

**Board Report**

File #: 2015-0366, **File Type:** Contract

Agenda Number: 51.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
SEPTEMBER 17, 2015**

SUBJECT: PARTS WASHER SERVICES FOR METRO MAINTENANCE FACILITIES

ACTION: AWARD PROFESSIONAL SERVICES CONTRACT

RECOMMENDATION

AUTHORIZING the Chief Executive Officer to award a 5-year firm fixed price Contract No. PS15360111323, to **FRS Environmental Inc., for parts washer services** in an amount not-to-exceed \$1,223,820 for a 5-year period.

ISSUE

The existing parts washer services contract will reach the Board approved amount by November 2015. The new contract will continue to provide parts washer services to Metro Maintenance facilities. The parts washers are used to remove dirt, grime, and grease from parts, tools, and equipment using aqueous (water or solvent-based) solutions. These units support the diverse production requirements of Metro Central Maintenance Shops as well as bus and rail operating divisions.

To provide the required parts washer services in a timely manner, a new contract must be awarded by October 2015.

DISCUSSION

Forty-four of the seventy parts washers that require servicing are located at the Central Maintenance Facility (CMF). CMF is responsible for providing heavy bus maintenance support to the operating divisions including but not limited to: failed engine and transmission dismantling, rebuilding and replacement, major accident repair, complete bus painting, and the rebuilding of components for power plant assemblies. Operating divisions also utilize parts washer equipment to support their daily maintenance requirements.

The contracted services include the provision of contractor-owned parts washing equipment, refilling these machines to their optimal level and removing hazardous waste materials for proper disposal (off-site), and performing preventative maintenance on the units. These services are performed at various scheduled intervals dependent on specific location requirements/applications.

DETERMINATION OF SAFETY IMPACT

Award of contract will ensure that CMF and the operating divisions will have the maintained equipment and the cleaned parts needed to repair and maintain buses and trains according to Metro Maintenance standards.

FINANCIAL IMPACT

Funding of \$165,000 for this contract is included in the FY16 budget in cost centers 3366- Central Maintenance Shops, 3790- Maintenance Administration, 5430- Central Maintenance Electronic Shops, 3601- Maintenance Division 1, 3503- Maintenance Division 3, 3805- Maintenance Division 5, 3815- Maintenance Division 15, 3818- Maintenance Division 18, account- 50308 (Service Contracts), project 306002; 3943- Rail Fleet Services Maintenance Green Line account 50308 (Service Contracts), project 300033; 3942 Rail Fleet Services Maintenance Red Line account 50308 (Service Contracts), project 300044.

Since this is a multi-year contract, the cost center manager, project managers, and Executive Director, Maintenance will ensure that the balance of funds is budgeted in future years.

Impact to Budget

The current year funding for this action will come from the Enterprise operating fund. No other sources of funds were considered for this activity because it supports bus and rail operations. This activity is part of Metro Operations on-going maintenance costs.

ALTERNATIVES CONSIDERED

The only alternative considered is the use of in-house personnel to perform these services. This alternative is not recommended for the following reasons: Metro would have to purchase the equipment, costing approximately \$300,000, and maintain, as well as periodically repair, the equipment; the degreasing agents used in the parts washer units are considered hazardous materials that require specialized certification for handling and disposal; the removal and transportation of hazardous waste must be performed by a licensed transporter; the treatment and disposal of the waste can only be performed by a permitted Treatment, Storage and Disposal Facility.

Because Metro does not have the required licenses, permits or personnel to serve in this capacity, staff has determined that it is in the best interests of Metro to contract out these services.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS15360111323 with FRS Environmental Inc. for a 5-year period for parts washer services.

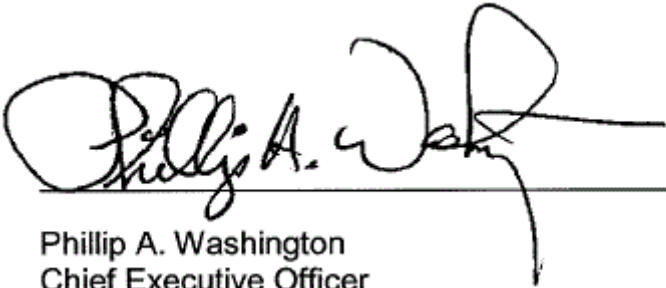
ATTACHMENT

Attachment A - Procurement Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

PARTS WASHER SERVICES FOR METRO MAINTENANCE FACILITIES

1.	Contract Number: PS15360111323	
2.	Recommended Vendor: FRS Environmental, Inc.	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 14, 2015	
	B. Advertised/Publicized: April 15, 2015	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: June 9, 2015	
	E. Pre-Qualification Completed: June 25, 2015	
	F. Conflict of Interest Form Submitted to Ethics: July 29, 2015	
	G. Protest Period End Date: September 24, 2015	
5.	Solicitations Picked up/Downloaded: 9	Bids/Proposals Received: 1
6.	Contract Administrator: Linda Rickert	Telephone Number: (213) 922-4186
7.	Project Manager: John Petres	Telephone Number: (213) 922-5743

A. Procurement Background

This Board Action is for an Invitation For Bids (IFB) procurement issued in support of parts washer services for maintenance facilities.

This is a race-neutral "Small Business Enterprise Set-Aside" project. Therefore, only bidders that are certified by Metro as an SBE were eligible to participate in this solicitation.

The IFB was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Unit Price.

One amendment was issued during the solicitation phase of this IFB. Amendment No. 1 issued on May 11, 2015, clarified the approval of the use of alternative equipment and extended the bid due date to June 9, 2015.

One bid was received on June 9, 2015. Parts washer services require special licensing and approval of chemicals through the Department of Toxic Substances Control. An internet survey indicates that FRS Environmental is the only vendor licensed to provide these services. Other vendors in the U.S. sell the equipment, but do not pick up and dispose of the black water created in the parts washer process in Los Angeles.

B. Evaluation of Proposals/Bids

The project manager determined that FRS Environmental, Inc. has the technical skills to perform the Statement of Work requirements in providing and servicing equipment for parts washing.

Qualifications Summary of Firm(s):

FRS ENVIRONMENTAL, INC.

FRS Environmental, Inc. is the incumbent and has provided the equipment and maintenance in prior contracts. FRS Environmental has the technical skills and the required licenses to provide equipment and remove the hazardous water created from washing parts.

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon historical pricing, a review and analysis of the cost required for new equipment, and departmental expertise.

	Bidder Name	Bid Amount	Metro ICE
1.	FRS Environmental, Inc.	\$1,223,820	\$908,000

D. Background on Recommended Contractor

The recommended firm, FRS Environmental, Inc. started in Corona, California in 1996 and is a Metro certified SBE and DBE. Their prior work with Metro is satisfactory. They also service the Los Angeles Unified School District and Long Beach Transit. They are licensed through the Department of Toxic Substances Control to transport toxic waste products.

E. Small Business Participation

Effective June 2, 2014, per Metro's Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Prime/Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro's website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only**.

FRS Environmental is an SBE Prime that is performing 100% of the work with its own workforce.

	SBE Prime Contractor	SBE % Committed
1.	FRS Environmental (Prime)	100%
	Total	100%

F. Living Wage Service Contract Worker Policy

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

G. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.