

**Board Report**

File #: 2015-1481, **File Type:** Contract

Agenda Number: 37.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 19, 2015**

SUBJECT: PURCHASE OF BUS COMPONENTS

ACTION: RECOMMENDATION FOR AWARD

RECOMMENDATION

AUTHORIZING the Chief Executive Officer to award a 24-month, firm fixed price contract under Bid Number 15-0004 to the following lowest responsive and responsible bidders for the **purchasing of bus components** for a base amount not to exceed \$1,280,509 inclusive of sales tax, and a one year option amount of \$1,306,116 inclusive of sales tax, for a total contract amount of \$2,586,625.

Each component, contract value and award is listed as follows:

- A. **New Flyer Industrial for line item 3 (Module - ECU, ABS System)** for a total contract value of \$170,286 and;
- B. **Cummins Pacific, LLC for line items 5 (Module - Electronic Control 8.9L Gas Plus), 6 (Module - Electronic Control ISL 8.9L) and 11 (Module - Ignition Control)** for a total contract value of \$2,416,339.

ISSUE

This procurement is for the acquisition of various bus parts that are required for the repair and maintenance of the bus fleet. This ensures that the fleet is in a safe and reliable condition for revenue service. Award of these contracts are essential in maintaining adequate inventory at the operating divisions and the Central Maintenance Shops to repair and maintain the buses according to Metro maintenance standards.

DISCUSSION

The bus parts in this procurement are used to control many of the systems on Metro buses. These components are replaced as needed based on failure or as part of regularly scheduled maintenance. They allow various parts of the engine to function correctly including portions of the bus dashboard. These components are critical elements to keep the bus systems from shutting down and thus preventing road calls. These electronic components are the brains of the engine and cannot be repaired, only re-programmed or replaced.

The contract to be awarded is a “requirements type” agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time. However, there is no obligation or commitment for us to order any or all of these parts. The bid quantities are estimates only, with deliveries to be ordered and released as required.

DETERMINATION OF SAFETY IMPACT

Award of contract will ensure that all operating divisions and the Central Maintenance Facility have adequate inventory to repair and maintain the buses according to Metro Maintenance standards.

FINANCIAL IMPACT

The funding of \$635,710 for the components is included in the FY16 budget under multiple bus operating cost centers in project 306002 Operations Maintenance under line 50441, Parts - Revenue Vehicle and in Central Maintenance cost center 3366, under project 203035 Engine Replacement Project and line item 50441, Parts - Revenue Vehicle.

Since this is a multi-year contract, the cost center manager and Operations will be accountable for budgeting the cost in future fiscal years including any option exercised.

Impact to Budget

The source of funds for this procurement will come from Federal, State and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities.

ALTERNATIVES CONSIDERED

The alternative is to not award the contracts and continue to procure bus component control modules on an as-needed basis at a higher cost. This approach is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

NEXT STEPS

Metro’s requirements for bus modules will be fulfilled under the provisions of the contracts.

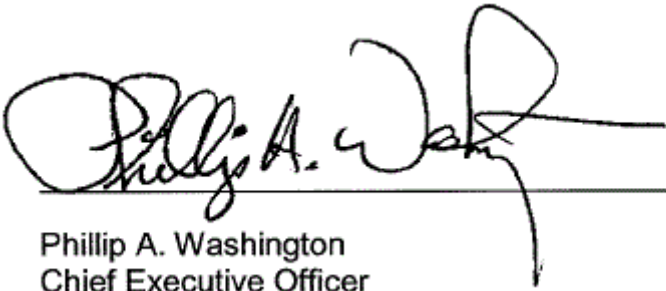
Attachments

- A. Procurement Summary
- B. DEOD Summary

Prepared by: Amy Romero, Director of Central Maintenance, (213) 922-5709
Christopher Reyes, Transportation Planning Manager III, (213) 922-4808

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424

Ivan Page, Interim Executive Director, Vendor/Contract Management, (213) 922-6383



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

PURCHASE OF BUS COMPONENTS/IFB NO. 15-0004

1.	Contract Number: IFB 15-0004	
2.	Recommended Vendor(s): New Flyer Industries, and Cummins Pacific, LLC	
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: 10/29/14	
	B. Advertised/Publicized: 10/31/14	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 3/2/15	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: 9/30/15	
	G. Protest Period End Date: November 24, 2015	
5.	Solicitations Picked up/Downloaded: 26	Bids/Proposals Received: 6
6.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018
7.	Project Manager: John Roberts	Telephone Number: 213/922-5060

A. Procurement Background

This Board Action is to approve multiple Contracts resulting from IFB No. 15-0004 issued in support of bus component control modules.

IFB No. 15-0004 was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

Four amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on December 5, 2014 clarified potential bidder's questions;
- Amendment No. 2, issued on December 17, 2014 clarified potential bidder's questions;
- Amendment No. 3, issued on January 15, 2015 clarified potential bidder's questions;
- Amendment No. 4, issued on January 22, 2015 clarified potential bidder's questions.

