CITY OF Prineville
STAFF SUMMARY REPORT

AGENDA TITLE: Consideration of Award of Purchase of two Remanufactured Switching Class Locomotives as part of the Connect Oregon III project.

RECOMMENDATION

The City of Prineville Railway requested proposals for the purchase of two remanufactured switching class locomotives on June 15, 2013. These locomotives will be used on the City owned 18 mile short line for daily switching operations. The locomotives will be used in yard limits never exceeding 20MPH and will traverse one 3% grade for 3 tenths of a mile; locomotives should be set up accordingly.

Budget/Financial Impact
Sufficient balances are available in Freight Depot (Connect Oregon III ((50) Fund for this purchase. This purchase is the last step in completing the Connect Oregon Project.

Proposals were received from the following companies on June 28, 2013:

1.	Relco Locomotive Inc.	Lisle, IL
2.	Progress Rail Services	Tacoma, WA
3.	LTE Rail Service	Warren, OH
4.	Western Rail Inc.	Airway Heights, WA
5.	National Railway Equipment	Dixmoor, IL
6.	Motive Power Resources, Inc.	Arab, AL
7.	GATX Rail Locomotive Group	San Francisco, CA

Proposals responses were evaluated and scored on the following criteria:

1. Condition of Cab and locomotive represented supplied photos
2. Overall price of locomotive including delivery
3. Mechanical Condition
4. Condition of Electrical system
5. Warranty

After reviewing and evaluating the proposals, staff recommends Council approve Intent to Award for the purchase of one locomotive in the amount of **$ 558,500.00** to Relco Locomotive Inc.

Evaluation Scores for RFP # 2003-12-13PS for INFORMATION RELATED TO THE PURCHASE OF TWO REMANUFACTURED SWITCHING CLASS LOCOMOTIVES
RFP # 2003-13-13PS

RFP Submittal Deadline 6-28-2013 2:00 P.M

Categories

1. Condition of Cab and locomotive represented supplied photos (2 Pages)
2. Overall price of locomotive including delivery (1 page)
3. Mechanical Condition (2 pages)
4. Condition of Electrical system (2 pages)
5. Warranty (2 pages)

	1	2	3	4	5	
Total points possible:	**20**	**20**	**20**	**20**	**20**	
Western Rail Inc.						**Average**
Scorer #1	10	18	8	8	4	12.00
Scorer #2	6	19	6	6	2	9.75
Scorer #3	9	20	8	8	5	12.50
Scorer #4	9	18	9	9	4	12.25
	PROPOSER TOTAL			**46.50**		
National Railway Equipment CO.						
Scorer #1	18	2	18	18	5	15.25
Scorer #2	15	8	18	17	3	15.25
Scorer #3	18	1	19	15	4	14.25
Scorer #4	19	1	16	16	3	13.75
	PROPOSER TOTAL			**58.50**		
Motive Power Resources Inc.						
Scorer #1	18	1	19	19	18	18.75
Scorer #2	16	1	18	18	17	17.50
Scorer #3	18	1	20	18	19	19.00
Scorer #4	18	1	19	20	19	19.25
	PROPOSER TOTAL			**74.50**		

Evaluation Scores for RFP # 2003-12-13PS for INFORMATION RELATED TO THE PURCHASE OF TWO REMANUFACTURED SWITCHING CLASS LOCOMOTIVES RFP # 2003-13-13PS

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3. Mechanical Condition (2 pages)
4. Condition of Electrical system (2 pages)
5. Warranty (2 pages)

	1	2	3	4	5	
Total points possible:	**20**	**20**	**20**	**20**	**20**	

Relco Locomotive Inc.

