



## Board Report

File #: 2018-0074, File Type: Contract

Agenda Number: 22.

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### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE APRIL 12, 2018

**SUBJECT: DENSO SPARK PLUGS SUPPLIER**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, firm fixed price Contract No. MA48271000 to Romaine Electric Corporation, the lowest responsive and responsible bidder for Spark Plugs (Denso). The Contract one-year base amount is \$701,158.68, inclusive of sales tax, and the one-year option amount is \$701,158.68, inclusive of sales tax, for a total contract amount of \$1,402,317.36, subject to resolution of protest(s), if any.

#### **ISSUE**

This procurement is for the acquisition of spark plugs which are required for maintaining the safe and reliable operation of the bus fleet. Award of contract will ensure that Bus Maintenance has adequate inventory to repair and maintain the buses according to Metro maintenance standards.

#### **DISCUSSION**

Spark plugs are an electrical ignition device that fits into the cylinder head of a CNG engine and ignites the air-fuel mixture needed for combustion to power the engine. In accordance with manufacturer's recommendations, spark plugs are required to be changed at pre-determined intervals based on mileage. Replacement of the spark plugs is essential for the proper maintenance of Metro's bus fleet and to ensure that buses run as efficiently as designed.

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, but there is no obligation or commitment for us to order any or all of the spark plugs that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

Spark Plugs will be purchased, maintained in inventory and managed by Material Management. As spark plugs are issued, the appropriate budget project numbers and accounts will be charged.

#### **DETERMINATION OF SAFETY IMPACT**

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Award of contract will ensure that all operating divisions have adequate inventory to maintain the bus and rail fleets and equipment according to Metro Maintenance standards.

### **FINANCIAL IMPACT**

The funding of \$116,859 for these products is included in the FY18 budget under multiple bus operating cost centers in project 306002 Operations Maintenance under line 50441, Parts - Revenue Vehicle.

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

#### **Impact to Budget**

The funds for this action will come from various sources including Fares, Advertising, Operating eligible sales tax; such as PA, PC, MR/MM, TDA, and Federal. That are eligible for use on Bus Operating projects. Use of these funding sources will maximize allowable funding allocations give approved provisions.

### **ALTERNATIVES CONSIDERED**

The alternative is to not award the Contract and procure spark plugs on the open market on an as-needed basis. 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 spark plugs will be fulfilled under the provisions of the Contract.

### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## DENSO SPARK PLUGS SUPPLIER/MA48271000

1.	<b>Contract Number:</b> MA48271000	
2.	<b>Recommended Vendor:</b> Romaine Electric Corporation	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 1/12/18	
	<b>B. Advertised/Publicized:</b> 1/12/18	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> N/A	
	<b>D. Proposals/Bids Due:</b> 2/15/18	
	<b>E. Pre-Qualification Completed:</b> 2/27/18	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 2/27/18	
	<b>G. Protest Period End Date:</b> : 4/26/18	
5.	<b>Solicitations Picked up/Downloaded:</b> 16	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Tanya Allen	<b>Telephone Number:</b> 213/922-1018
7.	<b>Project Manager:</b> Alex DiNuzzo	<b>Telephone Number:</b> 213/922-5860

**A. Procurement Background**

This Board Action is to approve Contract No. MA48271000 for the acquisition of Spark Plugs (Denso). Denso is an aftermarket (non-OEM) spark plug. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. MA48271 was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

One amendment was issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on January 15, 2018, clarified potential bidder's questions.

A total of three bids were received on February 15, 2018.

**B. Evaluation of Bids**

This procurement was conducted in accordance, and complies with LACMTA's Acquisition Policy for a competitive sealed bid. The three bids are listed below in alphabetical order:

1. B & C Truck Electric Service, Inc.
2. Gillig LLC
3. Romaine Electric Corporation

### **C. Price Analysis**

The recommended bid price from Romaine Electric Corporation has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest price responsive and responsible bidder.

Line Item No.	Low Bidder Name	Bid Amount	Metro ICE
1	Romaine Electric Corporation	\$1,402,317.36	\$1,230,389
2.	B&C Truck Electric Service Inc.	\$1,444,269.96	
3.	Gillig LLC	\$1,547,432.10	

### **D. Background on Recommended Contractor**

The recommended firm, Romaine Electric Corporation, has been in business for 97 years, and is a leader in Electrical and manufacturer parts, components, alternators, starters, regulators, spark plugs and other related parts. Romaine Electric Corporation has provided spark plugs for the Defense Logistics Agency, Sun Tran, Omni Transportation Authority, King County WA, Tri-Met, Community Transit, and Pierce Transit. In the past, Romaine Electric Corporation has provided satisfactory products and services to Metro.

## DEOD SUMMARY

## DENSO SPARK PLUG SUPPLIER/MA48271000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement. DEOD determined that there was a lack of availability of DBE certified firms to supply the required aftermarket spark plugs, which are shipped directly to Metro.

**B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

**C. Prevailing Wage Applicability**

Prevailing wages are not applicable to this Contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.