A total of six bids were received on March 2, 2015.

B. Evaluation of Bids

A total of six bidders responded to this solicitation. Three bidders were deemed nonresponsive for failure to meet the mandatory recommended 5% DBE goal and in response to Metro's inquiry demonstrated they had not engaged in Good Faith Efforts (GFE). The firm(s) recommended for award are, New Flyer Industrial for line item 3 and Cummins Pacific LLC for line items 5, 6, and 11 whose bids were found to be in full compliance with the bid requirements.

The lowest bidder for line items 1, 2, 4, 7, 8, 9, and 10 did not meet the 5% DBE goal and the second low bid price, which was responsible, is more than ten percent (10%) higher than the average inventory price and therefore not considered reasonable. Also, there was no price competition for line items 2 and 7; therefore all these bus module items will be re-bid under a separate and new IFB in the near term.

No.	Bidder Name	Bid Amount
1.	New Flyer Industrial	\$170,286
2.	Cummins Pacific, LLC	\$2,416,339

C. Price Analysis

The recommended bid prices, to be awarded on a line item basis for line items 3, 5, 6, and 11 have been determined to be fair and reasonable based upon adequate price competition. The analysis for line items 2 and 7 determined there was no price competition and the analysis of line items 1, 4, 8, 9 and 10 determined the price was not fair and reasonable.

Line Item No.	Low Bidder Name	Bid Amount	Second Low Bidder Name	Bid Amount	Metro ICE
1	Will Be Rebid				
2	Will Be Rebid				
3	New Flyer Industrial	\$170,287	Valley Power Systems, Inc.	\$188,089	\$163,392
4	Will Be Rebid				
5	Cummins Pacific LLC	\$153,751	New Flyer Industries	\$182,455	\$147,168
6	Cummins Pacific LLC	\$470,953	New Flyer Industries	\$595,749	\$480,576
7	Will Be Rebid				
8	Will Be Rebid				
9	Will Be Rebid				
10	Will Be Rebid				
11	Cummins Pacific LLC	\$1,791,635	New Flyer Industries	\$2,266,407	\$1,827,696

D. Background on Recommended Contractor

New Flyer Industrial

The recommended firm for line item 3 of the IFB, New Flyer Industrial, located in Winnipeg, MB has been in business for 85 years, is a leader in the field of manufacturer of transit vehicles and is an aftermarket distributor of bus parts. New Flyer Industrial has provided similar products to other transit agencies including New York City Transit, Chicago Transit Authority, Capital Metro, Austin Texas, and Metro Transit Authority – Houston Texas, and other agencies. To date, New Flyer Industrial has provided satisfactory service and products to Metro on previous purchases.

Cummins Pacific LLC

The recommended firm for line items 5, 6 and 11 of the IFB, Cummins Pacific LLC, located in Irvine, CA has been in business for 24 years, is a leader in the field of manufacturing engines and is an aftermarket distributor of bus parts. Cummins Pacific LLC has provided similar products to other transit agencies including Orange County Transportation Authority (OCTA), Santa Monica Big Blue Bus, and San Diego Metropolitan Transit System and other agencies. To date, Cummins Pacific LLC has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

PURCHASE OF BUS MODULES/IFB 15-0004

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Race Conscious Disadvantaged Business Enterprise (DBE) goal for this procurement. In accordance with the DBE Program Regulations, 49 Code Federal Regulations Part 26.53, to be considered responsive, Bidders must document enough DBE participation to meet the goal, and if commitment is less than the stated goal, submit evidence of Good Faith Efforts (GFE) undertaken to meet the goal.

Two Bidders (Cummins Pacific, Inc., and New Flyer Industries) listed DBE participation less than the stated goal, and submitted GFE documentation. To pass GFE, Bidders must receive a score of 75 out of the possible 100 GFE points. Cummins Pacific, Inc. made a 0.19% DBE commitment, and achieved a passing score of 85 points. New Flyer Industries made a 0.18% DBE commitment, and achieved a passing score of 80 points.

Cummins Pacific, Inc.

SMALL BUSINESS GOAL	DBE 5%	SMALL BUSINESS COMMITMENT	DBE 0.19%
----------------------------	---------------	----------------------------------	------------------

	DBE Subcontractors	Ethnicity	% Committed
1.	Say Cargo Express	Hispanic American	0.19%
Total			0.19%

New Flyer Industries

SMALL BUSINESS GOAL	DBE 5%	SMALL BUSINESS COMMITMENT	DBE 0.18%
----------------------------	---------------	----------------------------------	------------------

	DBE Subcontractors	Ethnicity	% Committed
1.	Say Cargo Express	Hispanic American	0.18%
Total			0.18%

B. Living Wage Service Contract Worker Policy

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.