						Average
Scorer #1	20	17	19	18	20	23.50
Scorer #2	15	10	18	17	19	19.75
Scorer #3	20	15	19	15	20	22.25
Scorer #4	20	17	19	18	19	23.25
	PROPOSER TOTAL			**88.75**		

Progress Rail Service

Scorer #1	15	17	15	14	10	17.75
Scorer #2	9	11	10	7	8	11.25
Scorer #3	12	10	14	14	12	15.50
Scorer #4	16	16	15	15	10	18.00
	PROPOSER TOTAL			**62.50**		

LTE Rail Service

Scorer #1	14	18	11	11	2	14.00
Scorer #2	8	19	6	5	6	11.00
Scorer #3	15	20	16	16	12	19.75
Scorer #4	13	17	12	12	12	16.50
	PROPOSER TOTAL			**61.25**		

GATX

Scorer #1	16	18	15	14	2	16.25
Scorer #2	10	14	18	15	1	14.50
Scorer #3	17	17	18	14	1	16.75
Scorer #4	16	17	17	13	2	16.25
	PROPOSER TOTAL			**63.75**		

FINAL SCORES

Relco Locomotive Inc.	88.75
Motive Power Resources Inc.	74.50
GATX	63.75
Progress Rail Service	62.50
LTE Rail Service	61.25
National Railway Equipment CO.	58.50
Western Rail Inc.	46.50

RELCO's Experience and History

RELCO Locomotives is a long-established company in the locomotive leasing, rebuilding, and repairing industry. For decades the name RELCO Locomotives has been synonymous with quality, value, and exceptional service. RELCO Locomotives was founded in 1961 by George Bachman to lease quality locomotives to railroads and industrial companies throughout the Midwest.

Don Bachman's history began in 1970 when he joined forces with his father, George. RELCO may be significantly larger with far greater capabilities, but the organization's integrity and ultimate goals remain the same. Don pioneered the development of RELCO's field service division ensuring that RELCO's locomotive lease fleet and any customer warranty issues are handled in a timely and efficient manner.

Upon Don's retirement Doug Bachman, RELCO CAO and Chairman, Mark Bachman, COO and Chuck Benson, CBDO formed a team to ensure that customers receive the highest levels of service and that RELCO remains ahead of the curve both operationally and technologically. Their strengths lie in in-depth knowledge and expertise, their understanding of what customers want, plus a determination not only to meet, but exceed customer expectations. Also important is providing a safe work environment for employees and allowing them to grow within the organization.

Today, 50 years later, RELCO continues to be a privately owned corporation headquartered in Illinois. RELCO expanded, offering total motive solutions to railroads, industrial companies, and government agencies throughout North America. RELCO also specializes in remanufacturing and rebuilding locomotives utilizing state-of-the-art facilities, expert staff, and commitment to both maintaining the highest standards and providing only the most reliable locomotives and service in the industry. RELCO is a premier provider of total motive power solutions!

RELCO's full-service locomotive shops and strategically located service centers enable us to provide top-quality maintenance services to prevent problems, while its expert team provides the highest levels of service and support to get the customer's locomotive back in service as soon as possible should problems arise. RELCO Locomotives not only maintains the 100+ locomotives in its own fleet; it also provides a full range of resources to support many customer owned locomotives.

RELCO's new state-of-the-art locomotive rebuild facility was designed using best designs and practices developed over a 40 year period. Located in Albia, Iowa, the 95-acre site has a main locomotive shop, a self-contained blast and paint shop, and over 10,000 feet of track. Currently RELCO employs 150 people.

The main locomotive shop, which is 100,000 square feet, has 5 tracks, two of which are served by a single-axel drop table. It houses 6 overhead cranes with a total crane capacity of over 175 tons! The shop also contains 2 raised rail pits for overhead inspection, as well as state of the art fabrication and components rebuild areas!

Also available at the site are nearly 30 miles of track for locomotive run-in and testing, including a Y-turn track. The Albia site offers a direct interchange with the BNSF and IC&E railroads and close interchange with the Union Pacific railroad. A parts warehouse, in-house machine shop, fabrication shop, storage yard for multiple locomotives, and separate wet blast and paint facilities are also on site.

Cab angle view of RELCO's Raised Rails. RELCO's two state-of-the-art raised rails enable technicians easier access to work all *around* the locomotives. They also enable easier under-carriage inspections. All of this provides greater quality!

