

Date: October 26, 2022

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 22-10-60 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH CUSTOM TRUCK ONE SOURCE, INC. (CUSTOM TRUCK) FOR THE PURCHASE OF A WORKHORSE RAIL CAR MOVER

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract with Custom Truck One Source, Inc. (Custom Truck) for the purchase of a Workhorse rail car mover (Contract).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other: Sole Source

4. Reason for Board Action

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

5. Type of Action

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

6. Background

TriMet's Brandt truck is a heavy duty rail car mover, purchased in 1998, and is the only vehicle that TriMet can use to move a Light Rail Vehicle (LRV) in the event of a mechanical failure or emergency. TriMet's Rail Equipment Maintenance (REM) department has had numerous incidents during which it has had to tow or move an LRV, which would not have been possible without the Brandt. REM uses the Brandt for de-wirements, frozen wheel bearings, loss of traction power, and to tow LRVs that get stuck due to the presence of ice on the overhead catenary system (OCS).

The Brandt has a large walk-in box in which the re-railing equipment and the dollies needed in the event of a seized wheel bearing are stored. The Brandt also has a crane on the back used to remove errant vehicles from the right-of-way (ROW), tasks that are beyond the ordinary capability of a normal-sized tow truck.

In recent years, necessary repairs and upgrades related to the age of the Brandt have increased, both in frequency and cost. Many repairs have been made to replace aging parts of the hydraulic and air systems, both of which are crucial to proper operation. Because of the complexity of the Brandt truck, these repairs are time consuming and very expensive.

Each year, the Brandt must pass a federally regulated safety inspection, and it barely passed inspection this year. If kept in service as REM's sole rescue truck, expensive maintenance will be required. If the Brandt were not to pass a future safety inspection, it would leave TriMet without the use of this essential asset.

In addition, the age of the Brandt means that it does not have modern diesel emissions components. The State of Oregon has mandated that all diesel trucks must have modern emissions components before 2030. Therefore, replacement of the Brandt will be necessary before that date, in any event.

Under these circumstances, it is critically important for REM to acquire an additional functional rail car mover, which would allow one to be stationed at the Ruby Junction rail yard, and one at the Elmonica rail yard. At this time, Custom Truck has a Workhorse rail car mover available for purchase, and it could be delivered to TriMet within six months.

Acquisition of the Workhorse rail car mover as a second specialty vehicle is crucial to REM operations, and would allow TriMet to maintain emergency responsiveness while taking some of the burden off the aging Brandt.

Custom Truck is a leading "one-stop-shop" provider of specialty equipment, serving customers in the growing electric utility transmission and distribution, telecommunications, rail, and infrastructure markets in North America. It offers a full suite of equipment solutions, including equipment rental, new and used equipment sales, and aftermarket parts, service tools and accessories.

7. Description of Procurement Process

This is a sole source contract. TriMet's Project Manager provided a sole source justification for the Contract with Custom Truck based on Custom Truck's Original Equipment Manufacturer (OEM) status.

Staff has reviewed Custom Truck's pricing for the proposed purchase Contract and determined it to be fair, reasonable, and within industry standards. The Contract is a firm/fixed unit price, definite quantity/definite delivery, goods and services contract for one Workhorse rail car mover, at the price of \$1,120,500.

Because unforeseen supply chain problems may interfere with completion of the procurement of this specialty vehicle and may result in an increase in cost, the attached Resolution includes authority for a potential cost increase of up to \$112,050, or ten percent (10%) of the Contract amount.

8. Diversity

Custom Truck's total employee count is 2,185, and its workforce is 31.1% minority and 15.8% female. Custom Truck manufactures and assembles all of its vehicles at one location in Kansas City, Missouri, and does not subcontract the manufacture of its vehicles.

9. Financial/Budget Impact

Funding for the proposed Contract is within the FY2023 Capital Programs adopted budget.

10. Impact if Not Approved

As the Brandt nears the end of its useful life, it will become increasingly unreliable. The purchase of a second rescue truck is urgently needed, and deferring the purchase of the Workhorse rail car mover is not a prudent option. If this Resolution is not approved, the available Custom Truck Workhorse rail car mover will be sold to another entity. Therefore, approval of this Resolution is strongly recommended.

RESOLUTION NO. 22-10-60

**RESOLUTION NO. 22-10-60 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH CUSTOM TRUCK ONE SOURCE, INC. (CUSTOM TRUCK)
FOR THE PURCHASE OF A WORKHORSE RAIL CAR MOVER**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Custom Truck One Source, Inc. (Custom Truck) for the purchase of a Workhorse rail car mover (Contract); and

WHEREAS, by Resolution dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize contracts obligating TriMet to pay in excess of \$1,000,000; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract with Custom Truck in the amount of \$1,120,500, plus to execute change orders in the total amount of \$112,050, or 10% of the Contract amount.

Dated: October 26, 2022

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman
Legal Department