and gives TriMet one point of contact for warranty issues. Simmons will bear the responsibility of delivering a complete project, rather than have that responsibility spread amongst multiple, possibly competing, contractors. This expedited procurement process will also help reduce potential impacts to service.

Simmons is an experienced, stable company that has been operating in the United States since 1910. There are currently 250 wheel lathes and 55 axle presses manufactured by Simmons in operation in North America. The equipment being purchased is highly specialized and installation requirements are unique. Utilizing the Simmons sub-contractors and the accompanying Simmons installation oversight brings a wealth of practical experience to a unique and critically important project.

7. Diversity

Simmons has a total of 119 employees, 7.5% of whom are minorities, and 10% of whom are female. Simmons will manufacture the machines itself, and use sub-contractors for the installation work.

8. Financial/Budget Impact

The total cost of the project will be \$ 4,691,988, including installation and spare parts. This includes a 20% change order allowance of, \$781,998 and is included in the Capital Improvement Program budget for FY22.

9. Impact if Not Approved

If this contract is not approved, TriMet will need to procure these goods and services through a competitive process. This option is not recommended because it will delay the replacement of these critical machines and significantly increase cost and risk for the Agency. Further, Simmons is a well-established company with a good reputation for this work, and procuring the manufacture and installation of these machines through a competitive process is not likely to reduce costs or result in a superior contractor.

RESOLUTION 21-06-37

**RESOLUTION 21-06-37 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH SIMMONS MACHINE TOOL CORPORATION (SIMMONS)
FOR THE PURCHASE AND INSTALLATION OF WHEEL LATHE AND AXLE
PRESS MACHINES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Simmons Machine Tool Corporation for the acquisition and installation of wheel lathe and axle press machines; and

WHEREAS, the TriMet Board of Directors (Board), by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to authorize goods and services contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract exceeds \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.
2. That the Interim General Manager or his designee is authorized to execute an initial Contract in an amount not to exceed \$3,909,990.
3. That the Interim General Manager or his designee is authorized to execute Change Orders in an amount not to exceed \$781,998.

Dated: June 23, 2021

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman
Legal Department