Below angle view of RELCO's Raised Rails; these also enable easier under-carriage inspections. All of this provides greater quality!

RELCO

RELCO Locomotives' Paint Facility

RELCO is proud to boast the largest free-standing, self-contained paint facility dedicated to locomotives in the mid-western United States. It is currently 5,400 square feet with another expansion, necessitated by demand, to be completed shortly. RELCO's paint facility has one bay for locomotive preparation. This **Wash Bay** has the ability to blast a locomotive to bare metal using nothing but water pressurized to 39,000 psi. This environmentally friendly system ensures no wasted material. It then employs centrifuges and an oil collection system to recover any impurities back out of the residue water; again, environmentally friendly. RELCO's paint facility has a second **Paint Bay**. The Paint Bay utilizes two man lifts on three-axis systems so paint personnel can seamlessly travel the full length and height of the entire locomotive, never having to leave the lift. The Paint Bay has its own air exchange heat system which provides a clean atmosphere; it also utilizes heaters that can 'bake' the paint job for the perfect finish. This technology enables a seamless, quality paint job!

Additionally, RELCO has industry expert painters with over 30 years of experience. RELCO has a fifteen year relationship with Kelly Industrial Coatings, which is a rail industry supplier for DuPont Paints. DuPont Paints values RELCO's expertise and constantly works to gather data from RELCO about paint application, paint longevity, etc. DuPont utilizes RELCO's valuable input to make needed changes. This synergistic relationship is a benefit for the entire rail industry and especially for our customers wanting custom paint jobs!

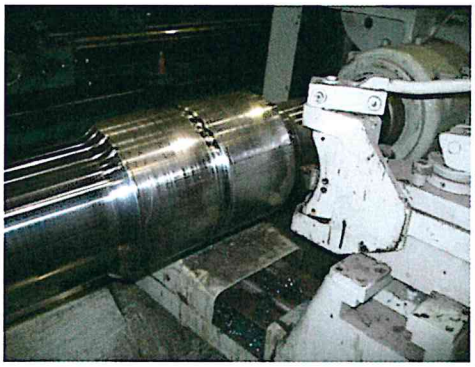
RELCO's Paint Bay Technician utilizes a 360 degree crane while painting a locomotive.

RELCO Locomotives' Wheel and Axle Shop

RELCO has a wheel and axel shop of over 3700 square feet containing axle lathe, wheel boring mills, and axle presses. This facility is served by both 5 ton and 30 ton overhead cranes. As is well-known, over the last several years there has been an industry wide shortage on steel. This Wheel and Axle shop is a valuable commodity for RELCO's customers, it allows for the re-utilization of axles and re-cycling of wheels, thus providing a valuable cost savings.

RELCO's expertise is also illustrated by the fact that we were one of the first companies to make Class C wheels our company standard over 20 years ago (when Class B wheels were the standard)! RELCO's experienced field technicians noticed that Class C wheels had a longer wear life than Class B. Utilizing Class C wheels provided an economical savings for our customers as well.

The synergy that comes from a superior product, expertise, and long-standing vendor relationships is paramount to RELCO's continued success!



A portion of RELCO's Wheel and Axle Shop which enables additional components to be seamlessly and efficiently provided to valued customers!

Employing the Latest Technology

RELCO also works to employ the latest technology available. One example of this is the Computer Controlled Plasma Table which utilizes CAD/CAM computer designs to cut steel. This provides greater efficiency and quality.

Punch Press (left) Plasma Table (right) utilizes computer accuracy to cut steel.

RELCO Maintenance Service Fleet

RELCO maintains an extensive fleet of fully equipped heavy maintenance trucks and OTR tractor trailers that will transport our expert maintenance teams and equipment wherever they are needed.

