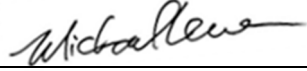


# M · E · M · O

## Alameda Corridor Transportation Authority

March 11, 2021

<b>To:</b>	Governing Board
<b>From:</b>	Michael C. Leue, Chief Executive Officer 
<b>Subject:</b>	<i>Approve Purchase Order with Comet Electronics, LLC for Procurement of Upgraded Automatic Equipment Identification (AEI) Readers (APPROVAL)</i>

**Recommendation:**

Approve a sole source procurement in the amount of \$111,545 plus a \$13,455 contingency to Comet Electronics, LLC for materials and services to upgrade 18 existing AEI Readers on the Corridor and authorize the Chief Executive Officer or Chief Financial Officer to execute the purchase order.

**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 Readers 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 matched 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 along the corridor for their own operational purposes, and they have 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 will utilize the data, they have agreed to share costs based on a negotiated formula reflecting use of the data. The total cost of the upgrade is expected to be \$157,868.38 and will be shared approximately as follows: 37.72% UPRR, 24.56% BNSF and 37.72 % ACTA. As part of UPRR's share, they are providing all of the required Comet Electronics, LLC (Comet) modules from their inventory, charging the project at half price per unit. Comet must program the UPRR provided modules and license them for use.

A Purchase Order has been received from Comet for their equipment and services (Transmittal 1). This is a sole-source procurement because the replacement processor modules must be compatible with the existing system, and compatible modules are not available from any other vendor. 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.

In October 2018, the Governing Board approved a sole-source procurement with Comet, but the project did not move forward at that time, so the purchase was not completed. The dollar value of the work has decreased by about \$10,000 since that time and percentage allocation between the parties changed to reflect data usage, with ACTA's share decreasing from 43% to 37.72%. Therefore, a new approval is required.

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

**Budget Impact:**

The cost of this upgrade project will be shared between ACTA and the Railroads. ACTA will be responsible for 37.72% of the cost totaling approximately \$60,000. The Railroads will pay their share through M&O charges in the 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. This new cost sharing is set to begin following the completion of the project at the percentage allocation set forth above.

The AEI upgrade project was included in the CY2021 MOW and O&M budgets, and was approved by the Ports and Railroads under NMA 2020-4.

**Co-General Counsel:**

ACTA's Co-General Counsel has reviewed and approved the proposed purchase order as to form.

Transmittals:

Transmittal 1: Purchase Order for Comet Electronics, LLC