

# M · E · M · O

## Alameda Corridor Transportation Authority

October 11, 2018

<b>To:</b>	Governing Board
<b>From:</b>	John T. Doherty, Chief Executive Officer
<b>Subject:</b>	<i>Sole Source Procurement of Upgraded Automatic Equipment Identification (AEI) Readers (APPROVAL)</i>

**Recommendation:**

Approve a sole source procurement in the amount of \$153,006.50 plus a \$15,000 contingency to Comet Electronics, LLC for materials and services to upgrade 28 existing AEI Readers on the Corridor.

**Discussion:**

In February 2001, the Governing Board approved Agreement No. C0532 with Science Applications International Corp. (SAIC) to design and install an Automatic Equipment Identification (AEI) system at over three dozen strategic locations along the Corridor and in the Port Area. The final cost was approximately \$2.6 million.

The purpose of the system is to track the movement of containers by the Railroads. Each month the Railroads self-assess the fees that are due ACTA. To confirm the accuracy of these payments, which are based on railroad records, ACTA uses several independent sources to validate the payments. These sources include port terminal data, PierPass data, and AEI Reader information.

The AEI system reads the railcar number that are affixed to the locomotives and railcars while they move along the tracks. These railcar numbers are mated with the railroad daily records to the container identification numbers that are carried on the railcars, thus enabling ACTA to verify containers using the Corridor.

The Railroads also use the AEI data at some locations for their own operational purposes, and requested an upgrade of the processor modules within the system to better and more securely communicate data via the internet versus traditional phone line communication that now exists. The nearly 20-year-old processor modules are approaching the end of their useful life and ACTA would eventually have had to upgrade the system.



However, because the Railroads have requested an early upgrade and plan to utilize the data, they have agreed to share costs based on a negotiated formula based on use of the data. The total cost of the upgrade is approximately \$250,000 and will be shared approximately as follows: 36% UPRR, 21% BNSF and 43 % ACTA. As part of UPRR's share they are providing 21 of the 28 required Comet Electronics, LLC (Comet) modules from their inventory, charging the same unit rate as Comet. Comet must program the UPRR provided modules and license them for use. In addition, 7 new modules must be obtained from Comet as well as power supply units for all 28 locations.

A PO will be issued to Comet for their equipment and services. This is a sole-source procurement due to the fact that the replacement processor modules must be compatible with the existing system. Comet was part of SAIC's team at the time of the original installation and Comet acquired the AEI division of SAIC in 2010. To use another vendor's modules would require the entire system to be replaced, which is uneconomical.

It is requested that the Board approve this sole source procurement.

**Budget Impact:**

The cost of this upgrade project is shared between ACTA and the Railroads. The Railroads will pay their share through M&O charges in the MOW and O&M Budgets, and ACTA will pay its share from its Operating Budget, which ACTA typically uses for AEI annual maintenance. Because the Railroads now use the data from many of the readers, they will now also share the future maintenance, with this new cost sharing set to begin following the completion of the project.

The AEI upgrade project was amended into the CY2018 MOW and O&M budgets, and was approved by the Ports and Railroads in September 2018 under NMA 2018-4. All work will be completed before December 31, 2018.