RELCO's Project Success

BNSF Railway- Ongoing Locomotive Maintenance Repairs

- *Remote applications*- Appling in excess of 100 systems of multiple manufacture types (ie Cattron, GE, Canac) of remote systems to various manufacture types of locomotives (EMD, Gen-sets)

- *Mother-slug modifications and upgrades*- designing and converting both GP and SD types of locomotives in addition installing remote control systems

- *Dash 3 upgrades*- installing OEM microprocessors to various EMD locomotive configurations. Appling "Tier" compliant 645 and 710 engines, upgrading the locomotives cab to the most current FRA/AAR regulations.

- *SD45 conversion to SD 40-2*- Completely strip locomotive to frame, modify deck and frame to accept a 16 cylinder engine in place of the traditional 20 cylinder. Apply Dash 2 technology, re-cable/rewire, rebuild trucks, re-ballast and assemble

- *Upgrades of existing Snow plow*- design, manufacture and install new comfort cabs and long hoods. Design and install new control systems for both power and rotor, update existing rotor drive system improving operation and adding new technology thrust drive system.

- *Heavy wreck repairs*- on both EMD and GE AC and DC locomotives with new technology as well as traditional types of locomotives. Repairs include the manufacture/fabrication of replacement components, straightening frames and carbody sections, cable and wire replacement/repairs.

Union Pacific-Ongoing Locomotive Maintenance Repairs

- *Heavy wreck repairs*- on *both EMD and GE AC and DC* locomotives with new technology as well as traditional types of locomotives. Repairs include the manufacture/fabrication of replacement components, straightening frames and carbody sections, cable and wire replacement/repairs.

- *Remote applications*- Appling in excess of 40 systems of multiple manufacture types (ie Cattron, GE, Canac) of remote systems to various manufacture types of locomotives (EMD, Gen-sets)

- *Upgrades of existing Snow plow*- design, manufacture and install new comfort cabs and long hoods. Design and install new control systems for both power and rotor, update existing rotor drive system improving operation and adding new technology thrust drive system.

- *Mother-slug modifications and upgrades*- designing and converting both GP and SD types of locomotives in addition installing remote control systems, Tier compliant engine and cooling package, NEW OEM high voltage with microprocessor, PTC and locator/data interchange systems.

- *Truck rebuilds EMD/GE*- completely rebuild the existing frames, machining and repairing wear surfaces, replace worn bushings and pins, tramming the frame for trueness.

RELCO

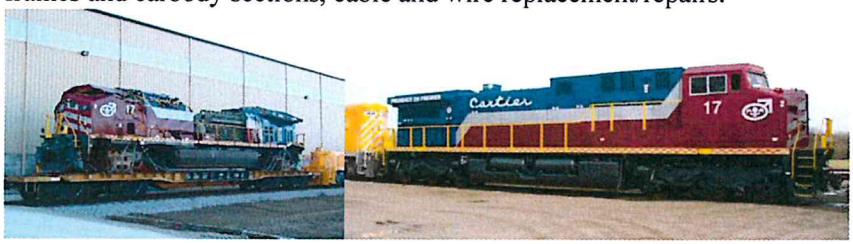
CSX Transportation-Ongoing Locomotive Maintenance Repairs

- *Heavy wreck repairs*- on *both EMD and GE AC and DC* locomotives with new technology as well as traditional types of locomotives. Repairs include the manufacture/fabrication of replacement components, straightening frames and carbody sections, cable and wire replacement/repairs.

- *Engine rebuilds EM- SD60/70 DC and AC- clean, repair*/remanufactured 24 both 645 and 710 engines, repaired both damaged blocks and oil pans; line bored and machined damaged top decks and crankshaft areas. Upgraded both 645 and 710 to the appropriate "tier" level in accordance to the customer specification and EPA regulations.

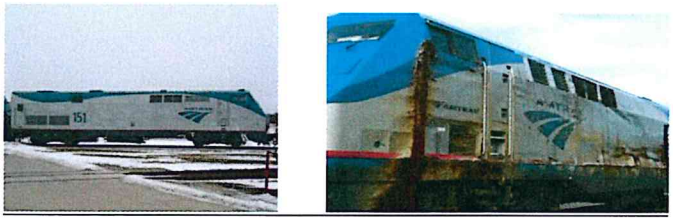
Cartier Mining– AC 4400 (wreck repair)

- *Heavy wreck repairs*- on GE AC locomotives with new technology. Repairs include the manufacture/fabrication of replacement components, straightening frames and carbody sections, cable and wire replacement/repairs.



