RESOLUTION NO. 83-9

A RESOLUTION

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE JOINT VENTURE OF HITACHI AMERICA, LTD. AND C. ITOH (AMERICA) INC. FOR THE CONSTRUCTION, DELIVERY AND MAINTENANCE OF 130 RAIL TRANSIT VEHICLES.

WHEREAS, the Metropolitan Transit Authority, (METRO) issued an invitation for bid for the acquisition of 130 rail transit vehicles along with maintenance services for said vehicles for a minimum period of two (2) years after initiation of revenue service; and

WHEREAS, METRO received ten (10) responses to the invitation for bid; and

WHEREAS, the responses have been thoroughly reviewed for their compliance with the requirements of the invitation for bid; and

WHEREAS, the lowest bid was submitted by CAN-CAR RAIL, Inc.; however, said bid has been determined to be non-responsive for, inter alia, failure to meet the mandatory requirements; and

WHEREAS, it appears that the bid of the joint venture of HITACHI AMERICA, LTD. and C. ITOH (AMERICA) INC. with the Garrett Corporation propulsion system is the lowest responsive bid to the invitation for bid;

WHEREAS, the METRO Board of Directors is desirous of proceeding to award a contract for the rail transit vehicles specified if the joint venture of HITACHI AMERICA, LTD. and
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C. ITOH (AMERICA) INC. is determined to be a responsible bidder based upon a pre-award site evaluation study and a verification of satisfactory minority business enterprise participation; and

WHEREAS, the Board of Directors hereby finds and declares that for a number of reasons an emergency exists requiring the authorization of this procurement without the usual seventy-two (72) hour advance public notice;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS THAT:

Section 1. The bid of CAN-CAR RAIL, Inc. is found to be non-responsive to the invitation for bid.

Section 2. The bid of the joint venture of HITACHI AMERICA, LTD. and C. ITOH (AMERICA) INC. is found to be responsive to the invitation to bid.

Section 3. The General Manager be and he is hereby authorized to execute a contract with the joint venture of HITACHI AMERICA, LTD. and C. ITOH (AMERICA) INC. for the acquisition of 130 rail transit vehicles with the Garrett Corporation propulsion system and maintenance services for a minimum two-year period after commencement of revenue service at a cost not to exceed $139,301,870 provided the joint venture of HITACHI AMERICA, LTD. and
C. ITOH (AMERICA) INC. is determined to be a responsible bidder based upon the pre-award site evaluation study and verification of satisfactory minority business enterprise participation.

Section 4. This resolution is effective immediately upon passage.

PASSED this 7th day of February, 1983.

APPROVED this 7th day of February, 1983.

ATTEST:

Geraldo G. Acosta
Secretary

Daniel C. Arnold
Chairman of the Board

APPROVED AS TO SUBSTANCE:

Alan F. Kiepper
General Manager

APPROVED AS TO FORM:

Dennis C. Gardner
Staff Counsel
RAIL TRANSIT VEHICLE
EVALUATIONS AND AWARD

On January 12, 1983, METRO received bids from ten companies interested in providing rail vehicles for METRO's Stage One Regional Rail System. At that time, CanCar Rail Inc. (CanCar), a Canadian company, submitted the apparent low bid. METRO has thoroughly evaluated this bid and the materials submitted with it.

In the evaluation, it was found that CanCar's bid failed to comply with some of the bid instructions, failed to assure compliance with the minimum technical requirements, and rejected some essential contractual terms.

Findings of the bid evaluation include the following:

- CanCar did not guarantee that their proposed rail vehicle would operate satisfactorily in the temperatures characteristic of Houston's summer weather. In addition, the proposed vehicle's air-conditioning capacity was found to be inadequate.

- CanCar's bid did not fully comply with certain fire-safety and flammability requirements for vehicles. METRO insists upon these safety requirements.

- CanCar tolerances on vehicle braking do not satisfy the mandatory requirements.

- CanCar did not provide the requested certification that the proposed vehicle would meet the reliability requirements.

- CanCar asked to be excused from the responsibility of coordinating the installation and checkout of train control and
communication equipment. This requirement cannot be relieved because of the critical nature of this equipment and its impact upon vehicle operations.

- CanCar's bid did not include the price of the necessary parts to be used for the required two-year maintenance period after delivery of the vehicles.

In light of the CanCar findings, METRO staff has proceeded to evaluate the other bids and has determined that the lowest responsive bid was submitted by the joint venture of Hitachi America, Ltd. and C. Itoh (America) Inc. The Future Programs Committee recommends that the General Manager be authorized to execute the transit car contract with Hitachi-C. Itoh subject to a determination that Hitachi-C.Itoh is a responsible bidder based on a site evaluation study and a verification of their satisfaction of minority business enterprise requirements.