Addition of Contingency to BL-Level and Coach Car Overhaul Contract to Cover Hidden and Latent Damage Identified During Overhaul Due to Age/Condition

Committee-of-the-Whole
May 25, 2021

Bonnie Murphy
Vice President, Commuter Rail & Railroad Mgmt.
Today’s Consideration

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to add contingency funding to the contract with CAD Railway Industries, Ltd., [Contract C-2046256-01] for Bi-Level Overhaul & Side Sill Repair for additional costs to cover hidden and latent damage identified during overhaul in TRE coach and cab cars due to age and condition of the vehicles, in the amount of $781,362, for a new total authorized amount not to exceed $16,672,388
Background

• Funding for the contingency, in the amount of $781,362 will be added to the Bi-Level Overhaul & Side Sill Repair project and is included the Commuter Rail Capital line item in the FY 2021 Twenty-Year Financial Plan.

• The contingency will be added to the contract [Contract C-2046256-01] by contract modification via the Change Request/Change Order process, as needed, and will be jointly shared 50/50 between DART and Trinity Metro (DART's share - $390,681; Trinity Metro's share - $390,681).

• Quality Control Inspector verifies and validates the nature of each change request prior to authorization of work.
**Scope of Work**

- The current contract provides major overhaul to three (3) bi-level cab cars; overhaul and side sill repair to four (4) bi-level coach cars; and side sill repair to eight (8) bi-level coach cars
- CAD has completed side sill repair on two (2) coach cars and is currently performing overhaul on one TRE cab car and overhaul and side sill repair on one (1) coach car
- Each vehicle has presented a unique, hidden or latent level of damage not anticipated within the scope of work for the contract
- Therefore, TRE is requesting to add contingency to the project budget to cover unanticipated damage, due to age and condition of the vehicles, identified during overhaul in TRE coach and cab cars
Expenditure Justification

- This is necessary because the hidden and latent damage can be significant in many instances. If left unrepaired, the integrity of the rebuild is put in jeopardy.
- This needs to happen now in order to meet the current schedule for timely overhaul and return of the vehicles to TRE for revenue service.
- This can be phased because the contingency funding will be issued as individual change orders to provide DART the opportunity to evaluate each individual change request.
- The amount cannot be reduced because the unanticipated repairs on vehicles overhauled to date are consistent with the calculation provided per car.
Recommendation

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to add contingency funding to the contract with CAD Railway Industries, Ltd., [Contract C-2046256-01] for Bi-Level Overhaul & Side Sill Repair for additional costs to cover hidden and latent damage identified during overhaul in TRE coach and cab cars due to age and condition of the vehicles, in the amount of $781,362, for a new total authorized amount not to exceed $16,672,388