Amtrak– P42 (wreck repair)

- *Heavy wreck repairs*- on GE DC locomotives with new technology and European carbody. Repairs include the manufacture/fabrication of replacement components, straightening frames and carbody sections, cable and wire replacement/repairs.



Canadian Pacific – Ongoing Locomotive Maintenance Repairs

- *Heavy wreck repairs*- on both EMD and GE AC and DC locomotives with new technology as well as traditional types of locomotives. Repairs include the manufacture/fabrication of replacement components, straightening frames and carbody sections, cable and wire replacement/repairs.

- *Truck rebuilds EMD/GE*- completely rebuild the existing frames, machining and repairing wear surfaces, replace worn bushings and pins, tramming the frame for trueness in compliance to OEM MIs.

- *Cab upgrades-* upgrades the existing cab design to reduce noise improve temperature control and added "creature comfort" systems for ease of operation. Upgrades completed for both EMD and GE locomotive types.

- *Carbody repairs and upgrades-* fabricate and replace damaged carbody, frame and cab components in compliance to FRA/AAR requirements and regulations

AK Steel – (Redesign/rebuild)

- *Custom Locomotive design-* Reconfigured cab to accommodate clearance issues, allow for the installation of cooling, heating and other creature comfort items. Applied secondary Gen-set 4-cylinder engine and 60kw generators to supply power to run Hydraulics on side-dump cars. Upgraded and relocated locomotive generator to a D-15 generator and 6-cylinder engine for main power. Installed DC cooling fans in place of mechanical drive assemblies. Re-designed cooling system and equipment rack to accommodate the addition of secondary Gen-set. Completed high and low voltage rewire/cable of locomotive. Installed Cattron remote control unit and HVAC under cab unit.

Canadian National – (conversion of NW-2 to SW1600)

- *Custom Locomotive design-* Completed re-design of under hood, equipment layout, radiator and hatch. Applied D22 generator, AC rooftop cooling fans to unit. Refurbished cab, apply AC unit, Cattron Remote control. Re-wired entire unit and installed ZTR BOA system. Rebuilt truck assemblies to meet customer specifications.

Before

After

Herzog Contracting

- *Custom Locomotive design*-Design and manufacture complete power car to include carbody, cab, controls, drive system, engineered complete electrical system to include Microprocessor control, remanufacture complete engine, truck assemblies, AR 10 Main Generator and rotating equipment, integrate new design Remote control into locomotive operation.

Cedar Rapids & Iowa City Railway – (Mother-Mate)

Mother/Power Unit-MP 15

- *Custom Locomotive design*- Re-design the existing carbody and electrical systems installing new generation microprocessor, rebuilt AR-10 main generator, 18kW auxiliary generator, designed and build new cab to meet customer requirements, applied high voltage cable to power Mate, rebuilt truck assemblies and apply new mount wheel assemblies, renewed complete electrical system.

Mate/Slug Unit

- *Custom Locomotive design (see below for overview)*- Designed and built locomotive mate carbody to customer specifications, designed and applied internal containment for added weight requirements, engineered and applied high and low voltage cable and wiring to operate traction motors and required cooling and lighting devices, modified existing air brake system to accommodate new operational requirements, rebuilt truck assemblies.

RELCO Locomotive –

- *Engine rebuilds*- complete inspection, cleaning to bare metal, conduct non-destructive testing of welds and high stress areas, confirm block and pan dimensions and document. Make necessary repairs to; cylinder head pots, test cock tubes, A-frames, bearing surfaces, end sheets, top deck areas, exhaust port areas, mounting pads, crankcase windows, and all thread holes. Upgrade to latest "tier" compliant levels.

- *Truck rebuilds*-disassembled complete to the bare frame.
- *Fabrication*- Designed and built locomotive carbody to customer specifications,